

Case study 5**Marks and Spencer: Supply chain in context of comprehensive sustainability plan**

Headquartered in London, Marks and Spencer is a leading retailer of clothing, home products and food. With revenue of £10.3bn in the year to March 2015, it employs 83,000 people. It aims to create value through a comprehensive approach to sustainability based on respect for the environment and long-term relationships of trust with all stakeholders. This is embodied in Plan A, a detailed programme of sustainability targets in every relevant area.

Plan A

Marks and Spencer's business model aims to create long-term value through the effective use of its resources and relationships. It manages these in line with its core values of inspiration, innovation, integrity and InTouch. Plan A is the embodiment of these values. It consists of a wide range of targets and commitments which are measured and updated regularly. Progress is overseen by an Executive Committee which includes several main board directors and by an Advisory Board which includes external stakeholders.

The supply chain forms a critical part of this programme. This partly reflects the fact that 98% of what Marks and Spencer sells are its own products. A breach of trust in one product area could therefore have consequences for the brand as a whole. Also, the supply chain is a much bigger universe than the company itself. The company deals with about 700 factories in each of its food and general merchandise divisions and with about 20,000 individual farms. The company believes that a long-term relationship of trust with its suppliers helps ensure that they understand and reflect the values that the company has set for itself.

Supply chain standards

Its approach to the supply chain is based around Global Sourcing Principles which set standards in areas such as human rights, gender equality and fairness to all suppliers, including small ones. Its standards are demanding, but it seeks to help its suppliers to meet them for example through the training of its sponsors.

Measurable targets in food production relate, among other things, to sustainability, wildlife conservation, responsible fish farming and addressing deforestation. Targets in general merchandise include energy efficiency, chemical and effluent management, living wage, use of sustainable cotton and training. The company works with its suppliers and partners to provide a training and education programme covering employees' roles, responsibilities and rights, health care and, where possible, numeracy and literacy. Around 650,000 workers in its general merchandise supply chain have received training since 2010.

A feature of Plan A is that new targets are introduced as existing targets are met. Among new commitments, it aims to work with industrial bodies, opinion formers and suppliers to deliver innovation and working practices that will reduce hazardous waste discharges from clothing manufacture to zero by 2020. The company has also introduced a new target of removing plastic micro-beads from all own brand personal care products from this year onwards.

