

Marks & Spencer Base Year Recalculation Policy

Introduction

According to the GHG Protocol¹, to “consistently track emissions over time, companies shall recalculate base year emissions when significant changes in company structure or inventory methodology occur. In such cases, recalculating base year emissions is necessary to maintain consistency and enable meaningful comparisons of the inventory over time”.

Subject to a significance threshold to be determined by the company itself, the GHG Protocol expects a company to recalculate base year emissions when the following changes occur and have a significant impact on the inventory:

- Structural changes in the reporting organisation, such as mergers, acquisitions, divestments, new joint ventures, outsourcing, and insourcing.
- Changes in calculation methodologies, improvements in data accuracy (including emissions factors), or discovery of significant errors
- Changes in the operational or organisational boundaries of the inventory (e.g., changes in the categories or activities included in the Scope 3 inventory or future changes to how emissions are consolidated)

Given businesses change over time and emissions data is constantly improving, it is likely that base year emissions – particularly Scope 3 emissions – will require frequent updating and refinement to ensure comparisons are fair and reflect real changes in emissions over time.

M&S significance threshold and approach to recalculation

When referencing the base year we mean the base year for any carbon related targets, for example our Science Based Target (2016/17) and KPI's linked to our Revolving Credit Facility (2021/22).

If structural, methodological or boundary changes result in Group Scope 1 and 2, or Group 3 emissions changing by 5% or more, then the base year inventory will be re-calculated and restated.

If the change is less than 5% then Marks & Spencer may choose to recalculate and restate the base year. This decision will be taken by the Head of ESG in consultation with the CEO, CFO and Executive Committee and the Board ESG Committee.

Changes will be made at the end of each financial year. The company will restate updated base year emissions and reported previous years when it reports its latest greenhouse emissions.

Policy version history

Version No.	Date	Revised by	Description of revisions
1.0	10/01/2023	Zoe Mountford	Policy created

¹ GHG Protocol Corporate Standard and GHG Protocol Value Chain (Scope 3) Standard (<https://ghgprotocol.org/>)