

Review of the year

(continued)



Cheshire Oaks store
Our biggest greenest store to date was built using sustainable glulam timber roof girders, hemp walls and many other sustainability features.

Make Plan A how we do business

We can make sustainability 'the business we do' in M&S by integrating Plan A into every aspect of our operations – including the products we develop and sell, the stores we build or refit and the way we work with our suppliers and engage our employees.

For more detail about how we've integrating Plan A into our business go to page 24.

Creating new jobs through Marks & Start

This year we've taken our Marks & Start work experience programme to a whole new level – helping over 500 disadvantaged people find employment after they completed work placements with us. We provided 1,100 placements in 2012/13, a quarter of which went to people under 25 years old, and achieved an estimated into work rate of 50% – the best rate yet since we launched Marks & Start in 2004.

Working together with Remploy, we've also launched Marks & Start Logistics at our new distribution centre in Castle Donington, where 30 people with disabilities have already found jobs through the programme. Alongside Marks & Start, we've also welcomed a further estimated 2,000 school and college students onto work experience placements this year.

The future of Plan A

Innovative thinking is essential to the success of Plan A and thanks to the Plan A Innovation Fund we've launched a number of promising projects. These include ideas for developing more sustainable clothing fabrics, original thinking about ways to improve labour standards in our supply chains and a joint project with the Natural Environment



For the 3rd year running, we've been listed in the Times Top 50 Employers for Women survey – reinforcing our commitment to make M&S a diverse company in which talented people can excel.

Research Council to improve the way we share knowledge and work with our suppliers.

Expanding our Eco-Factories

Since 2010, 48 of our top 100 clothing suppliers have worked with us to implement valuable energy efficiency measures, while 35 have gone further and qualified for our rigorous Eco-Factory status.

Welcome to the biggest, greenest M&S store yet

In August 2012 we opened the doors at our biggest greenest store yet – Cheshire Oaks. This store has been planned and constructed on a significantly bigger scale from previous eco-stores and its sustainable credentials are impressive. Its green features including hemp walls, glulam timber girders, rainwater recycling and biomass heating systems, plus a 300m³ 'living wall'.

Key achievements

1,100
participants in our Marks & Start work experience programme

50%
estimated to find work as a result



Pillar 2: Make Plan A How we do business

This section shows our detailed performance against our Pillar 2 commitments. Each commitment is shown as Achieved, On plan, Behind plan or Not achieved.

Why is this important?

We can make sustainability 'the business we do' in M&S by integrating Plan A into every aspect of our operations – including the products we develop and sell, the stores we build and the way we work with our suppliers and engage our employees.

What have we done?

We've integrated Plan A across many parts of our business. This year we opened our biggest greenest Sustainable Learning Store to date at Cheshire Oaks and generated a net benefit of £135m from Plan A which was available to be reinvested in the business.

Highlights this year

78%

Engagement score in our annual employee survey

£135m

Net benefit from Plan A was available to be reinvested back into the business

1,200

delegates attended our 2012 Plan A Supplier Conference

3rd year

M&S was listed in the Times' Top 50 Employers for Women

4. Engage our employees in Plan A.

4.1 Free energy monitors
Previously achieved

4.2 Free home insulation
Previously achieved

4.3 One day paid volunteering**
Previously achieved

4.4 Customer assistant performance**
Previously achieved/ongoing

Aim: Achieve at least 90% of our Customer Assistants at the required levels of performance.

Progress: As of March 2013, 99% of our UK Customer Assistants were performing at or above their required levels of performance (last year 98%). This improvement is partly due to a change in the way data is measured, which more accurately reflects the number of employees who do not meet the required performance levels.

4.5 Feedback on communications**
Previously achieved/ongoing

Aim: Achieve a positive employee feedback score of at least 80% on M&S communications in our annual employee survey.

Progress: This year we achieved a positive feedback score of 84% for 'communication' in our 2013 annual employee Your Say Survey (last year: 82%). The survey covers all M&S wholly owned operations across the world plus 13 International franchises.

4.6 Feedback on engagement**
Previously achieved/ongoing

Aim: Achieve a response rate of at least 85% in our annual employee survey with overall Positive Engagement and Commitment scores, respectively, of at least 70%. Also an Annual Report KPI.

Progress: We believe that it's important for us to stay in touch with the views of our employees so we've increased the frequency of our employee surveys with the introduction of quarterly 'pulse' surveys. Increasing the frequency of our surveys has resulted in a reduction in the overall response rate to 78% (last year 91%), although our survey provider advises that a response rate above 60% provides an accurate representative view of how people are feeling. Our Positivity score (previously our Positive Engagement score) increased by 3% to 78% and our Engagement score (previously our Commitment score) increased by 2% to 78%. The full survey covers all M&S wholly owned operations across the world plus 13 International franchises.

To reflect these changes to our approach, we have reworded this commitment to:

Achieve a Positivity score and an Engagement score of at least 70% in our annual employee Your Say Survey.

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304 of these incidents were recorded as RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations), a 66% year-on-year reduction (last year: 884). This is equivalent to 18 RIDDOR incidents per million square feet compared to 55 last year. This reduction is due to a change in the way that the Health & Safety Executive calculates RIDDOR frequency.

In November 2012 a fatality related to electrical work being carried out by a contractor occurred at our Tunbridge Wells store. This incident is currently under investigation.

4.10 First aiders
Previously achieved/ongoing

Aim: Maintain certification of over 5,000 first aiders in our stores and offices in the UK and Republic of Ireland for the benefit of both customers and employees.

Progress: As of April 2013, we maintained the number of certified first aiders in stores and offices at over 5,000. During the year, we introduced a new approach which assesses the level of risk at each location to determine the skill-level of first aiders required.



4.11 Responsible buying
Previously achieved

4.12 Plan A Champions
Previously achieved

4.13 Health information for employees
Previously achieved

5.3 Linking Directors pay to Plan A
Previously achieved

5.4 M&S pension fund
Previously achieved

5.5 Business Foundation Programme
Previously achieved

4.7 Feedback on intention to stay
Previously achieved/ongoing

Aim: Achieve a positive employee feedback score of at least 70% on 'intention to stay 12 months' in our annual employee survey.

Progress: We achieved a positive feedback score of 78% on 'intention to stay 12 months' in our 2013 annual employee Your Say Survey (last year: 77%). The survey covers all M&S wholly owned operations across the world plus 13 International franchises.

4.8 Diversity (part 2)
On plan

Aim: Report on an extended range of diversity measurements including senior management age, gender and ethnicity by 2010 (Previously achieved). To drive and sustain a culture of equality by taking action on issues identified through our Diversity Forum by 2015.

Progress: This year our Diversity Forum focused on gender diversity, in line with our support for the UK Government's 'Think, Act, Report' initiative. To help us develop our future plans, we held a number of events including a breakfast meeting and discussions with women in senior management roles.

In 2013, we were again listed in The Times' Top 50 Employers for Women.

5. Integrate Plan A into our systems and processes.

5.1 Business case**
Previously achieved/ongoing

Aim: Develop and report on the financial business case for Plan A by 2011.

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Year	Women			Women in senior management (top 120)
	employees	managers	store managers	
2013	74%	64%	49%	35%
2012	74%	64%	48%	35%

Management is defined as people with first line supervisory responsibilities or professional and technical specialists.

Year	Employees from ethnic minority backgrounds	Managers from ethnic minority backgrounds
	2013	12%
2012	13%	12%

Management is defined as people with first line supervisory responsibilities or professional and technical specialists.

Year	Employees over 50 years of age	Employees over 61 years of age	Employees over 65 years of age	Employees with over 11 years service
	2013	33%	10%	3%
2012	33%	10%	3%	29%

All data as of March 2013.

4.9 All store H&S reporting**
Previously achieved/ongoing

Aim: All stores and offices to actively report on health & safety incidents through clear policies and increased training and awareness by 2010.

Progress: The total number of reported accidents to employees, customers, contractors and visitors in 2012/13 was 27,732 (last year: 28,843). Incidents per million square feet fell by 6% to 1,673 (last year 1,779).

Progress: Plan A activities contributed an additional net benefit of £135m this year which was available to reinvest back into the business.

5.2 Internal price of carbon
Previously achieved

6. Build Plan A into every aspect of our construction programme.

6.1 Sustainable Learning Stores On plan

Aim: Open two new Sustainable Learning Stores each year to support continuous improvement (up to 2015).

Progress: We opened Sustainable Learning Stores in Delhi, India in February 2012 (which achieved a Platinum LEED rating) and Cheshire Oaks in August 2012. Cheshire Oaks, our biggest greenest store to date, was built using Forest Stewardship Council certified glulam wood roof supports, insulating hemp and lime wall panels. It also incorporates rainwater harvesting, a biomass boiler and heat reclamation system.

Over the next 18 months we plan to open two more Sustainable Learning Stores, at York Monkcross and Scunthorpe.



We also conducted post occupancy evaluations of older Sustainable Learning Stores including Ecclesall Road which has resulted in the adoption of around 60% of the new techniques and technologies being tested at the site. These will now be included in the standard specification of M&S stores wherever possible.

- 6.2 M&S climate adaptation **Previously achieved**
- 6.3 Biodiversity audits **Previously achieved**
- 6.4 Sustainability of new stores **Previously achieved**
- 6.5 Carbon managers **Previously achieved**
- 6.6 Whole life costing for stores **Previously achieved**

6.7 BREEAM Previously achieved/ongoing

Aim: Target all new stores to achieve the BRE Environmental Assessment Methodology (BREEAM) 'excellent' rating and all other development stores to be assessed against BREEAM rating system by 2012.

Progress: This year our Cheshire Oaks Sustainable Learning Store was rated as BREEAM Excellent while five other developments achieved Very Good ratings. We started BREEAM assessments at a further 15 stores.

We are investigating the most appropriate environmental building accreditation standards for our International store developments.

In the future we plan to use a range of environmental building accreditation standards depending on the type and location of the development.

- 6.8 Green stores **Previously achieved**

7. Engage our business partners in Plan A.

7.1 Review Plan A with franchises Previously achieved

7.2 Field to Fork and TRAK Previously achieved

7.3 Food supplier Plan A benchmarks** Behind plan

Aim: Work with M&S food suppliers to implement a Gold/Silver/Bronze sustainability benchmarking standard to improve ethical and environmental performance. By 2015, 100% will be engaged and 25% by turnover will be at Gold level.

Progress: Using our Food Supplier Sustainability Framework we've now assessed submissions from over 200 food suppliers as: Provisional, Bronze, Silver or Gold. The framework includes three sections: human resources, environment and lean (efficient) manufacturing. We use suppliers' lowest scores from these three sections to determine their overall rating.

At April 2013, site visits had confirmed that seven suppliers achieved Silver level – accounting for around 8% of M&S Food by turnover. 112 suppliers achieved at least Bronze level accounting for nearly 40% of M&S Food.

Around a quarter of suppliers who completed our initial assessments last year have demonstrated significant improvement.

7.4 Energy efficiency at clothing top 100 On plan

Aim: Require our top 100 clothing factories to install more efficient lighting, improved insulation and temperature controls, to reduce their energy usage by an estimated 10% by 2015.

Progress: Forty-eight of the clothing suppliers featured in our top 100 suppliers by turnover between 2011 and 2013, have now adopted energy best practices on lighting, insulation and temperature control. Of these, 35 have gone further and

achieved our more demanding Eco-Factory standards.

To more accurately define this commitment we have reworded it to:

Require our top 100 clothing factories to install more efficient lighting, improved insulation and temperature controls, to reduce their energy usage by an estimated 10% by 2015. These are factories that have featured in a rolling top 100 between 2011 and March 2015.

7.5 Sustainable farming (part 2)** On plan



Aim: Engaging our producers of fresh meat, dairy, produce, and flowers in the M&S Sustainable Agriculture Programme by 2012 (Previously achieved). By 2015, working with independent consultants, through our M&S Farming for the Future programme, we will have engaged with farmers producing agricultural raw materials for M&S food.

Progress: Throughout the year we've engaged our producers in the M&S Farming for the Future Programme, which is designed to help them meet future challenges. The programme focuses on Efficiency, Environment and Ethical practice through a wide range of communications, PaceSetter best practice initiatives and more than 200 Indicator Farms, which monitor the impact of changes to standards and policy.

In June 2012, we launched our M&S Farming for the Future Education Programme (see commitment 17.5 for more details).

More details on all our producer programmes can be found at: producerexchange.marksandspencer.com

7.6 General Merchandise traceability** On plan

Aim: Improve traceability for the principal raw materials used within our General Merchandise supply chain by 2015.

Progress: This year we continued the implementation of a traceability system linking M&S product orders through every

stage of the manufacturing process right back to the origin of principal raw materials, starting with children's clothing. We are now reviewing the next stage of this project.

We've continued to improve raw material traceability by using other approaches for wool, cotton (see commitment 16.15), leather (see commitment 16.16) and wood (see commitment 16.17).

- 7.7 Ethical trade benchmarks **Previously achieved**
- 7.8 Supplier Exchange – ethical trade **Previously achieved**
- 7.9 Franchise Plan A website **Previously achieved**



8. Create a culture of innovation on sustainability.

8.1 Plan A Innovation Fund On plan

Aim: Launch a Sustainability Innovation fund in 2010 with £50m funding to be spent over the next five years.

Progress: This year the Plan A Innovation Fund provided £9m to support large scale projects and a further £800,000 for smaller projects. These included our work with Remploy (see commitment 2.3), pesticide reductions (see commitment 16.11), improving supply chain labour standards, developing more sustainable clothing fabrics, commissioning a report from Accenture to redefine responsible business and funding a Natural Environment Research Council (NERC) knowledge transfer project.

- 8.2 Model Eco Dyehouses **Previously achieved**
- 8.3 Dual fuel vehicles **Previously achieved**
- 8.4 Sustainable retail **Previously achieved**
- 8.5 Plan A M&S Money products **Previously achieved**

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