

MARKS & SPENCER

MODERN SLAVERY STATEMENT 2017/18

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Marks and Spencer Group plc and other relevant group companies¹ ("M&S") during year ending 31st March 2018 to prevent modern slavery and human trafficking in its business and supply chains.

INTRODUCTION

This is the third M&S Modern Slavery statement, and in the past year we have continued to increase the depth and breadth of our work on Modern Slavery, deepening our understanding of risk, and ensuring we have in place the most effective responses to that risk. We consider Modern Slavery to be a growing global issue and know our customers share our concern. Our commitment to our customers is very clear, we will always treat people in our business and supply chain fairly, this includes being at the forefront of eradicating modern slavery. We have been active participants in the developing Modern Slavery agenda prior to the UK Modern Slavery Act (2015) and subsequently. In addition to the work in our own supply chains and operations, we continue to prioritise collaborations, which we view as essential given the deep rooted and systemic nature of many manifestations on Modern Slavery.

According to IOM more people are on the move today than at any other time in recorded history: 1 billion people – comprising a seventh of humanity. The first Global consolidated figure now estimates 40.3 million people in modern slavery globally of these 24.9 million people are in forced labour which includes 16 million in the private sector including construction, manufacturing, mining, utilities, agriculture, forestry, fishing and domestic work.

KEY AREAS OF FOCUS IN 17/18:

- Extending our work on Modern Slavery and into the whole breadth of our sourcing and operations with special emphasis on working with international suppliers.
- Continuing to drive and lead collaborations which are helping businesses to do more together on Modern Slavery eradication.
- Focusing on understanding further our supply chains including labour providers and recruiters to supply chain and services, including sub-contractors, distribution, equipment and services.



M&S IS A GLOBAL MULTICHANNEL RETAILER

84,621 EMPLOYEES, 1035 UK STORES AND OVER 428 INTERNATIONAL STORES

OPERATING
IN **57**
TERRITORIES 

 **32m**
CUSTOMERS

2,100 
PRODUCT SUPPLIERS

 **20,000**
FARMS

100,000 
SMALLHOLDERS

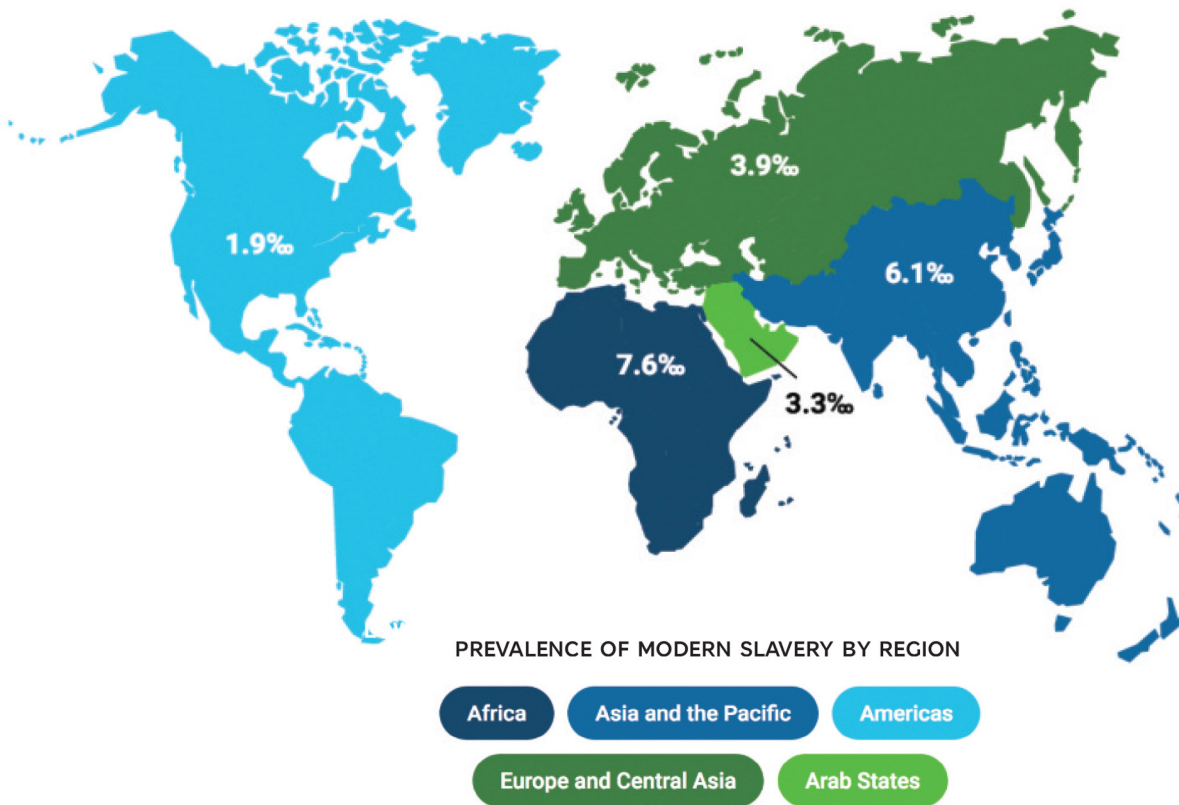
 **OVER 1,000**
GOODS AND SERVICES
NOT FOR RETAIL
– EQUIPMENT FOR NEW STORES
TO CLEANING, SECURITY AND CATERING

MODERN SLAVERY STATEMENT 2017/18

INTRODUCTION CONTINUED

OUR BUSINESS AND SUPPLY CHAINS

M&S is one of the UK's leading retailers, selling own brand food, clothing and home products in 1382 stores and online both in the UK and internationally. Further details on our [international locations](#) and our [franchise partners and locations](#) can be found on our website. The M&S Group has an annual turnover of £10.7 billion. Plan A, our ethical and environmental programme, underpins everything we do, from sourcing responsibly and reducing waste to helping the communities in which we operate. In June 2017 we updated our Plan A programme, with 100 new commitments, 19 of which were specific to human rights and highlight our desire to be the retail leader in addressing modern day slavery. Further detail in [2017 Human Rights Report](#) and [2018 Plan A Report](#) which has Human Rights integrated into it.



Our extended product supply chains are extensive and global, with suppliers in more than 70 countries. In June 2016 we launched the [M&S interactive supply chain map](#). This has been updated regularly extending the information to include M&S home and beauty products, selected raw materials and to indicate the presence of a trade union and/or workers committee in a factory where they've been declared. Factories disclosed on the map now represent all of our first-tier manufacture*. Excluded are some small continental meat and artisanal cheese suppliers. Other lower tier factories used by our suppliers, for example those which manufacture fabric, yarn and primary food processors are not included on the map.

¹This statement sets out the steps taken by Marks and Spencer Group plc, Marks and Spencer plc and Marks & Spencer Simply Foods Limited all of which fall within the scope of section 54(2) of the Modern Slavery Act 2015 and the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015.

*Included are all first-tier manufacturing sites which produce M&S branded clothing, clothing accessories, footwear, beauty, giftware, food, non-alcoholic drinks, beers, wines & spirits and household products.

MODERN SLAVERY STATEMENT 2017/18

GOVERNANCE STRUCTURE AND STRATEGY FOR MODERN SLAVERY



We seek a sector-leading approach to Modern Slavery; with appropriate and well-communicated policies, a due diligence programme based on risk assessment and effective follow up, an appropriate level of employee and supplier training, and a strong emphasis on collaborative partnerships, stakeholder dialogue and transparency.

Core to our approach is a robust governance structure. We continue to build management capacity on Modern Slavery risk assessment across the breadth of the M&S Group. The Directors of each business area (Retail Operations, Group Property, Logistics, HR, IT, Food Group, Clothing & Home, and International) are supported by a business area Human Rights practitioner and are responsible for ensuring effective modern slavery risk assessment and due diligence activity. The Human Rights Practitioner Committee now meets monthly to ensure consistent approach and to build understanding across the group. The practitioner group reports to the Human Rights and Modern Slavery Steering Group, co-chaired by our Director of Food Technology and Director of Sustainable Business/Plan A which has been delegated responsibility for human rights matters by our Plan A Committee which reports directly into our executive Operating Board chaired by Chief Executive Officer Steve Rowe, and which runs our business on a day to day basis. The steering group also meets monthly to support business areas with strengthening governance, resolving issues, developing strategy/innovative thinking and increasing business awareness. Both the Plan A committee and the operating committee received 2 progress updates in 2017/18 on modern slavery and human rights.

To further strengthen our Modern Slavery governance, in 2016 we established a new independent Human Rights Advisory Group, comprising leading subject matter experts, such as Oxfam, Shift and the Institute of Business and Human Rights. This group met twice in 2017-18. Some of their key points of feedback on our approach are summarised in Figure 1. of the Human Rights Advisory Group can be found in [2017 Human Rights Report](#) and their latest feedback in [2018 Plan A Report](#).

FIG 1. COMMENTARY FROM M&S HUMAN RIGHTS STAKEHOLDER ADVISORY GROUP

We are pleased to read this new statement which shows steady work on complying with the Modern Slavery Act. In particular we welcome the increasing supply chain transparency and we encourage M&S to sustain this leadership position by continuing to innovate on even more transparency on both the supply chain and issues within it. In particular, we urge M&S to redouble its efforts both on due diligence in its UK non-food supply base, and on working to identify and ensure remediation for affected people, in particular those who have paid recruitment fees, in its supply chains globally.

POLICIES AND CONTRACTUAL CONTROLS

As reported in our previous statements, we have several policies in place relevant to Modern Slavery, all of which are signed off at Director level. This includes our Human Rights policy, our Code of Ethics & Behaviours, and our Whistleblowing Policy (aimed principally at our employees but also available to others working in our supply chain.) Our [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 – including goods not for resale. We updated our standard supplier contractual terms for new suppliers in 2016 and 2017 to include obligations on Modern Slavery Act risk assessment, controls, and notification of Modern Slavery findings and to further reference our wider Global Sourcing Principles. In 2018 we have further strengthened our Global Sourcing Principles, this included clarifying position on non-payment of recruitment fees, expectation on Supplier transparency and requirement for additional due diligence if operating or sourcing in High risk locations. For goods and services not for resale procurement we introduced Supplier management policy which includes Global Sourcing principles to ensure all businesses are captured.

In 2017-18 we consulted suppliers on a new Global Labour Provider Policy, as a result of these consultations we deferred launching this to undertake further work on responsible recruitment practices. We will continue to evolve this work and plan to report this in the upcoming year.

During 2016-17, we conducted a critical review of grievance mechanisms available both for our employees and for the supply chain, and the extent to which issues are effectively raised within our business. This involved developing a better understanding of our existing processes, identifying what reporting data is available and using a cross-business survey to assess awareness and adoption. In 17/18 we have been working through the implementation plan to improve the understanding of what channels are available within the business, and unifying the way we handle and follow-up on grievances. This year we introduced an independent external facility for employees in UK, internationally and supply chain to raise Human rights concerns.

ASSESSMENT OF MODERN SLAVERY RISK WITHIN OUR SUPPLY CHAIN

The manifestations of Modern Slavery are complex and hidden, and in order to prioritise activity, our risk assessment includes detailed mapping of supply chains and operations, desk based research, supplier surveys, supplier engagement and discussions with expert stakeholders. This was described in detail 2017 Human Rights report. During late 2017, the Property and Retail teams commissioned a 3rd Party Provider (Ergon) to carry out a more detailed risk assessment for the products and services in their areas. Products and services were mapped by country where the most relevant human rights issues were scoped, this then produced a risk assessment that ranked risks by sourcing countries. Areas of focus were identified and next steps/ mitigating actions were recommended and fed back to Property and Retail Human Rights Practitioners. The process included two workshops with contract managers which validated supplier results and acted as an upskilling session for 15 key stakeholders on Human Rights and Modern Slavery Risks.

During the year we became aware we had an inconsistent approach across the business to tackling High Risk countries and ensuring effective mitigations are in place, so we developed a High Risk policy document and issued High Risk Country List for each Business area to work on gaps in effective Due diligence.

The annual Business risk assessment approach was also strengthened, aligning with the new group risk register approach considering external and internal risks to establish gross risk and then reviewing the post mitigation net risk. Each Business Area Risk Register is signed off by the relevant Business area responsible director and discussed at Human Rights Steering Group and Advisory Group. These have fed into a corporate level human rights risk assessment, in Retail Operations, Logistics, Food Group, Clothing & Home, and International modern slavery was identified as an increasing risk.

FIG.2.

Modern Slavery Food highest risk countries*	Modern Slavery Clothing and Home highest risk countries
Thailand	India
Malaysia	China
India	Turkey
Italy	Vietnam
Spain	Bangladesh
UK	Cambodia

CONTINUING TO SPONSOR MODERN SLAVERY HELPLINE

In its first year the UK-wide Modern Slavery Helpline, operated by modern slavery charity Unseen, has taken 3,710 calls indicating 4,886 potential victims. 27% of these potential victims have been reported to the Helpline in situations of forced labour, from across a diverse range of sectors. The Helpline's collaborative approach supports businesses to better understand the nature and scale of the issue by working in close partnership using the information it receives through the Helpline to inform collective action.

Through sponsoring the hotline we gain insight of the potential risks of modern slavery and how forced labour situations are manifesting and being reported into the Helpline. This collaborative approach is vital to ensure risks can be mitigated and emerging threats are managed. 27% of forced labour victims identified were working in Carwashes.



IMPLEMENTING MODERN SLAVERY TOOLKIT

In November 2017 we surveyed 192 suppliers who attended our UK modern slavery conference in February 2017 and had received our modern slavery toolkit. The aim of the survey was to help us understand how the toolkit supported suppliers and partners to implement a strategy for their business and their supply chain to tackle modern slavery. We found that 63% have used the toolkit with most respondents using the toolkit, to help understand what modern slavery is and use the practical checklist. Of those respondents that have used the toolkit, 93% shared the toolkit more widely with management and internal colleagues. 66% noted that their supply chain has taken active steps to implement the action points listed in the toolkit. We also noted a need for further awareness training on our [Global Sourcing Principles](#) to ensure suppliers are able to fully embed these into their business.

DUE DILIGENCE AND ASSESSMENT OF SUPPLIERS AND SUPPLY CHAIN

Having established risk, it is important that we conduct due diligence within our supply chains and operations to understand whether there is evidence of Modern Slavery issues, and whether there are sufficient controls in place. For some time, we have had a requirement that all new and existing direct Clothing and Home suppliers, all new and existing direct Food suppliers (plus a subset of Food raw material suppliers deemed to be high risk), and all Property suppliers in high risk countries have due diligence checks in place in the form of ethical audits, conducted by third parties on behalf of M&S. These audits assess compliance with the [M&S Global Sourcing Principles](#) and are, amongst other things, intended to identify any Modern Slavery practices. If issues are identified, appropriate investigative and remedial actions are taken.

During 2017-18, ethical audits identified 28 non-compliances under the heading 'employment is freely chosen', this included recruitment fees, deposits for protective equipment, deposits to agency and labour providers, mandatory overtime, and restricted toilet breaks. In all instances, we have verified evidence of suppliers putting corrective actions in place, or are working with suppliers to achieve this.

However, 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. In the past year, our due diligence has included:

- Bespoke due diligence audits with leading forced labour experts, including the Gangmasters & Labour Abuse Authority: Where a previous assessment, intelligence or whistleblower highlights a higher risk in relation to

a Human Rights issue we will use specialists to tailor the investigation to increase the likelihood of uncovering the evidence. E.g. 2017/18 use of Fast Forward and GLAA with Car wash providers.

- M&S team visits to high risk supply chains. E.g. 2017/18 visits to Italy, Thailand, India and China.
- Partnership approaches, including the scaling of new assessment tools such as Issara Responsible Recruitment Toolkit, described below, and roll out Stronger Together awareness training to South Africa.
- UK survey on prevalence of recruitment fees: During this year we have undertaken research with a select number of suppliers and labour providers to further understand how growers and labour providers in the UK Fresh Produce industry undertake direct recruitment from origin countries and the costs incurred. We have identified 11 types of recruitment channels that are used including recruitment days and open days, returnees and word of mouth. Possible costs incurred by workers have been identified as: travel, insurance, accommodation deposit, up front rental. Cases were highlighted in relation to labour providers where pastoral care, translation and support with transport were charged to workers.

As we have gone further down our supply chain, we have also encountered challenges. This has included the time it takes to map supply chains several tiers down, and reluctance from entities further down the chain to undertake additional due diligence at the request of a customer several steps removed, and where our purchasing power may be small, even where funding is provided. We will continue to work on our approach to address these challenges, report transparently where we find them, and engage in collaborative work to bring greater influence on challenging areas of our supply chain.

AUDIT CASE STUDY EXAMPLES

In India we found a specific issue where a factory were not depositing the workers legal provident fund benefit payments into the government held accounts but using them instead for internal operating costs, leaving unpaid legal government held accounts empty. This put workers social security benefits in jeopardy and effectively bonded labour to the factory. Following our intervention, the factory have now repaid all due benefit contributions into the workers provident funds and communicated this to the workers.

In Cambodia, we found that contract machine maintenance workers are generally only used on an annual basis. Normal practice was that the workers were contracted to a third party labour provider and the supplier paid a lump sum to the third party but with no verification of the workers contracts/pay/working hours. We have now implemented a process that the supplier has to verify the contracts of the workers and there are now contracts between the labour providers and the suppliers including providing evidence of payslips and working hours. In addition the labour provider must sign a contract that they will respect the human rights of all of their contract workers.

INVESTIGATING CAR WASHES

Our Retail business highlighted the use of Car Wash providers in our Car Parks as their highest modern slavery risk in 2017. This was based on intelligence from Gangmaster Licencing Abuse Authority and Modern Slavery Helpline, highlighting hidden labour exploitation in UK car washes. Given many of the sites had offered valued Car Wash services to our customers for over a decade. We were the first retailer to initiate a programme of deep dive audits in all the hand car wash companies operating on our premises and to share these results with Gangmaster Licencing Abuse Authority.

Partnering with the Fast Forward programme, each provider received training and 1:1 support prior to being audited. The audits revealed that although no evidence of modern slavery was identified, there were significant areas requiring improved labour standards. These included ubiquitous use of self-employment contracts, meaning car wash operators are not entitled to certain employment rights including national minimum wage, holiday pay and sick pay. Very few basic policies were in place and no written procedures, training, internal audits, accountability etc. on various issues such as prevention of illegal working, communication and grievances, discrimination, health and safety, environment.

Six months on, after a date the car wash providers agreed they would have made traction on action plan, the car wash companies were re-audited. Although all the companies have shown some

improvements with policies and processes, they were still below M&S minimum acceptable standards. They are all still using self-employment contracts for car wash operators which means there are days where operators will earn no money or are unable to work due to weather (with little or no warning). Workers interviewed stated they would prefer to be on employment contracts. All of the car wash companies cited that they were prepared to improve where necessary and have been given detailed action to support them but until they can make further improvement M&S had decided to cease Car Wash services in M&S car parks.

‘We praise M&S for taking such a proactive approach to trying to raise standards with their car wash providers. From GLAA’s perspective ‘As long as the existing model remains of apparent self-employed workers trying to earn their “rental” cost then we are always going to have the issues of forced labour, debt bondage and exploitation and for those that operate within the retail sites this cannot be good.’

DARRYL DIXON, DIRECTOR OF STRATEGY,
GANGMASTERS AND LABOUR ABUSE AUTHORITY

ENCOURAGING RESPONSIBLE RECRUITMENT IN THAILAND

M&S’s collaboration with Issara Institute continued through 2017, tackling issues of trafficking and forced labour through Issara’s Inclusive Labour Monitoring model - based on empowered worker voice, ongoing data and technical support, and supplier improvements and remediation. Over 3,000 of the 100,000+ workers linked into Issara’s empowered worker voice channels are in M&S supply chains. These workers are now exchanging real-time information on recruiters, employers, and service providers, voluntarily and safely providing visibility of actual working conditions, and receiving updated information on the constantly-changing laws and policies around labour recruitment in the region.

Since Issara Institute was founded in 2014, over 25,000 cases of workers in Issara partner supply chains found to be suffering from labour exploitation were resolved, through remediation to workers as well as systems reform on the part of suppliers. Of those 25,000, over 6,000 were individuals in forced labour situations where worker voice, buyer engagement, and technical support from Issara transformed suppliers’ exploitative labour brokering and management systems into more rights-respecting human resource management systems.

Issara’s 2017 work focused on deconstructing the direct links between debt bondage to brokers in the source country, and the recruitment practices of employers in the destination country. It is clear that eliminating recruitment-related fees charged to workers, and incentivizing professionalization and transparency among recruitment agencies and employers, can significantly reduce risks and the many forms of labour exploitation at destination worksites, including document retention; restrictions on freedom of movement;



forced overtime with underpaid remuneration; and, threats and intimidation from line supervisors, HR staff, and/or worksite interpreters. M&S spoke at Issara Annual Forum in Thailand on vital need for responsible recruitment industry in both Thailand and home sourcing countries of Myanmar and Cambodia and key role all participants could play in ending workers paying fees to access a Job.

In December 2017 M&S and Issara ran a workshop with M&S suppliers to launch responsible recruitment toolkit part of Issara’s Worker Voice-Driven Ethical Recruitment Program, which engages recruitment agencies and employers to systematically diagnose and strengthen their recruitment systems, based on iterative feedback from workers plus technical support from Issara. M&S is now working with its top tier Thailand suppliers to advance M&S’ commitment to ethical recruitment and support vulnerable workers from day one of their migration journey.

MODERN SLAVERY TRAINING

Training and raising awareness remains a key focus for the business and our extended supply chains building on the work 15/16 and 16/17 where we built the capacity of our key staff; practioners, Leadership teams who have been given increased responsibility for understanding and mitigating Modern Slavery risk as well as raising awareness across business through training and Many eyes toolkit. In 2017/18 in addition to one to one engagement sessions with key partners , the Global Social Compliance teams had 1 day of specialist modern slavery training, North and South China M&S social compliance team attended ETI modern slavery training and modern slavery was a topic at International, retail and property Huddles and Hong Kong sourcing Office.

Capacity building of our suppliers remains a key focus. Within Foods, where we believe our risk is greatest, we supported the

scaling of Stronger Together Initiative to South Africa launching it at our joint December 2017 conference with Woolworths South Africa. We also actively supported supplier modern slavery upskilling through multi retailer Spanish forum, the scaling of FNET (Food Network Ethical trade), supply chain events with Issara, CGF and IHRB. At suppliers request we have updated Food Sustainability score card which over 95% food suppliers are engaged in with greater guidance on responsible recruitment and include a new pillar on extended Supply chains to increase greater focus on modern slavery risk at lower tiers. Our Clothing and Home team have continued to upskill UK suppliers via Fast Forward training sessions in the UK.



MODERN
SLAVERY
IS THE GREAT
**HUMAN
RIGHTS issue**
of our time



FIRST INTERNATIONAL HUMAN RIGHTS AND MODERN SLAVERY CONFERENCE

Recognising a gap in capacity building, we brought together 250 attendees from India retail and sourcing offices, Indian Clothing and Home, IT, Logistics, Foods Supply base and the franchise partners and sourcing offices in neighbouring regions, for a flagship Forced Labour and Human Rights conference in Delhi. This event set out to build the capacity of these partners to understand and manage Modern Slavery risk in their operations and wider supply chain. External speakers included Coca Cola, BT, ETI, Freedom Fund, ETP, Traidcraft, Fairtrade, Unseen and representatives from Indian, UK and Australian Governments. Many Clothing and Home Suppliers spoke about the good








practice already in place; policies, employees awareness of policies, range of tools (individual hand book, posters in local languages), training programmes, professional HR team, good direct recruitment practices. Other partners felt they had much to learn from Clothing and Home suppliers existing good practice. Areas where supply chain recognised they had more work to do was; visibility and risk





management of the extended supply chain e.g. sewing mills; safe migration awareness training as increasing migration and difference in laws between states means many workers not aware of their rights; Upskilling capabilities to improve modern slavery monitoring, remediation and ensure effective grievance mechanisms; and need for greater advocacy on lack of effective enforcement of law. Feedback from the event showed that attendees considered the content to be highly relevant and they would like M&S to hold similar events in future. At the event we also launched a new International Forced Labour Toolkit for Suppliers and Partners, which we have made open source as we are keen to develop with stakeholder feedback. A short film of the event is available to view [here](#).



PARTNERSHIPS

We recognise the crucial role of partnerships in tackling Modern Slavery. It is important that when we undertake involvement in partnerships, we are clear on the role they play and the value they add. In the past year, we have continued, or built, partnerships with the following organisations.

PARTNERSHIP	HOW IT HELPS OUR PROGRESS ON MODERN SLAVERY
 <p>Institute for Human Rights and Business <u>Leadership Group for Responsible Recruitment</u> focusing on the Employer Pays Principle</p>	<p>Our membership of the IHRB LGRR enables us to:</p> <ul style="list-style-type: none"> - Create demand - Continuing efforts to raise the profile of the responsible recruitment agenda as a key way of tackling modern slavery. Advocating for the employer pays principle with peer and competitor companies. Working with suppliers either directly or through organisations like Issara to raise awareness and build capacity. - Increase supply of ethically sourced labour by mapping and better understanding recruitment processes into M&S supply chains and looking for places for interventions. - Advocate for improved protection for migrant workers. Working with IHRB leadership group M&S are supporting advocacy with governments either directly or through other IHRB collaborations with other organisations such as CCF, BRC (New policy on no fees) to maximise value. The issue of Responsible Recruitment is now firmly on government agendas through engagement with the UK Govt, the US State Dept. and also through intergovernmental processes such as the Bali Process and Colombo Process. We also hope to see the recruitment agenda to inform some of the G20 intergovernmental discussions under the coming presidency of Argentina. Through the advocacy there is now an increase in transparency reporting requirements in many countries and ensuring responsible recruitment is a clear tangible action for companies wishing to prevent forced labour and trafficking in their supply chains. <p>In 2017/18 M&S supported the Leadership group focus on Thailand and Malaysia and M&S made the keynote speech at the inaugural Annual Forum for Responsible Recruitment in Berlin 2017.</p>
 <p>Ethical Trading Initiative</p>	<p>Our membership with the ETI enables us to work collaboratively with Companies, Trade Unions and civil society on difficult human rights issues including modern slavery that cannot be solved by individual companies working alone by:</p> <ul style="list-style-type: none"> - Forming alliances for joint action in key sourcing countries - Raising awareness and advocacy with Governments and international labour agencies to influence policy and legislation. - Access to practical information and tools. <p>In 2017/18 we were part of ETI Italian Tomatoes, Turkey platform Syrian refugees and recruitment fees, TMNS Tamil Nadu multi stakeholder initiative. We are member of ETI modern slavery working group and were part of the delegation that met Sir David Metcalf and Sarah Newton on further strengthening legislation. Our North and South China M&S social compliance team attended ETI modern slavery training and UK team attended the launch of two new ETI Base Code guides: Modern Slavery and Child Labour.</p>
 <p>Consumer Goods Forum Social Mission on <u>Forced Labour</u></p>	<p>Our membership of Consumer Goods Forum Social Mission on Forced Labour enables us to:</p> <ul style="list-style-type: none"> - Work collaboratively to influence forced labour eradication in palm oil and the Thai fishing industry - M&S co-chairs sustainability pillar. Our CEO also addressed the CGF Board to ensure our industry remains committed to supporting the implementation of our Social Resolution on Forced Labour. During the last Board meeting, he allowed for the industry to further efforts currently being led and reinforce the focus on own operations. Our director of sustainable business also spoke at CGF annual conference on M&S collaboration on with CGF on Forced labour. - M&S is also working to connect ETI's effort with CGF members to have a more impactful approach to Italian tomatoes critical issue in Southern Italy. - M&S also invited our suppliers to CGF Southeast Asian Roundtables on Responsible Recruitment, co-organised with IHRB mid-March 2018.
 <p><u>Clearview Labour Provider Certification Scheme</u> – Membership of Technical Advisory Committee</p>	<p>Our membership of the Clearview Technical Advisory Committee enables us to:</p> <ul style="list-style-type: none"> - Contribute to the implementation of the Clearview scheme which after extensive multi-stakeholder development and piloting was launched in the UK in February 2018. - Clearview is the first global social compliance certification scheme for labour recruiters and providers with the objective to drive responsible recruitment practices in supply chains. Within the assessment there is a specific focus on the proactive measures that labour recruiters and providers have implemented to ensure that workers are not subjected to debt bondage, forced labour or other forms of hidden exploitation. - In March 2018 Clearview and Sedex announced their collaboration to drive and promote responsible recruitment.
 <p>Sedex Stakeholder Forum</p>	<p>M&S have continued to support Forced Labour working group enables us to:</p> <ul style="list-style-type: none"> - Direct activity relating to the optimisation of social audits in identifying indicators of forced labour risks, and effectively report on concerns in a manner that is in the best interest of potential victims. - In 2017/18 M&S supported Sedex to launch Forced labour indicators these help suppliers gain insight from Sedex SAQ & audit data to identify sites in their own supply chains where there is more likelihood of forced labour occurring.
 <p><u>Stronger Together</u> – awareness raising how to spot signs of Modern Slavery, and how to approach Modern Slavery in supply chains. We have sponsored Stronger Together since its inception.</p>	<p>Our sponsorship of Stronger Together initiative delivers:</p> <ul style="list-style-type: none"> - We were a founder sponsor of Stronger Together and over the past 5 years it has played a strong role in giving Food suppliers the knowledge of how to identify Modern Slavery in their own businesses, and how to implement a Modern Slavery strategy in supply chains. In 2017 we supported extension to other supply chains such as Logistics and Construction Sector and sponsored impact assessment of Stronger Together within our UK Food Supply Base. <p>In 2017/18 we supported the extension of Stronger Together to South Africa launching it at M&S and Woolworths Joint sustainability conference to 200 South African suppliers. We are a member of the Global Supply Chain Steering Group for Stronger Together enabling us to contribute to the programme roll out in South Africa and identify best practice.</p>
 <p><u>Gangmasters & Labour Abuse Authority</u></p>	<p>We have a long standing close relationship with the Gangmasters Licensing Abuse Authority which has played a role in our Food Supply Chain for many years. In 2017/18 we have worked with the GLAA on several supply chain issues and sought their expert advice on Car washes. A number of the team attended GLAA Annual conference.</p>

PARTNERSHIP	HOW IT HELPS OUR PROGRESS ON MODERN SLAVERY
 <p>Building Better Solutions Together (BEST)</p>	<p>In 2016 we helped establish a multi-brand group called Building Better Solutions Together (BEST) which brought together proactive brands working in the EMEA region on how we could tackle systemic and emerging issues that are impacting the region. The group has identified migrant labour as a key risk issue, and is working to establish the prevalence of migrant workers within the group's supply chains and develop ways to support factories in fair and transparent recruitment. The aim is to create 2 workstreams – one looking at a transferrable toolkit to help manage the recruitment and the other to look at the additional needs of refugees – especially Syrians in Turkey. This will complement the work being done within our membership of the ETI Turkey platform.</p>
 <p>Fast Forward</p>	<p>We are active members of innovative UK Fast Forward programme which has specific audit methodology designed to identify potential triggers of modern slavery. All UK Clothing and Home and car wash providers have completed the training. All car wash providers have been audited twice. Due to limited auditor capacity, M&S hosted Fast Forward training course to increase auditor capacity and now UK Clothing and Home suppliers are completing Fast Forward audits.</p>
 <p>Issara Institute</p>	<p>M&S are Strategic Partners in Issara Institute in Thailand, which promotes a different model of issue detection, based on 'empowered worker voice'.</p> <p>In 2017/18 M&S spoke at Issara Annual forum and visited all M&S Thai suppliers to understand their progress and challenges. As a result, M&S and Issara ran workshop with M&S suppliers to launch responsible recruitment toolkit and now continuing to track progress.</p>
 <p>Unseen Modern Slavery helpline</p>	<p>M&S continue to sponsor the UK Modern Slavery helpline and Resource Centre, run by the charity Unseen. Working closely with Unseen allows us not only to assist victims but also to gain extra insight into the manifestations of Modern Slavery in the UK.</p>

We are also working closely with other retailers and our supplier on risks associated with Spanish food production and migrant labour, as well as with Seafish on risks associated with fishing vessels in the UK and internationally.

To promote greater business awareness of Modern Slavery, we regularly speak on the topic at conference and similar events. In 2017/18 this included speaking at Sedex Conference April 17, Japanese Business Council In Europe (JBCE) June 17, IHRB Annual Leadership Forum for Responsible Recruitment, Berlin June 17, Food Network Ethical Trade launch (FNET) June, M&S Supplier conference June 17, BSR Human Rights Meeting sept 17, Impactt conference Sept 17, Consumer Goods Forum on Forced labour Principles, Montreal Oct 17, Launch FTSE 100 and modern slavery report oct 17, Issara conference, Thailand Nov 17, Church investors group Nov 17, M&S and Woolworths conference, South Africa December 17, M&S India Conference Jan 18, Transformative Technology for Migrant Workers Global Convening Feb 18, UNPRI and Anti-Slavery Commissioner Investor Education Work March 18, Innovation Forum Stronger together and preparing for 2nd statement March 18, Forced Labour in Supply Chains Convening for Donors and Investors March 18.

MODERN SLAVERY STATEMENT 2017/18

REPORTING ON KPIS, AND NEXT STEPS

In our 2015/2016 statement, we committed to report on the following priorities, and the figure below details our key points of action, which are described in the narrative above:

Staff training levels	Building on 212 trained in 16/17. In 2017/18 Training was provided to 538 (82 in our regional teams in Clothing and Home, 65 in the Logistics business and 391 in Property and Retail teams). Total trained to date 750.
Actions taken to strengthen supply chain auditing and verification	Continued to actively support development of supply chain auditing and verification through SMETA Modern Slavery work, Fast Forward and Clearview Technical Advisory Committee. Recognising the limitations of mainstream ethical audits, we have continued to build supplier capacity, and to work with leading forced labour experts on bespoke due diligence audits.
Steps taken to upskill our high risk suppliers, and assessing their ability to detect and mitigate modern slavery risk in supply chains	We have continued to implement Stronger Together within our Food business, and supported the expansion of Stronger Together into South Africa. As described above we have held a flagship Indian conference, developed a new International Modern Slavery toolkit and supported roll out of Issara responsible recruitment toolkit. We have supported Car wash providers through training and audit and encouraged Vietnamese, Thai, Italian, Spanish and Malaysian suppliers to access relevant collaborations training.
Investigations undertaken into reports of Modern Slavery and remedial actions taken in response	Examples included of typical audit issues and deeper investigations into Thai supply chain and carwashes. We report above on a number of issues identified within SMETA audits under the issue title 'Employment is Freely Chosen'.
Identify risks regarding recruitment practices of third party labour providers in M&S operations and supply chains	During this year we have undertaken research with a select number of suppliers and labour providers to further understand how growers and labour providers in the UK Produce industry undertake direct recruitment from origin countries and the costs incurred.
Develop and implement scalable pilot activities on modern slavery / ethical recruitment practices in selected areas of focus where M&S has leverage and can take a leadership role	Examples provided: Issara and Carwashes.
Identify and use opportunities for collaboration to verify and help resolve risk issues (e.g. IHRB, IOM, etc.)	M&S continue to drive forward work in the Ethical Trading Initiative on Italian Tomatoes and is currently looking at how to expand this collaboration to create a pan European initiative through the Consumer Good Forum Social Mission on Forced Labour.

This statement was approved by the Board of Marks and Spencer Group plc.

Signed



Steve Rowe, CEO
May 2018