Sustainability Reporting And Business Ethics of Marks & Spencer

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Introduction

Marks & Spencer (M&S) provides a useful case for examining the relationship between sustainability reporting, business ethics, and corporate strategy. As a major UK retailer operating across food, clothing, home, and related services, the company faces environmental and social risks that extend well beyond its own stores. Its most significant impacts arise across complex value chains involving agriculture, manufacturing, logistics, packaging, energy, labour, and consumer use. Sustainability therefore cannot be assessed simply by looking at recycling initiatives or store-level energy efficiency. It must be considered alongside governance, supply-chain responsibility, climate targets, employee practices, and the credibility of corporate reporting.

M&S has organised much of its environmental and social activity under its long-running Plan A programme. The company's 2026 reporting states that its science-based net-zero target for 2040 has been validated by the Science Based Targets initiative (Marks & Spencer, 2026a). This represents a substantial strategic commitment, but ambitious targets alone do not establish ethical performance. An academic assessment must also consider whether targets are measurable, whether progress is transparently reported, how the company addresses difficult Scope 3 emissions, and whether social responsibilities receive attention comparable to environmental goals.

Business Ethics and Stakeholder Responsibility

Business ethics concerns the principles that guide organisational decisions when the interests of different stakeholders do not automatically align. For a retailer, shareholders may seek profitability, customers may expect affordable products, employees may seek fair pay and secure work, suppliers may need commercially sustainable terms, and communities may expect responsible environmental conduct. Ethical management requires the firm to recognize these interests rather than treating financial return as the only legitimate objective.

Stakeholder theory is particularly relevant to M&S because retail value is created through a network of relationships. Freeman (1984) argues that businesses should understand how their decisions affect groups that contribute to or are affected by corporate activity. In practice, this means that M&S's ethical responsibilities include product safety, labour standards, supplier relationships, customer trust, climate impact, waste, biodiversity, and transparent governance.

This approach does not require a company to eliminate commercial objectives. Instead, it asks whether profitability is pursued within responsible boundaries. Porter and Kramer (2006) similarly argue that corporate responsibility is most effective when it is connected to business strategy rather than treated as peripheral philanthropy. M&S's sustainability programme is therefore strongest where environmental and social improvements are integrated into sourcing, product design, logistics, operations, and investment decisions.

Climate Strategy and Carbon Reduction

Climate change is one of the most material sustainability issues facing a large retailer. M&S's 2026 Annual Report states that its near- and long-term science-based emissions-reduction targets have been approved by the Science Based Targets initiative and that its net-zero target is set for 2040 (Marks & Spencer, 2026a). The company distinguishes between direct operational emissions and the much larger indirect emissions generated throughout its value chain.

This distinction is important. Scope 1 emissions arise from sources controlled directly by the company, while Scope 2 relates to purchased energy. Scope 3 covers indirect emissions from activities such as agriculture, manufacturing, purchased goods, transport, business travel, product use, and waste. For a retailer with extensive sourcing networks, Scope 3 emissions are considerably harder to manage because reductions depend on suppliers, product choices, customers, and external infrastructure.

M&S's Plan A climate strategy includes a target of net zero across its value chain by FY2040. Its current targets include substantial reductions in Scope 1 and 2 emissions and separate Scope 3 targets for land-related and energy-and-industry emissions (Marks & Spencer, 2026b). This is a more mature approach than reporting only store electricity use because it recognizes that the largest environmental impacts may occur before a product reaches an M&S outlet.

Responsible Sourcing and Supply Chains

Responsible sourcing is both an environmental and ethical issue. Clothing and food supply chains can involve water stress, land-use change, greenhouse-gas emissions, chemical use, biodiversity pressures, low wages, and unsafe working conditions. A retailer may not directly employ workers in supplier factories or farms, but purchasing decisions can still influence labour and environmental conditions.

Ethical supply-chain management therefore requires more than supplier codes. Companies need risk assessment, due diligence, monitoring, grievance mechanisms, corrective action, and transparent reporting. M&S reports ESG governance and supplier-related standards through its Plan A framework and associated disclosures (Marks & Spencer, 2026b). The challenge is ensuring that policies are translated into practice across multiple tiers of suppliers, including subcontractors that may be less visible to the purchasing company.

The complexity of contemporary supply chain management makes this especially difficult. Audits can identify some problems, but they are not a complete ethical solution. Workers may be reluctant to report abuses, documentation may not reflect actual practice, and intense commercial pressure can undermine labour standards. An ethical sourcing strategy therefore needs long-term supplier relationships, realistic purchasing practices, traceability, and mechanisms that allow concerns to be raised safely.

Waste, Packaging, and Circularity

Retail sustainability also depends on how resources are used after products enter the market. Food waste, clothing waste, packaging, returns, and unsold inventory all carry environmental costs because energy and materials have already been consumed before disposal occurs. The principles of a circular economy seek to keep products and materials in use for longer and reduce reliance on virgin resources.

For M&S, this can involve reducing unnecessary packaging, improving recyclability, redistributing edible surplus food, encouraging clothing reuse, and designing products with durability and material recovery in mind. These initiatives should be assessed through measurable outcomes rather than isolated campaigns. A packaging target, for example, is more meaningful when the company discloses how much material is used, how that amount changes over time, and whether substitutes create unintended environmental effects.

Water is another important resource, particularly in agricultural and textile supply chains. Responsible management requires attention not only to the quantity of water used but also to local scarcity and water quality. A litre of water consumed in a water-stressed sourcing region can have a different social and ecological significance from the same quantity used elsewhere.

Employees, Diversity, and Social Responsibility

The social dimension of sustainability includes how employees are treated and whether opportunity is distributed fairly. Ethical employment practices include safe working conditions, fair reward, training, non-discrimination, inclusion, employee voice, and responsible restructuring. These issues are particularly important in retail, where large workforces include frontline store employees, logistics workers, managers, and temporary staff.

Corporate diversity statistics can provide useful evidence, but ethical analysis should go beyond representation. A company may improve the proportion of women or minority employees in management while still facing concerns over progression, pay differences, psychological safety, or access to flexible work. Strong reporting should therefore explain both outcomes and the systems used to produce them.

M&S's governance and ESG disclosures demonstrate that social matters form part of formal corporate oversight (Marks & Spencer, 2026a). The ethical question is whether leadership treats these issues as operational priorities rather than reputational indicators. Employee experience, supply-chain labour standards, and community impact should be evaluated alongside carbon and financial performance.

Corporate Governance and Accountability

Credible sustainability requires governance. Boards need clear responsibility for environmental and social risks, reliable information, internal controls, and the willingness to challenge performance when targets are not being met. M&S's 2026 Annual Report describes board and committee oversight of ESG and climate-related matters (Marks & Spencer, 2026a).

Governance is important because sustainability targets often extend beyond the tenure of current executives. A 2040 net-zero commitment, for example, cannot depend on the preferences of one leadership team. It needs intermediate targets, capital-allocation decisions, monitoring, and accountability mechanisms that remain meaningful over time.

Executive remuneration can also raise ethical questions. Where environmental or social performance is included in incentive structures, measures must be sufficiently rigorous to discourage superficial compliance. Poorly designed indicators may reward activity rather than genuine outcomes. Effective governance therefore requires a combination of quantitative targets and qualitative judgement.

Quality of Sustainability Reporting

Sustainability reporting has value only when it helps stakeholders understand performance. High-quality disclosure should be specific, comparable, balanced, and transparent about limitations. Companies naturally have an incentive to emphasize achievements, but ethical reporting must also explain where targets are not being met and where measurement remains uncertain.

M&S publishes sustainability information through its Annual Report, ESG reporting, and Plan A materials. Its reporting has become more detailed as climate-accounting standards and stakeholder expectations have developed. The separation of different Scope 3 categories and the use of science-based targets improve the analytical value of the disclosures because they make the company's climate strategy more measurable (Marks & Spencer, 2026a; 2026b).

Nevertheless, readers should distinguish between targets, actions, and achieved outcomes. A target describes an intended future condition. An initiative describes something the company is doing. An outcome shows whether environmental or social performance actually changed. Ethical sustainability communication should make these categories clear and avoid presenting future commitments as completed achievements.

Comparison with Retail Competitors

M&S operates in an industry in which competitors such as Tesco also publish climate, waste, sourcing, and social commitments. Comparisons can encourage improvement, but they must be made carefully because retailers use different baselines, reporting boundaries, product mixes, and methodologies. A company with apparently faster percentage reductions may simply have selected a different base year or may include different emission categories.

For this reason, M&S should be evaluated primarily against the consistency and credibility of its own targets, external standards, and year-on-year progress. Benchmarking remains useful, but it should not replace analysis of absolute impact and value-chain responsibility.

Areas for Continued Improvement

The first major challenge is Scope 3 decarbonisation. Reducing emissions from food production, clothing manufacture, logistics, and purchased materials requires collaboration with thousands of external actors. M&S will need supplier engagement, product redesign, lower-carbon materials, agricultural interventions, transport changes, and credible data if it is to deliver its 2040 target.

The second challenge is maintaining transparency. Sustainability reports should disclose methodological changes, revised baselines, missed targets, and areas of uncertainty as clearly as successes. Transparency builds trust because it allows stakeholders to distinguish genuine progress from promotional language.

The third challenge is integrating social and environmental ethics. Climate performance should not improve at the expense of labour conditions, affordability, or supplier viability. Similarly, social initiatives should not distract from the environmental footprint of products. The strongest form of sustainability management treats these issues as connected.

Conclusion

Marks & Spencer has established an extensive sustainability framework and continues to embed Plan A into its corporate reporting and strategy. Its validated 2040 net-zero ambition, detailed climate disclosures, supply-chain policies, and formal ESG governance demonstrate that sustainability has moved beyond a peripheral corporate responsibility programme. However, the scale of M&S’s value chain means that the most difficult work lies in indirect impacts, particularly Scope 3 emissions, sourcing, labour conditions, materials, food systems, and waste.

From a business-ethics perspective, the quality of M&S's sustainability performance should therefore be judged not by the number of initiatives it announces but by whether it sets credible targets, reports progress transparently, responds to stakeholder interests, and produces measurable environmental and social improvements. Ethical sustainability is ultimately a matter of accountability: the company must be willing to show both where it is progressing and where substantial challenges remain.

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