

M&S Greenhouse Gas Emissions and Climate Change Performance 2021/22

M&S Climate Strategy

Through Plan A we've been working to reduce our impact on the planet since 2007, including minimising our contribution to climate change. Even though we were the first major retailer to become carbon neutral in our operations back in 2012, the scale and urgency of the climate crisis means it's clear we need to do more. Our response has been to reset Plan A with a singular focus on becoming a net zero business across our entire value chain (scope 1,2, and 3) by 2040 – 10 years earlier than the UK government's strategy.

We have established an ambitious roadmap identifying the ten immediate priority areas we will focus on as we make our journey towards net zero. Our plan will ensure that M&S plays its part in keeping global warming below the all-important limit of 1.5 degrees Celsius. Our journey towards net zero consists of three main stages:

1. Rapid decarbonisation by 2030: We will reduce carbon emissions by 55% against our new baseline (financial year 2016/17) of 5.7 million tonnes of CO2 equivalent (CO2e). We've also set a target to reduce emissions by a third (34%) by 2025
2. Net zero in our own operations by 2035: This includes zero carbon emissions from our stores, offices, warehouses and our dedicated logistics network.
3. Net zero across our entire value chain by 2040.

We have submitted our new near-term company-wide emissions reduction target in line with climate science to the Science Based Targets initiative (SBTi). We are awaiting approval from SBTi of our new near-term target.

By focusing on energy efficiency, sourcing renewable electricity, and purchasing carbon offsets for our residual emissions, we have been carbon neutral in our own operations since 2012. Following consultation with experts, we're changing our approach and launching a new climate innovation fund – to support innovation that will remove emissions across our supply chain. The investment we have historically made in offsetting our Scope 1 and 2 greenhouse gas emissions will be redirected into the new innovation fund. The Climate Innovation Fund will invest in projects in our value chain alongside our trusted supplier partners, in our own operations and, where appropriate, to help identify solutions for industry-wide climate-related challenges.

Task Force on Climate-related Financial Disclosures (TCFD)

We are committed to managing and disclosing climate-related risks and opportunities involved in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). This year we have published our climate-related disclosures in line with these recommendations in our Annual Report (page xy), building on the actions outlined in our first disclosure. This includes a summary of our scenario analysis and actions to be taken on climate-related risks and opportunities.

Read our [Task Force On Climate-Related Financial Disclosures Report](#).

Performance 2021/22

Percentage change in scope 1 and 2 greenhouse gas emissions in 2021/22 as compared to previous years

	Vs Last year 2020/21	Vs 2016/17	Vs 2006/07
Location-based			
Global scope 1+2 emissions	+5%	-34%	-51%
Global scope 1+2 emissions per sq ft	+7%	-32%	-59%
Market-based			
Global scope 1+2 emissions	+7%	-9%	-70%
Global scope 1+2 emissions per sq ft	+11%	-14%	-75%

UK and ROI Location-based (gross) emissions

000 tonnes CO2e	2006/07	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Store & office gas heating	39	37	39	38	36	39	38
Store & office fridge & air con	129	56	54	41	47	36	46
Warehouse gas heating	9	6	6	5	5	4	4
Warehouse fridge & air con	6	2	1	3	2	2	2
Delivery transport fuel	62	81*	80*	80*	81*	75	82
(Direct) Scope 1	245	183	180	167	172	156	172
Store & office electricity	334	247	208	163	138	116	112
Warehouse electricity	33	26	25	18	15	13	12
(In-direct) Scope 2	367	273	233	181	153	129	124
Total Scopes 1 & 2	612	456	413	348	325	285	296
Index /1000 sq ft of salesfloor	45	26	23	20	18	16	17

UK Location-based (gross) emissions

(individual UK emissions only measured from 2014/15)

000 tonnes CO2e	2006/07	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Store & office gas heating		35	36	38	34	37	36
Store & office fridge & air con		54	52	39	46	35	44
Warehouse gas heating		6	6	5	5	4	4
Warehouse fridge & air con		2	1	2	2	2	2

Delivery transport fuel		79	80	77	78	73	80
(Direct) Scope 1		177	173	158	166	150	165
Store & office electricity		237	200	154	131	110	106
Warehouse electricity		26	25	18	15	13	12
(In-direct) Scope 2		263	225	172	146	123	119
Total Scopes 1& 2		440	397	330	312	273	284

ROI Location-based (gross) emissions

(individual ROI emissions only measured from 2014/15)

000 tonnes CO2e	2006/07	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Store & office gas heating		2	2	3	2	2	2
Store & office fridge & air con		2	3	2	1	2	2
Warehouse gas heating		0	0	0	0	0	0
Warehouse fridge & air con		0	0	0	0	0	0
Delivery transport fuel		2	3	3	3	2	2
(Direct) Scope 1		6	8	8	6	6	6
Store & office electricity		10	8	9	8	6	6
Warehouse electricity		0	0	0	0	0	0
(In-direct) Scope 2		10	8	9	8	6	6
Total Scopes 1& 2		17	16	17	14	12	12

M&S International Location-based (gross) Emissions

000 tonnes CO2e	2006/07*	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Store & office gas heating	0	0	0	0	0	0	13
Store & office fridge & air con	1	2	1	1	1	1	2
Warehouse gas heating	0	0	0	0	0	0	0
Warehouse fridge & air con	0	0	0	0	0	0	0
Delivery transport fuel	0	0	0	0	0	0	0
(Direct) Scope 1	1	2	1	1	1	1	2
Store & office electricity	26	20	15	12	15	12	16
Warehouse electricity	1	0	0	0	0	0	0
(In-direct) Scope 2	28	20	15	12	15	12	16

Total Scopes 1& 2	29	22	16	13	16	13	18
Index /1000 sq ft of sales	12	9	12	10	8	6	8

*GHG emissions for 2006/07 are estimated based on 2013/14.

M&S global Location-based (gross) emissions

000 tonnes CO2e	2006/07	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Store & office gas heating	39	37	39	38	36	39	38
Store & office fridge & air con	130	58	55	42	48	37	48
Warehouse gas heating	9	6	6	5	5	4	4
Warehouse fridge & air con	6	2	1	3	2	2	2
Delivery transport fuel	62	82	80	80	81	75	82
(Direct) Scope 1	246	185	181	167	173	157	174
Store & office electricity	360	267	223	175	153	128	128
Warehouse electricity	34	26	25	18	16	13	12
(In-direct) Scope 2	394	293	248	193	168	141	140
Total Scopes 1& 2	639	479	430	360	341	298	314
Index /1000 sq ft of salesfloor	40	24	23	19	17	15	16

M&S Global Market-based emissions

000 tonnes CO2e	2006/07	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Store & office gas heating	39	26	14	29	36	39	38
Store & office fridge & air con	130	58	55	42	48	37	48
Warehouse gas heating	9	6	6	5	5	4	4
Warehouse fridge & air con	6	2	1	3	2	2	2
Delivery transport fuel	62	82	80	80	81	75	82
(Direct) Scope 1	246	173	157	158	173	157	174
Store & office electricity	360	0	0	0	15	12	16
Warehouse electricity	34	0	0	0	11	9	0
(In-direct) Scope 2	394	0	0	0	25	21	16
Total Scopes 1& 2	639	173	157	158	198	177	190
Index /1000 sq ft of sales floor	40	9	8	8	10	9	10

M&S energy & fuel consumption

UK and Republic of Ireland

	2006/07	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Electricity in GWh	822	666	666	637	597	552	584
Gas in GWh	257	236	234	219	222	228	228
Energy in GWh	1079	902	900	856	819	780	812
GWh/ sq ft of salesfloor	79	51	51	49	46	44	47
Transport fuel diesel in m litres	23	31*	30*	30*	31*	29	32

*Includes additional transport activities previously carried-out by suppliers

International

	2006/07	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Electricity in GWh		35	26	19	23	18	25
Gas in GWh		0	0	0	0	0	0
Energy in GWh		35	26	19	23	18	25
GWh/ sq ft of salesfloor		22	21	21	16	13	17
Transport fuel diesel in m litres		0	0	0	0	0	0

Global

	2006/07	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Electricity in GWh		701	693	656	621	571	609
Gas in GWh		236	234	219	222	228	228
Energy in GWh		937	927	875	842	799	837
GWh/ sq ft of salesfloor		34	35	34	31	30	31
Transport fuel diesel in m litres	23	30*	30*	30*	31*	29	32

M&S energy efficiency

UK and Republic of Ireland (after weather adjustments for stores)

	2006/07	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Stores in kWh/ sq ft	67.9	42.3	40.8	41.2	37.8	36.1	37.5
Offices in kWh/ sq ft	49.4	31.8	43.8	42.4	46.6	45.1	38.2
Clothing w/hses in kWh/ sq ft	24.5	14.6	15.5	12.6	12.6	10.6	11.0
Food w/hses in kWh/ sq ft	33	19	18	18.8	18.8	15.1	15.2
All in kwh/sq ft	57.4	35.1	34.4	34.1	31.8	29.7	30.7

International

	2006/07	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
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Stores in kWh/ sq ft		25.5	24.3	20.9	16.1	13.1	16.9
Clothing w/hses in kWh/ sq ft		2.1	2.7	^	^	^	^

M&S Renewable energy sourcing

UK and Republic of Ireland

Electricity	2006/07	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total electricity in GWh	822	666	666	637	597	552	584
'Green' in GWh	23	666	666	637	556	490	583
% 'green'	2	100	100	100	93	93	99.8

Gas	2006/07	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total gas in GWh	257	236	234	219	222	228	228
Bio-methane in GWh	0	64	133	50	0	0	0
% 'green'	0	27	57	23	0	0	0

Global

Electricity	2006/07	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total electricity in GWh		701	693	656	621	571	609
'Green' in GWh		701	693	656	530	490	583
% 'green'		100	100	100	85	86	96

Basis of Reporting

Emissions are reported annually in our Sustainability Report and Annual Report, covering the previous financial year running April-March. Data includes all activities where Marks & Spencer has operational control. Group total location-based and market-based scope 1 and scope 2 greenhouse gas emissions have been independently assured to a 'limited' level by DNV.

Emissions are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), using revised carbon conversion factors published by BEIS and DEFRA in 2021 for the current reporting year. For international electricity, 2021 IEA scope 2 factors have been used. Additional refrigeration gases are drawn from Bitzer Report 21. Renewable electricity tariffs have been calculated in accordance with the March 2015 WRI/ WBCSD GHG Scope 2 Guidance on procured renewable energy.

We have also adopted the GHG Protocol Scope 2 Guidance on procured renewable energy. This means that in addition to the location-based figure required by legislation in the UK and most GHG benchmarks, we also calculate a market-based figure, allowing for deductions from the procurement of renewable electricity. This lower market-based figure is what some companies also present as being their emissions in voluntary reporting.

For our efficiency index we use 'per area of sales floor' which reflects the index used by our main trade association, the British Retail Consortium, and is also accepted by the Carbon Trust. Whilst indexes showing per £m have some advocates, we've found that they are too readily influenced by inflation/ deflation and changes of product mix. Per 'area of sales floor' has so far proven to be a robust

measurement of progress and is the metric we use internally, but maybe subject to review as the retail industry re-structures with a greater proportion of sales conducted online.