

Turkey Earthquake Questionnaire: M&S Response June 2023

In the period <u>since the February 6, 2023, earthquake that affected a major textile and garment producing region in Turkey, with respect to your suppliers in that region:</u>

1. Have you, as a matter of policy, directed your sourcing team to forgive delivery delays resulting from the earthquake and suspend the imposition of penalties until the region has recovered? Y/N

A: Yes, There were no penalties applied if any shipments were delayed.

2. Has your company imposed any penalty on a supplier in the region as a result of delayed delivery? Y/N

A: No, there were no penalties applied and shipment plans of all the suppliers were rescheduled mutually.

3. Have you as a matter of policy directed your sourcing team, in the case of delivery delays resulting from the earthquake, to pay the affected suppliers no later than the date on which they would have been paid had on-time delivery been feasible? Y/N.

A: Yes, The shipment plans of the suppliers were rescheduled mutually and all payments scheduled according to the payment schedule as usual.

4. Have you, as a matter of policy, directed your sourcing team <u>not</u> to seek price concessions from suppliers in the affected region on new orders negotiated subsequent to February 6, 2023? Y/N

A: Yes, the existing price policy still applies and no concessions were applied to any orders, new or existing.

5. Has your sourcing team negotiated prices on any new order from the region that are lower than those paid to the same supplier for like product during the prior season? Y/N

A: No, the existing price policy is applied, prices on new orders are not lower that previously.

6. To the extent that textile producers in the affected region are among those that your brand directs apparel suppliers to utilise, have you taken steps to ensure that these producers will be paid in full and on schedule regardless of delivery delays? Y/N

A: Yes, there is one of our fabric suppliers in the affected region and we have been in communication with them to ensure full payments. In addition, we covered some of their urgent needs including Food Aid Packages, blankets, bed sheets and garments.



- 7. Has your company provided any of the following forms of assistance to suppliers in the region in order to help them survive and fulfil their obligations to workers?
 - a. Accelerated payment on orders recently delivered, in transit, or in production? Y/N
 - A: Yes, if requested.
 - b. Improved payment terms on new orders? Y/N
 - A: Yes, we offer vendor finance so suppliers can get early access to cash.
 - c. Providing low-interest or no-interest financing to suppliers? Y/N
 - A: Yes, all suppliers already have a financial product option with low interest.
 - d. Direct financial assistance to suppliers? Y/N
 - A: Yes, we offer vendor finance so suppliers can get early access to cash.
- 8. Are you taking concrete steps at supplier factories, aside from standard periodic auditing, to ensure that vulnerable workers (e.g. migrants, refugees, unregistered workers, pregnant workers) are not facing discrimination in terms of wage reduction or layoffs? Y/N
- A: Yes, as well as the existing annual 3rd party auditing policy that is in place which covers vulnerable workers' rights, our in country compliance team visit to monitor the suppliers and interview workers.
- 9. Have you taken steps to ensure that all Tier 1 and Tier 2 supplier factories in the in your supply chain, and within the earthquake affected regions, are structurally safe? Y/N
- A: Yes, Earthquake Safety Risk Management was already in place to ensure all production units are safe in terms of building structural standards.
- 10. Have you provided the families of Tier 1 and Tier 2 workers in your supply chain who were killed during the earthquake with any form of financial assistance? Y/N

A: Yes, please see below.

a. If yes, what form has this assistance taken?

M&S plc donated £50,000 to the Red Crescent via the Red Cross and M&S Turkey Sourcing Office donated £20,000 directly to families of the suppliers.

In addition, immediately after the earthquake 80 of our local office staff prepared Food Aid Packages, blankets, bed sheets and garments that were sent to the region by vehicles from our suppliers. One of our colleagues sadly lost her parents and 2 other colleagues' relatives were left homeless when their houses were destroyed. We are supporting these colleagues directly.