

# Review of the year

(continued)

## Fair partner



### Since 2006/07 our sales of Fairtrade food have doubled

We're only as strong as the communities in which we operate – so it makes good sense for us to be a fair partner – paying a fair price to suppliers, supporting local communities and making sure everyone working in our supply chains enjoys good working conditions.

For more details of our efforts to be a fair partner go to page 37.

#### Aiming for ethical excellence

Sharing best practice is an integral part of our ethical programme and in April 2013 we extended our ethical trading assessments to cover all of our top 20 non-merchandise suppliers. We also provided training – covering ethics and employee rights – for even more workers in our supply chains, taking the total we've trained since 2010 to around 244,000 people.

#### Stepping up supplier training

We've launched a new resource for suppliers called the Supplier Training and Education Programme (STEP) on our Supplier Exchange Website. STEP makes it easy for suppliers to choose the training resources they need to from a wealth of relevant free material.

↑ Fairtrade tea  
Packed by the smallholders who grow it in Kenya

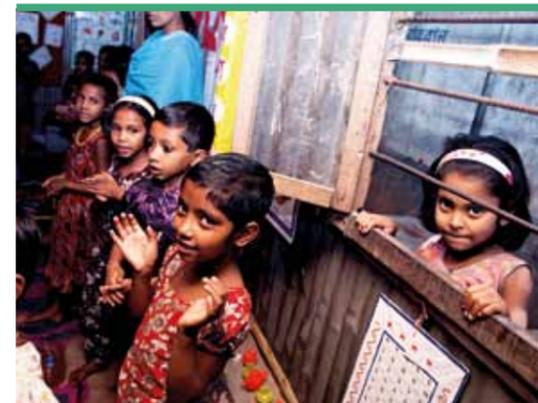
#### Farming for the Future

In June, we launched our M&S Farming for the Future Education Programme to help address the shortage of talented young people coming into UK agriculture. The programme is a collaborative effort with our suppliers that aims to equip young 'agriculturalists' with the skills and experience they need at different stages of their careers. In September 2012 we participated in the Institute of Grocery Distribution's 'Feeding Britain's Future' – Skills for Work Week to help tackle youth unemployment by bringing a new generation into the food industry.

#### Working with UNICEF

We're now in our second year of working in partnership with UNICEF in the Mymensingh and Dhaka regions of Bangladesh to provide facilities and services for vulnerable children of all ages, pregnant mothers, babies and adolescents, helping to give them a safer, healthier and brighter future. M&S donates 50p out of every £1 saved from reusing and recycling coat hangers totalling £630,000 a year.

↓ © UNICEF/BANA2012-00281/Ahsan Khan  
Children attend a pre-school in Bangladesh



#### The Prince's Countryside Fund

We're supporting The Prince of Wales' Countryside Fund which aims to tackle rural isolation, low incomes, declining rural communities and inadequate training, while promoting a wider understanding of the needs of the countryside.

#### Key achievements

# 244,000

people in our supply chains trained on issues including ethics and employee rights since 2010

# Pillar 6: Fair partner

This section shows our detailed performance against our Pillar 6 commitments. Each commitment is shown as Achieved, On plan, Behind plan or Not achieved.

### Why is this important?

We're only as strong as the communities in which we operate – so it makes good sense for us to be a fair partner – paying a fair price to suppliers, supporting local communities and making sure everyone working in our supply chains enjoys good working conditions.

### What have we done?

We work closely with our suppliers across a range of initiatives aimed at improving the working standards, education, opportunities, health and financial wellbeing of all the people involved in our supply chains.

### Highlights this year

**244,000**

people trained in our supply chains since 2010

**Top 20**

non-merchandise suppliers included in our ethical assessment programme

**100%**

increase in Fairtrade food sales compared to 2006/07

## 17. Ensure workforces and communities benefit in our supply chain.

17.1

### General Merchandise living wage\*\*

**On plan**

**Aim:** Implement a process to ensure our clothing suppliers are able to pay workers a fair living wage in the least developed countries we source from, starting with Bangladesh, India and Sri Lanka by 2015. We will achieve this by ensuring that the cost prices we pay to our suppliers are adequate to pay a fair living wage and by rolling out our ethical model factory programme to ensure the cost price benefits are paid to workers.

**Progress:** A buying tool, which allows us to take account of a fair living wage in setting the cost price of a garment, is now used by our buyers for products made in Bangladesh, India and Sri Lanka as well as other regions of the world. In many parts of the world minimum wages have increased significantly since we set this commitment in 2010. Labour shortages in some parts of India and China have given workers more power to negotiate improved pay.

17.2

### Supply chain training

**On plan**

**Aim:** Work with our suppliers and partners to provide a training and education programme for 500,000 workers by 2015. This will cover employee's roles, responsibilities and rights, basic health care and where possible, numeracy and literacy.

**Progress:** This year we launched the Supplier Training and Education Programme (STEP) on our Supplier Exchange website. STEP provides training materials for suppliers, covering a wide range of topics, including health and wellbeing, financial literacy for those unfamiliar with bank accounts and an Effective Worker Management certification programme for HR teams and factories, which is being run in India with support from the Centre for Responsible Business India. By April 2013 we had provided training or education to 244,000 workers since 2010.

17.3

Single Ethical Code  
**Previously achieved**

17.4

Research on community impacts  
**Previously achieved**

17.5

### Food supply chain skills

**On plan**

**Aim:** Launch initiatives by 2015 with educational organisations to provide the core skills required for the long-term success of the food supply chain.

**Progress:** In June 2012 we launched the M&S Farming for the Future Education Programme at the Royal Highland Show. A collaboration with our Food suppliers, the programme aims to address the shortage of talented young people entering the agricultural industry. It targets people at different stages in their agricultural career, helping to improve their awareness and equip them with the skills, knowledge and experience necessary to build a successful career in the industry. The programme offers: M&S Bursaries to students studying on vocational courses at agricultural colleges or to farmers completing study tours; M&S agricultural graduate placements involving time working within the M&S business and our supply base; and an executive education programme open to young people working in the M&S supply base.

Together with other companies in our food supply chains, we participated in the Institute of Grocery Distribution's 'Feeding Britain's Future' – Skills for Work Week, to help tackle youth unemployment.

\*\*Assured by Ernst & Young

We also extended the online teaching materials for A-level and Advanced Higher students (developed with the British Nutritional Foundation in 2011/12) and ran a number of e-seminars for schools.

17.6

**Food supply chain HR\*\*  
On plan**

**Aim:** Work with M&S food factories to strengthen human resource practices, use people performance indicators, staff surveys, invest in staff training and mature industrial relations to create better places so that by 2015, 25% of M&S food will be produced by factories with human resource best practices.

**Progress:** By the end of the year, 50 suppliers accounting for 19% of M&S Food turnover had used people performance indicators, run employee surveys and invested in training and mature industrial relations when assessed using our Food Supplier Sustainability Framework.

17.7

**Construction Health and Safety  
Previously achieved**

17.8

**Further five produce R&D projects  
Previously achieved**

17.9

**UK and RoI food sourcing  
Previously achieved**

17.10

**Five R&D produce projects  
Previously achieved**

17.11

**Semi-announced supplier assessments  
Previously achieved**

17.12

**In-country resources  
Previously achieved**

17.13

**Supplier ethical assessments\*\*  
Previously achieved**

**Aim:** Enabling suppliers to address difficult issues such as 'living' wage and working hours through collaborative networking, conferences and the launch of an Ethical Exchange website. Setting up best practice projects including at least six ethical model factories and a worker's rights training programme which can be extended across our supply chains by 2012.

**Progress:** We currently have 2,871\* General Merchandise, Food product and material suppliers on our SEDEX database, all with up-to-date assessments. We update the database regularly and monitor current performance.

In 2012, together with our suppliers and SEDEX partners, we completed and evaluated 1,559\* ethical audits (last year 1,178\*) and our suppliers undertook 6,693\* corrective actions (last year 5,461\*).

\* Data based on calendar year

17.14

**Extend ethical assessments  
Achieved (NEW)**

**Aim:** Extend the scope of our ethical trading assessments to include other parts of our supply chain including our top 20 (by spend) non-merchandise suppliers by 2015.

**Progress:** By April 2013, we'd extended our ethical trading assessment to all our top 20 non-merchandise suppliers (by spend). These suppliers all manufacture items to M&S specifications or make items with M&S branding.

17.15

**Confidential helpline  
Previously achieved**

17.16

**Small local suppliers  
Previously achieved**

17.17

**Buying Pledge  
Previously achieved**

17.18

**Double regional food sourcing  
Previously achieved**

17.19

**Fairtrade food\*\*  
Previously achieved**

**Aim:** Continue to expand our ranges of Fairtrade food including converting all our jams, conserves, and bagged sugar to Fairtrade and offering more Fairtrade fruit, wine and other products by 2012.

**Progress:** This year our sales of Fairtrade food were more than double those of 2006/07. They included new lines of wine as well as further production of tea and coffee packed on the plantations where it was grown in Kenya.



17.20

**Fairtrade clothing  
Not achieved**

17.21

**Supplier Exchange – communities  
Previously achieved**