

# MARKS & SPENCER

## GLOBAL SOURCING PRINCIPLES

### INTRODUCTION

For many years Marks & Spencer has worked to ensure that our suppliers' employees, producing our products, are provided with good working conditions. This drive supports our core brand value of trust – our customers expect high standards and trust us to work ethically.

In addition, we understand that when people are treated with respect, work in decent conditions and earn fair rates of pay, both they and their companies benefit from increased commitment and productivity. Ultimately, our customers benefit too, from better quality, better value products and peace of mind.

We achieve these objectives by developing agreed standards with our suppliers, supported by regular site visits and a policy of continual improvement. Strict sanctions are applied when standards are not met.

Increasing global expansion and international competition bring new challenges. We are a major retailer, selling a diverse range of exclusive own-brand products in more than thirty countries. Marks & Spencer products are now manufactured around the world.

Because our suppliers often have their own complex supply chains, it would be impossible for us to monitor or control the working conditions of each individual who contributes to what ultimately becomes a Marks & Spencer product. However, we are determined to do everything we can to bring fair sourcing principles to all stages of our supply chain. We have therefore published our Global Sourcing Principles to set out our beliefs and standards and guide our suppliers.

These principles clearly require all our contracted suppliers – i.e. those with whom we have a direct contract for goods or services – to ensure their facilities meet acceptable standards, and are continually improving. We enforce these principles firmly among our contracted suppliers and expect them to apply the same principles within their supply chain.



Stuart Rose  
Chief Executive

# GLOBAL SOURCING PRINCIPLES

At Marks & Spencer, we take great care selecting the companies who supply us directly with products and services. Our Global Sourcing Principles establish the standards for suppliers working with us. As our business relationship develops, we expect suppliers to raise their standards and improve working conditions, taking account of internationally recognised codes of practice. We have adopted the Ethical Trading Initiative (ETI) base code as our international standard, and expect our suppliers to work to this.

## Supplier's responsibility

Together with each supplier, we establish a set of standards which includes specifications appropriate to the industries and countries manufacturing the products. It is the supplier's responsibility to achieve and maintain these standards.

## Workforce rights

The people working for our suppliers are to be treated with respect, and their health, safety and basic human rights must be protected and promoted. Each supplier must strive to comply with the ETI base code and with all relevant local and national laws and regulations, particularly with regard to:

- Minimum age of employment.
- Freely chosen employment
- Health and Safety
- Freedom of association and the right to collective bargaining
- No discrimination
- Discipline
- Working hours
- Rates of pay
- Terms of employment

Moreover, whatever the local regulations, workers should normally be at least 15 years old, and be free to join lawful trades unions or workers' associations.

## Production sites and labelling

Suppliers must agree with us in advance the production site or sites to be used for each order: no subcontracting of our orders from these agreed locations is allowed.

All products sold in Marks & Spencer stores must be labelled with their country of origin.

## Regular assessment

All production sites are visited and assessed regularly by our suppliers and by our own people. Together we strive for continual improvement.

## Environmental responsibility

At the very least, suppliers must meet all local and national regulations. In addition, we expect them to meet all the relevant Marks and Spencer standards relating to the environment.

### **Commitment to extending these principles throughout the supply chain**

We expect our suppliers to adopt similar principles in dealing with their own suppliers.

**Suppliers must apply these principles at all times, and must also be able to demonstrate that they are doing so. We will work with suppliers to support any necessary improvements but we will also take action, which may involve cancelling contracts and ceasing to trade, if suppliers are not prepared to make appropriate changes.**