

BHRRC response purchasing practices 11 April 2024

Dear Mayisha,

Thankyou for your email regarding your new information portal - *Who pays for the crisis?* focusing on apparel brand purchasing practices, impacts on suppliers, and worker livelihoods and well-being.

At Marks & Spencer, responsible sourcing and ethical trading is core to the way we do business. As part of our Global Sourcing Principles, that set out the minimum requirements and expectations of how we and our supplier partners conduct business, we commit to keep our buying practices under review and ensure that our behaviour supports supplier partners in complying with these Principles.

We are very proud to hold strong long-term relationships with our suppliers and it has always been a priority to respect human rights and to stand up for our workers across our global supply chains.

These relationships allow us to honour supplier commitments when supply chain “shocks” occur as we did for example during and after Covid.

To support meeting our commitments to our clothing and home suppliers, and to ensure we manage our supply so that we have a viable business on the other side of any crisis, we worked with our suppliers in the following ways:

Prices are negotiated to ensure that all workers are entitled to fair and equal compensation, which at least meets the legal minimum wage, industry standards, or negotiated wages and includes all legally mandated benefits (medical insurance, social insurance, pension).

Our critical path, delivery dates and volumes are discussed with suppliers prior to orders being placed to ensure appropriate and achievable leadtimes.

As well as agreed standard payment terms with our suppliers, we offer vendor finance and letters of credit meaning suppliers can get early access to cash regardless of payment terms. Therefore in the wake of any unpredictable events where production may be interrupted or halted, our payment terms are maintained. We always pay for shipped product and across all our partners we aim to ensure that no fabric goes to waste.

Regarding the sites named in your letter, we do source from Quantum Clothing and Tripos International, but we do not source from Shoe Premier.

Our compliance team regularly visit all our supplier factories and in conjunction with annual 3rd party audits, monitor conditions and situations in these sites. We will continue to work with the factories to ensure compliance to our Global Sourcing Principles and that workers rights are upheld.

Kind regards,

M&S Responsible Sourcing Teams