

## Written evidence submitted by Marks & Spencer

### 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. Our product supply chains are extensive and global, with suppliers in more than 80 countries.

We welcome the opportunity to contribute written evidence to this inquiry. We take our commitment to improving sustainability in our clothing and homeware seriously, and have set out below some examples of how we do this. We operate rigorous quality management systems which have been developed with our suppliers, who are required to meet a range of quality, safety, environmental and social standards.

Our Plan A sustainability plan commits us as a business to three key objectives, which underpin our approach to the issues addressed in this inquiry:

- **People:** We want the people working in our business and our supply chains to have a voice, and to progress. We support the causes our customers care about, and the communities where we trade.
- **Product:** We source our products responsibly, working closely with our suppliers to ensure high standards. We ensure no food or clothing goes to waste.
- **Planet:** We are driving down greenhouse gas emissions. We reduce, reuse and recycle. We work with the factories we source from to take good care of the planet's natural resources, while being open about the progress we've made.

### Responses to questions posed in the call for evidence

1. What progress has been made in reducing the environmental and social impact of the fashion industry since the Fixing Fashion report came out?

As a business, M&S has a longstanding commitment to reducing the environmental and social impact of the fashion industry. Originally launched in 2007, our [Plan A](#) sustainability plan is our way to help build a sustainable future by being a business that enables our customers to have a positive impact on wellbeing, communities and the planet through all that we do.

Since the Committee's report two years ago, we have continued to make significant progress in reducing the environmental and social impact of our products.

- **Helping our customers know more about what they're buying:** We've recently taken an important big step in sharing our sustainability credentials with our customers online: adding information about the materials making up over 4,000 clothing products to the pages of M&S.com. Customers are able to click on the 'details & care' link when shopping online to find out more about the sustainability credentials of the materials that makes up that item.
- **Better cotton:** In Spring 2019 M&S completed the process of converting all of our cotton clothing to 100% sustainably sourced (mainly through the Better Cotton Initiative). M&S has been at the forefront of self-sourcing sustainable cotton and became a pioneer member of the Better Cotton Initiative back in 2009.

- **Sourcing man-made fibres responsibly:** We are signatories to Changing Markets' Roadmap to Responsible Viscose Production and updated the [interactive map](#) on our website to show how we source man-made cellulosic fibres, to improve our transparency to our customers. 100% of viscose (and related fibres) is sourced from 'green-rated' suppliers by the CanopyStyle Initiative.
- **Assessing the environmental impact of our suppliers:** From April 2020, all key M&S tier 1 and tier 2 suppliers are required to make Facility Environmental Module Higg Index submissions as part of our membership of the largest global clothing sustainability programme, the Sustainable Apparel Coalition. The Higg Index assesses the environmental impact of supplier factories and has recently launched new materials and product tools to inform design decisions and we are currently running training for our buying teams on these tools and steps they can take to improve sustainability in garment manufacturing.
- **More sustainably produced jeans:** Jeans are a true wardrobe staple for M&S customers. In the last 24 months we have worked hard to improve the sustainability credentials of our denim. We are engaging our suppliers to use smarter washing technologies to reduce water and chemical use. For example, reducing liquor ratios in all steps, using a screened set of specific chemicals chosen for their lower impact, continued measurement of water usage, targeting "GREEN" EIM scores and a focus on laundries with water recycling, low liquor ratios and processes using less water.
- **Gender equality:** We are involved in a number of projects to promote gender equality in our supply chain, including the Gender Equality and Returns programme (GEAR) in Bangladesh. Covering technical skills, soft skills, managerial skills and team building it aims to help women workers progress into leadership. In partnership with our suppliers we enrolled 106 trainees from 12 factories (which supply M&S a range of products across womenswear, menswear and kidswear) to the GEAR programme; a six month on the job training course, including 10 days of critical face-to-face support. In India, Her Project has run in 15 factories with a total of 10,000 workers trained in India and Leadership for life has run in 36 factories and a total of 19,800 workers trained in India - this is a proven model for empowering workers.
- **Digital wages:** In 2019, M&S became a member of the ground-breaking partnership [Better Than Cash Alliance](#). As a member of the Alliance, we work on programmes aimed at increasing the use of electronic payments across our global supply chain, in collaboration with our suppliers and other brands. We started working on digitisation in Bangladesh in 2015 when M&S became one of the first brands to join BSR's HERfinance Digital Wages program in the country. A part of BSR's HERproject, the [HERfinance Digital Wages programme](#) supports factories to switch from cash to digital payroll with the goal of improving the financial health and wellbeing of workers, especially women, while also increasing supplier transparency and efficiency. Data collected to date shows that after completing the Digital Wages program there is an increase of 33% in the number of workers (male and female) saving regularly, women are 15% more likely to participate in household decisions related to spending and saving, mobile phone ownership increased by 86% among women workers and suppliers experience a 53% reduction in administration time for processing wage payments.

We have also worked with the rest of the fashion industry on a number of initiatives:

- **Sustainable Clothing Action Plan:** M&S has completed the Sustainable Clothing Action Plan (SCAP) 2020 programme in which M&S clothing greenhouse gas emissions were reduced by 16% and our clothing's water footprint by 25%.
- **Textiles 2030:** This year M&S, along with other fashion retailers, became members of Textiles 2030, WRAP's new ground-breaking, expert-led initiative, harnessing the knowledge and expertise of UK leaders in sustainability to accelerate the whole fashion and textiles industry's move towards circularity and system change in the UK. M&S was part of the steering committee which established this new initiative, which will launch formally in 2021. Textiles 2030 is a voluntary agreement which builds on the learning and success of the SCAP. It places greater emphasis on the circular economy to drive sustainability at every moment of a product's life and to date there has been much wider engagement across the retail and fashion industry than there was with SCAP.
- **Climate Action Roadmap:** M&S participated in the development of and signed up to the British Retail Consortium's Climate Action Roadmap, which commits retailers to achieving net-zero clothing supply chains by 2040.
- **Institute for Positive Fashion:** The British Fashion Council has become much more engaged with their Institute for Positive Fashion, of which M&S is a member.

2. What impact has the pandemic had on fashion waste?

It is too early to assess this. However, it is worth noting that at M&S we have taken steps to ensure that none of our safe, unsold clothing has gone to waste. Unsold Spring/Summer 2020 M&S clothing has been placed into storage with the intention of selling in Spring/Summer 2021. All surplus stock is eventually sold or donated to charities, including Oxfam and Newlife.

3. What impact has the pandemic had on the relationship between fashion retailers and suppliers?

The impact of COVID-19 across the clothing sector is completely unprecedented and has been felt acutely by both retailers and our suppliers. We are very proud to have strong long-term relationships with our clothing suppliers; in fact, we have worked with over 70% of our supply base for over seven years.

Most importantly, we are managing our supply so that we have a viable business on the other side of this. We have worked through a plan with our suppliers which is as follows:

- We paid for all shipped products.
- We will pay for all made garments that have not yet been shipped.
- We are continuing to offer vendor finance and letters of credit, meaning suppliers get early access to cash regardless of payment terms.
- Where production is beginning to recommence, we have taken precautionary steps to ensure suppliers are implementing safeguarding measures to protect garment workers. This includes social distancing, sanitising practices, providing adequate protective equipment and additional awareness training about the virus.
- We fully support the efforts of the Ethical Trading Initiative and our partner the International Labour Organization who are facilitating the coordination and distribution of emergency relief funds, supporting safe working where manufacturing continues and co-

ordinating an industry-wide response. We endorsed the ILO's [COVID-19: Action in the Global Garment Industry](#).

- We are also involved in two of the projects approved by the FCDO to support their COVID-19 Vulnerable Supply Chains Facility (VSCF) in Bangladesh, to form partnerships that support and respond to the challenges that COVID-19 and ensure the most vulnerable workers and suppliers are prepared for the anticipated economic and social shocks.
- More widely, we remain committed to our [Global Sourcing Principles](#) that outline how we work with suppliers in relation to human rights, sustainability and decent working conditions.

4. How could employment law and payment of the minimum wage be more effectively enforced within the UK fashion industry?

We do not have a UK supply base for our clothing business but have worked with the British Retail Consortium on their work on employment conditions within the UK fashion industry and support their position.

5. What are the pros and cons of proposals to license factories or more strongly regulate purchasing practices?

As above (see question 4).

6. What would be the most effective measures industry or Government could put in place to ensure that materials or products made with forced or prison camp labour are removed from the supply chain?

We have recently provided [detailed evidence](#) on this issue to the Business, Energy and Industrial Strategy Committee. A summary of that evidence is below.

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 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. How can any stimulus after the Coronavirus crisis be used to promote a more sustainable fashion industry?

It is too early to assess this.

8. Is the Sustainable Clothing Action Plan adequate to address the environmental impact of the UK fashion industry? How ambitious should its targets be in its next phase?

Fashion is a global industry, and so global initiatives (such as the Sustainable Apparel Coalition) are most likely to provide the necessary collaborations and scale to address the global impact of the industry. However, UK initiatives can contribute to global change, and can address the domestic impact of the fashion industry.

Textiles 2030, the new voluntary agreement, builds on the learning and success of the SCAP and aims to engage the majority of UK fashion and textiles organisations in collaborative climate action. M&S was a member of the steering group which devised this new initiative and we believe a voluntary scheme can work well.

Textiles 2030 is ambitious but achievable and is intentionally based on more than just metrics. Its targets are:

- To reduce the aggregate greenhouse gas footprint of products sufficient to limit global warming to 1.5°C (40-50%), in line with the Paris Agreement on climate change.
- To reduce the aggregate water footprint of new products sold by 30%.
- Through collaboration, create and deliver a UK-wide Roadmap for Circular Textiles.

As a member of Textiles 2030, we support these commitments and are working towards achieving them in our own business. Our response to question 1 details some of the steps which we have taken towards achieving them.

9. What actions could Government take to improve the collection of fashion waste?

At M&S we have a longstanding commitment to collecting fashion waste through our Shwopping scheme. Shwopping enables customers to bring an unwanted item of clothing into an M&S store (even if it's not from M&S) each time they come to buy something new. Customers can put their unwanted items into a 'Shwop Drop' box (by the tills in most M&S stores). All clothing goes to our partners Oxfam and they'll either resell it in one of their shops or on the Oxfam Online Shop, sell it to be reused in different countries around the world, or recycle the fibres to make new material. Absolutely nothing goes to landfill and Oxfam use the money raised to help end extreme poverty around the world.

However, greater support is needed to enable fashion waste which has been collected to be recycled or reused in this country, as it is currently very costly to do so. We support the BRC's suggestions for ways in which this could be improved:

- Creating consistent textiles collection across councils as currently there are different rules for different councils;
- Developing appropriate collection, sorting and recycling infrastructures;
- Investing in the circular economy through increased innovation funding for developing scalable fibre to fibre recycling methods; and
- Introducing tax breaks for recyclable clothing.

In addition, there needs to be more investment in innovation for recycling technologies in order to enable UK businesses to responsibly dispose of waste and design more circular ranges. Currently, the UK provision and capacity in this regard is poor.

10. What actions could the Government take to incentivise the use of recycled or reused fibres and materials in the UK fashion industry?

We are encouraged that the Government has backed Textiles 2030, and believe this voluntary initiative could make a significant difference in the UK fashion industry.

In addition, more support is needed for innovation in the UK to make better use of collected textiles that cannot be reused.

At M&S, we are doing all we can to increase the amount of textiles which we recycle, but we have encountered a number of barriers which have limited our ability to do more. We have worked with Oxfam for over 12 years, partnering with them on their Wastesaver operation located in Batley, West Yorkshire. We have undertaken a number of innovative sustainability projects with them, including:

- sending discarded wool and cashmere textiles to an Italian company for remanufacturing into new coats and men's suits.
- connecting Oxfam's Wastesaver operation with the M&S UK suppliers, we have been able to find reuse opportunities for textiles in the layers of mattress stuffing.

However, we have not been able to scale up these projects in a cost-effective way due to the highly manual task of textile sortation and limitation in fibre to fibre recycling technologies for a wide range of materials. We would like to be able to do this, and know this goal is shared by Oxfam and the British Fashion Council.

We would encourage the Government to provide financial incentives to support:

- increased innovation in material sortation and fibre to fibre recycling markets in the UK
- research and development and pilot plant studies in the UK to develop technology which would enable some of these successful pilot programmes to be scaled in a cost-effective way which would enable new textiles to be produced from recycled or reused fibres in a way which was affordable to a greater number of consumers.

- facilitating the low cost logistics of moving recovered fibre from end use markets (such as the UK) back to the country of manufacturing (such as Turkey, India and Asia).

11. How could an Extended Producer Responsibility scheme for textiles be designed to incentivise improvements in the sustainability of garments on sale in the UK?

We welcome the Government's support for the voluntary scheme Textiles 2030, which we have helped to develop. This is a new initiative and it would be helpful to allow time for this scheme to become embedded within the fashion industry's working practices before further action is taken. Once it is more established then potentially it could be useful to undertake further work to determine what additional measures could be taken to incentivise improvements in the sustainability of garments on sale in the UK

If, at a later stage, an Extended Producer Responsibility (EPR) Scheme were to be introduced, we would echo the principles which the BRC has laid out in its response to this inquiry:

- An Extended Producer Responsibility (EPR) scheme may encourage retailers to design product with sustainability in mind, which would encourage the longer use of textiles and reduce the reliance on fast fashion. It could also lead to more take-back schemes being designed and offered by retailers.
- However, this could also lead to an over saturation of the second-hand clothing market, which would more other disposal routes would be required as this market became more saturated.
- Additionally, if an EPR were to be put in place, better recycling capabilities would be needed in the UK to keep up with the increase in demand from retailers and there would need to be opportunities to engage consumers in an education piece to support a better understanding of the environmental impacts of products they buy.
- Rewarding recyclable products with a VAT reduction for textiles could be passed on to the customer to encourage them to buy more sustainably. These incentives can also help innovate more circular business models such as resale, rental, repair.
- Finally, any monies raised from an EPR scheme would need to be used to fund development of the necessary infrastructure and technology needed for all the points raised above to ensure the value and the benefit of recycling or donating items was first and foremost.

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