

Written evidence submitted by M&S (FL0028)

1. Introduction

We are grateful to the Committee for inviting us to give evidence to this inquiry. We do not work directly with any suppliers in or source product from Xinjiang, and we have set out below how we have put safeguards in place to ensure that we retain our high ethical standards for future supply chain decisions in relation to that region. We have also detailed our broader approach to preventing modern slavery and human rights abuses.

2. About Marks & Spencer

Marks & Spencer (M&S) is one of the UK's leading retailers. In the clothing market, we have a circa 7% overall market share by value and are the second largest retailer in the market. The largest clothing retailer is Next and third largest is Primark, who have circa 7.3% and circa 5% shares of the market respectively, according to the latest Kantar data. Our product supply chains are extensive and global, with suppliers in more than 80 countries.

3. Principles underpinning our approach to tackling modern slavery and human rights abuses

We recognise that Modern Slavery is a growing global issue and we understand our responsibility to prevent, mitigate and remediate where necessary, the risks of human trafficking, forced, bonded and child labour and to respect human rights in our operations and our supply chain. Our commitment is very clear: we will always treat people in our business and supply chain fairly.

We believe tackling modern slavery must involve us robustly scrutinising our own practices, those of our suppliers and the retail industry more broadly.

We continuously review and improve our practices to ensure we have the most effective responses to prevent and remediate any negative impact on human rights in our supply chain. Customers have high expectations of M&S' quality and standards and maintaining their trust is critical to our brand. Our colleagues are proud to work for a business with a long heritage of doing the right thing and our business is stronger for having one of most passionate and dedicated workforces in UK retail.

Our [Modern Slavery statement](#) outlines in more detail the steps we take as a business to prevent slavery and human trafficking in our own operations and supply chains.

4. Our own operations

In order to reduce global human rights abuses, we know we have to start with our own operations. To achieve this we follow a number of policies relating to accountability, whistle-blowing, grievances and modern slavery.

Accountability

We operate a family of accountable businesses, including Clothing & Home, Food, International, Property and M&S Services, using the M&S own-brand model. The Managing Directors of each of our family of businesses is responsible for Modern Slavery activity within their operations. Overall accountability is held by the Executive Committee, chaired by our CEO, Steve Rowe and the Board have final sign off. This places responsibility for overseeing how we prevent slavery and human trafficking right at the most senior level of our business.

Whistle-blowing

We are committed to building a culture of trust and transparency within our business and supply chains. We will never obstruct access to remedy and are open to collaborating in initiatives that provide access to remedy. We have never brought a retaliatory legal claim or dismissed any employees or any workers on the basis that they have brought or tried to bring a case against us involving any allegation of human rights impacts / abuses or against the lawyers representing them and have never brought a case for defamation or similar actions against claimants or their lawyers.

M&S has a strict anti-retaliation policy. We encourage our employees and individuals within our supply chains and wider communities (including those that represent them) to report any wrongdoing without fear of retribution. This includes where human rights may be violated or where there is a breach of our labour standards. Our central concern will always be to safeguard the rights and wellbeing of any person who has lodged, in good faith, a grievance with M&S and have introduced measures to prevent retaliation. For example, complaints can be raised anonymously if required.

Grievances

M&S has several grievance channels and mechanisms in place and our goal is to leverage existing processes while ensuring that there are no gaps between what exists and what is required by the [UN Guiding Principles on Business and Human Rights](#) and the law.

Modern slavery policies and procedures

We continuously review and improve our policies and detailed guidance with input from practitioners across the business, suppliers and external

stakeholders. We have several groupwide policies in place relevant to Modern Slavery, all of which are signed off at Director level. These include our:

- [Human Rights policy](#)
- [Code of Ethics & Behaviours](#)
- [Confidential Reporting Procedures](#) (aimed principally at our colleagues but also available to others working in our supply chain)
- [Grievance Policy](#) for Clothing, Home and Food supply chains to ensure the effective remedy of human rights issues
- [Global Sourcing Principles \(GSP\)](#), have applied to product suppliers since 1998, and as of May 2016, have been extended to all suppliers and franchise partners

5. Managing our supply chain

We manage our supply chain by first assessing the risk associated with a new supply chain region or partner, taking actions to manage that risk as needed, and then carrying out due diligence to ensure appropriate controls are in place. We also provide regular training both to our colleagues and suppliers, to increase their understanding and ability to tackle modern slavery and other human rights abuses.

Risk assessment and management

Our annual Modern Slavery risk assessment approach is aligned with the M&S Group risk register methodology, considering changes to external and internal risks and how these are mitigated. The manifestations of Modern Slavery are complex and hidden, so our risk assessment includes the following to enable us to prioritise activity; detailed mapping of supply chains and operations, desk-based research, supplier surveys, supplier engagement, and discussions with expert stakeholders. We use a bespoke, industry leading, risk assessment methodology to map our exposure in different countries and review what we have in place to mitigate issues.

Due diligence

Having established risk, we conduct due diligence within our supply chains and operations to understand whether there is evidence of Modern Slavery issues, and whether there are enough controls in place. All new and existing direct suppliers to Food and Clothing & Home are required to have ethical audits, conducted by third parties before we are prepared to accept supply from them. If issues are identified, appropriate investigative and remedial actions are taken.

We recognise the limitation of mainstream ethical audits to identify Modern Slavery issues; and to have effective Modern Slavery due diligence, we need to

undertake a range of other methodologies, as appropriate for the nature of the supply chain. Our due diligence over the last year has included:

- Bespoke assessments and audits where a previous assessment, intelligence or whistle blower highlights a higher risk in relation to Modern Slavery
- In person visits to high risk Food and Clothing & Home supply chain countries
- Membership of the Modern Slavery Business Portal for the Food supply chain
- A focus on understanding the risks for migrant workers from Myanmar to Thailand in the Food supply chain
- Research to understand inter-state labour movement in North India in the Clothing & Home supply chain

If we find an issue in a factory, we work together with the factory management, suppliers, local NGOs and, in some cases, Government bodies on a sustainable corrective action plan to find a solution.

Training

Training and raising awareness is a key focus for the business and our extended supply chains. We have trained practitioners and leadership teams who have been given increased responsibility for understanding and mitigating Modern Slavery risk, as well as raising awareness across the business through training including our 'Many Eyes' site visit toolkit for buyers.

Our Clothing & Home team worked to upskill UK suppliers via Fast Forward training sessions in the UK and ran a supplier conference in Vietnam on Modern Slavery. In 18/19, our compliance team in China delivered workshops to train 62,000 workers in Clothing & Home factories on Modern Slavery.

In 19/20, the [Modern Slavery Toolkit](#) was redistributed to all global suppliers. This toolkit is intended to support M&S suppliers and partners to implement a strategy for their business and their supply chains to tackle modern slavery, as well as make clear M&S' expectations.

As we reported in our most recent [Modern Slavery statement](#), we have built on the specialist modern slavery training which we held in our China and Hong Kong regional offices in 2017/2018 and the attendance of the Ethical Trading Initiative's (ETI) modern slavery training. We have continued to roll out the awareness training in our other sourcing offices in India and Turkey. In China we trained 135 of our own colleagues on modern slavery in the last reporting year.

Supporting workers in our supply chain

We actively work with our suppliers on supporting workers in our supply chain on programmes including leadership skills, financial literacy and health.

For example, we worked with Emerging Leaders, an NGO that provided leadership training to around 50,000 supply chain workers in Kenya, east Africa and South Africa, India, Sri Lanka and Bangladesh. The training takes participants on a journey to a new mind-set and empowers them to take others on the same journey as leaders in their communities. Participants have told us that the programme has led to improved productivity, better retention of high quality, motivated employees and less dependency on casual labour.

We also developed HealthWorks with Project Hope and the Reproductive Health Association of Cambodia (RHAC) to address simple root causes of absenteeism and fatigue and increase health and nutritional awareness in seven factories in Cambodia. We trained over 14,000 workers and upskilled the medical professionals on site to help improve employee health as well as workplace productivity.

6. How we work with the rest of the retail industry to drive change

We know that tackling modern slavery and other human rights abuses requires an industry-wide approach, and we make sure we play our part to drive change across the industry as a whole. The industry-wide work which we have led or participated in includes:

- **Modern Slavery helpline**: This helpline, operated by the modern slavery charity Unseen, provides victims, the public, statutory agencies and businesses access to information and support on a 24/7 basis. M&S is a sponsor of the helpline and in 2019 we extended our sponsorship, becoming members of the Modern Slavery Helpline Business Portal.
- **Responsible Recruitment Toolkit (RRT)**: We were a founder of the RRT, a not-for-profit, global programme whose mission is to drive ethical and professional recruitment and labour supply that's good for workers, recruiters and clients. As founders, we support our suppliers and partners to embed responsible recruitment practices.
- **Ethical Trading Initiative (ETI)**: We are a member of the ETI, which is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. As a member, we have adopted the [ETI Base Code of labour practice](#), which is based on the standards of the International Labour Organisation (ILO).
- **Consumer Goods Forum (CGI)**: We are a member of the CGI, a global organisation which provides a platform for networking and best-practice sharing across the consumer goods industry and beyond.

7. Our approach to sourcing from the Xinjiang region

We neither work directly with any supplier in nor do we source from Xinjiang. We have zero tolerance for forced labour in our supply chain and a robust approach to supply chain transparency and ethical sourcing including independent audits across every region we work in. We also play our part in ensuring the fashion industry as a whole tackles sourcing issues by working collaboratively with industry organisations and other retailers.

To further strengthen our position in relation to the Uyghur region, we are engaging with the Coalition to End Forced Labour in the Uyghur Region, a coalition of civil society organisations and trade unions. We support their goals and their [Call to Action](#) on human rights abuses in the Uyghur Region in the apparel and textiles sector reflect our current positions and practices.

The Call to Action calls on brands and retailers to exit the Uyghur Region at every level of their supply chain, from cotton to finished products, to prevent the use of forced labour of Uyghurs and other groups in other facilities, and to end relationships with suppliers supporting the forced labour system. It also urges national governments to strengthen and enforce existing laws prohibiting trade in goods produced using forced labour, and to adopt and implement binding laws requiring human rights due diligence in supply chains.

We would encourage the Committee to closely consider the recommendations of the Call to Action, and that the Government implements the recommendations regarding trade and human rights law.

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