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Marks and Spencer: Plan A

In 2004 Sir Stuart Rose was brought in to lead Marks and Spencer (M&S) out of a crisis. The venerable U.K. retailer, a British institution with a standing in society akin to the BBC, had fallen behind after a series of missteps, mostly on the apparel side but to a certain extent on the food side, too. As part of his turnaround plan, in January 2007, Sir Stuart launched a new eco-plan initiative, Plan A, which he believed would be a cornerstone of M&S's competitive positioning in the years to come. "Many of our competitors have sustainability initiatives, but they pass those benefits to consumers at a premium. M&S made its name by democratizing fashion, and democratizing fine foods: we now intend to democratize sustainability." A year into the new initiative it became clear to Sir Stuart that the \$400 million¹ effort needed senior leadership; in March 2008 he tapped an experienced executive who had led efforts in store design and construction and corporate purchasing to run the Plan A effort. In November 2008 the company issued a press release (see **Exhibit 1** for the text) outlining Plan A's successes to date.

"We are giving consumers a way to participate in the green movement," said Rose. "My goal is to allow our customers to answer the question, 'What are you doing for the environment?' with 'I shop at Marks & Spencer.'"

History of Marks and Spencer

In 1884, Michael Marks sold an assortment of goods ranging from nails to luggage labels from an open-air stall in Leeds, U.K. The motto of his Penny Bazaar shop, "Don't ask the price; it's a penny," helped it become an instant hit with customers. In 1894 Marks formed a partnership with Thomas Spencer, a cashier at a local clothing company, thus establishing the Marks & Spencer moniker. By 1900, M&S operated 36 market branches and the company continued to grow rapidly: to 49 branches in 1907 and 143 by 1914, distributed throughout England, Scotland and Wales. By then both founders had died and the company's leadership transitioned briefly to non-family members before returning to family control in 1917 when Mark's son, Simon, took over as M&S chairman.

In the 1920's the company went public and M&S expanded beyond general merchandise to become a major, ready-to-wear clothing retailer. In 1928, M&S began to sell canned goods and other foods under a private label brand. St. Michael, the iconic M&S private label, was introduced initially on clothing and later on food as a way to establish quality and value. To keep costs low, the company purchased goods directly from manufacturers—unheard of in British retailing. The success of the St.

¹ Pounds sterling have been converted to U.S. dollars at £1= \$2.00.

Michael food brand led M&S to establish food departments in all of its stores in 1931. By 1938 food comprised one-fifth of M&S sales and the St. Michael brand was expanded to all categories of M&S products as the retailer phased out all but its own brand of merchandise in 1956. By the 1970s, every major town in the U.K. had its own, centrally located M&S store and the retailer had become a British icon and household name.

Troubled years, 1980s to 1993

Capitalizing on its success in the U.K., M&S sought to expand its operations in the 1980s, opening stores throughout Europe and Hong Kong. In 1988 M&S acquired two American retailers, clothier Brooks Brothers and the Kings Supermarket chain, with the aim of achieving significant expansion. Neither acquisition was successful; M&S paid too high a price for Brooks Brothers and Kings was too small to profitably replicate the M&S food/non-food formula and the company sold off both acquisitions in the mid-2000s.

In the meantime, M&S's competitors focused on lowering costs to draw in consumers and revamped their supply chains, relying heavily on sourcing low-cost goods offshore. M&S, which had long relied mainly on suppliers within the U.K., saw its profits and "value for money" concept erode in the late 1980s and early 1990s. This, coupled with the U.K. economic recession put M&S in a tenuous position. While M&S stood by its goal to sell nearly 100% "British made" products, competitors took advantage of high-quality, low-cost imports to undercut M&S's prices. At the same time, younger consumers became wary of shopping at M&S as the retailer failed to keep current with shoppers' preferences for trendy, fashionable merchandise. Finally, M&S's heavy investments in store renovations added to its financial woes.

Back to basics, 1994 to 2006

By 1994, M&S had rebounded to become the U.K.'s most profitable retailer, in part due to major cost cutting and improved efficiency measures, increased product offerings, geographical expansion and an international franchise program. In 1998 M&S achieved record sales of \$16.4 billion and pre-tax profits of \$2.2 billion—with a net margin of 14.4%. By the end of the next fiscal year² however, M&S's share price plummeted and its profits dropped to \$290 million. The sudden decline was blamed on a "perfect storm" of factors: M&S's inability to maintain its value pricing amid competition from imports, the company's refusal (until 2000) to accept any credit cards except its own, its inability to lure young consumers, and expansion into outside brands.

In early 2000, Luc Vandeveldel was appointed chairman of the troubled company. Vandeveldel brought in Roger Holmes from Kingfisher as CEO, and together they reformed the M&S business model, refocused on the U.K. market, divested all but own-brand products, accelerated the move to offshore sourcing and introduced products meant to appeal to younger consumers. The company made some market share gains as a result of these reforms, and though M&S was unable to duplicate the success it had enjoyed in the past, management considered the company stable enough to focus on smaller initiatives meant to support incremental profit growth. In food retailing, M&S concentrated on building M&S Simply Food, a 3,000-4,000 square foot convenience store format which stocked premium quality foods which required limited preparation as well as wine and on-the-go foods. Simply Food was located in high customer flow areas—in train stations and near urban commuter areas, for example—and targeted upscale customers interested in fresh, convenient foods.

Despite these efforts, the M&S recovery was short lived; profits and sales started declining again in 2004, and the vulnerable business became a takeover target. Vandeveldel resigned and the board

² March 31, 2001.

recruited Rose, known for his long and successful track record of fighting off takeover bids and reviving businesses. Rose was no stranger to M&S, having joined the company as a management trainee in 1972. When he left 17 years later, Rose had gone on to serve as chief executive for such well-known British retailers as Argos, Arcadia Group (TopShop and Principles stores) and Booker plc.

Rose remarked on the company's history:

In 1989, M&S had more strengths than weaknesses but 1995 began an era of lost opportunity. We should have broadened our consumer base and stretched our brand at a time when our opponents were weak. We could have broadened food to be a destination store before Tesco became dominant, for example. My goal in 2004 was to re-establish our brand credentials.

An M&S manager painted a dire picture of that time. "In 2004, the company was broken. We had the wrong leaders, high prices, we weren't listening to customers, our suppliers were unhappy and we were slow to market. Our suppliers were unhappy because we weren't big enough to satisfy the large ones and we weren't open enough to engender trust from the small ones."

Upon re-joining M&S in 2004, Rose immediately announced a turnaround plan that emphasized focusing on the core values that had made M&S an icon: value-for-money products, a welcoming store environment and superb customer service, a theme he would continue to emphasize in the years to come. In 2005/06 M&S launched an elaborate renovation plan to make the stores look trendier and on par with other major retailers. M&S food halls, for example, were fitted with steel refrigerators and shiny black-tile floors. Marketing and advertising spending was increased and high profile ads were launched for the food business, emphasizing the splendor and quality of M&S foods.

Rose also changed the supply-cycle philosophy: "In apparel we had for decades followed a two season pattern. That might have been enough when our offerings were basic, but our competition has fresh merchandise year-round. We now operate closer to a monthly product cycle."

In 2006, M&S launched a marketing campaign, "Look Behind the Label," to demonstrate to customers the many ethical and environmentally friendly practices the company was involved in via its new production and sourcing methods. These included stocking Fair Trade products (i.e., offering clothing made from Fair Trade cotton and selling Fair Trade coffee), producing clothing using environmentally-friendly textile dyes and supporting sustainable fishing. A manager commented, "The 'Look Behind the Label' program didn't happen overnight. We had begun looking at our sourcing issues with a risk management mentality but gradually we gained support for our activities from all key stakeholder communities including NGOs and only then did we have the confidence to tell the consumer of our successes."

The current situation

By 2008, M&S operated 622 stores in the U.K., and had a worldwide network of 278 stores (including 132 franchise stores) in 39 countries. Sales for the fiscal year ending March 2008 were £9,200 million (a 5% year-on-year increase; see **Exhibit 2** for selected financials) and profits stood at £1,089 million, a 26% year-on-year increase.

Despite its status as the U.K.'s top department store and mixed retailer, M&S ranked 13th among grocery retailers (see **Exhibit 3** for M&S's competitive position.) In 2007, M&S generated food sales of \$8.5 billion compared to market leaders, Tesco, at \$72 billion, Morrisons' at \$26 billion and Sainsbury's at \$38.6 billion.¹

Most major food retailers had reported sales growth of 3% or more in 2008 that analysts attributed to a trend toward eating and preparing meals at home amid consumer belt-tightening on out-of-home dining. Discount grocers were the prime beneficiaries of consumers' thriftiness. Indeed, low-end chains Aldi and Lidl reported, respectively, a 21% and 13% increase from mid-March to mid-June 2008 while M&S reported a 4.5% decline in sales over the same reporting period.²

Rose acknowledged that food retailers were caught up in "the biggest price war in 20 years" but said firmly that M&S would not engage. "We only offer the best quality and that will be our continuing stance," he said.³ In July 2008, Rose announced that, in a sharp break with past policy and in response to customer demand, M&S would start to trial having some major branded food products, such as Coca-Cola soft drinks and Kelloggs cereals, in some of its stores. M&S viewed the trial as a way to make food shopping more convenient for M&S customers by saving them a journey to a separate grocery store to pick up the well-known brands.⁴

A snapshot of M&S in 2008, showed that:

- M&S had 2000 suppliers and 21 million customers per week
- About one in 8 transactions used the M&S credit card;
- M&S had about an 11% share of U.K. apparel sales in terms of value. It was the market share leader in both value as well as volume. The price architecture at M&S could be quite broad with men's suits ranging from \$98 to \$1200, and T-shirts from \$10 to \$30;
- M&S had more than a 25% share in lingerie, giving it the highest market share in the UK;
- The supply cycle varied from 3 weeks (for T-shirts) to 30 weeks (for lingerie);
- Almost all apparel suppliers were off-shore, with a combination of straight purchasing, intermediate vendors, and some self-design.
- In food, M&S was regarded as a premium place to shop but in apparel the company was considered more mainstream.

Plan A

In January, 2007, M&S launched Plan A, a five year plan that Rose expected to shape the future of M&S. "Our intention when we designed Plan A was to integrate it into every aspect of how we do business, so that we grow in a sustainable way," said Rose. "Plan A will allow us to tackle some of the biggest challenges facing our business and our world. It will see us working with our customers and our suppliers to combat climate change, reduce waste, safeguard natural resources, trade ethically and build a healthier nation. We refer to these as our five pillars of change. We're doing this because it's what our customers want us to do. It's also the right thing to do."

Rose set ambitious goals, namely, to become carbon neutral, to send no waste to landfill, to extend its sustainable sourcing program, to improve the lives of those who worked within its supply chain and to help customers and staff enjoy a "healthier" lifestyle. In total, the plan was comprised of 100 commitments (see **Exhibit 4** for the full list) across five pillars. The list was broad ranging, encompassing projects which ran the gamut from sourcing 100% renewable energy for the business to reducing the need for imports by promoting sustainable farming, to promoting recycling and waste reduction in packaging, and reducing shopping bag usage among customers. In addition, Rose was

determined that the commitments had to be met without compromising on the core values that underpinned M&S: value, quality, service, innovation and trust.

The Director in charge of Plan A reflected on his new assignment:

For years I had been faithfully recycling at home and generally regarded myself as environmentally conscious, but until Sir Stuart asked me to lead this effort I had never really thought about the effect of my company on the environment. A lot of progress can be made in ways that save money and the environment at the same time. About the time I took over Plan A, we had just eliminated the use of bottled water here at headquarters. People grumbled because we had explained it as a cost cutting move; had we positioned it as a matter of environmental concern there would not have been a murmur. There are a lot of win-win gains like that to be made in our operations.

Pillar One: Climate change

By 2007 there was a growing recognition that retailers were potentially major contributors to climate change, not just via their own operations (amounting to approximately 5 million tons of carbon dioxide per year) but also via the sourcing and use of their products (potentially another 50 million tons.) M&S worked with the Carbon Trust, a U.K. government-funded company that helped organizations develop plans to lower their carbon emissions, to understand its own food business carbon emissions “footprint.” M&S calculated that its own value chain (including suppliers and consumers) contributed 6.3 million tons of carbon dioxide; suppliers accounted for 4 million tons, M&S itself, 0.5 million tons, and its consumers, 1.8 million tons. Investigations established that the main source of emissions in each sector were, respectively, methane emissions of cattle, leaking refrigerator gases, and the heating of water for clothes washing. Each of these was tackled in a different way. M&S began working with its farmers to change feed, grazing patterns and to encourage the adoption of anaerobic digesters. M&S invested in new technology and the purchase of new equipment to rectify the refrigerator problem, and they began an advertising campaign with a goal of encouraging consumers to wash laundry at temperatures below 30C. M&S took several other steps to reduce its carbon footprint. For example, in late 2007, M&S began to open three “eco-stores” at locations in southern England and Scotland. The first, in the seaside community of Bournemouth, included measures to reduce heat and energy loss, and install more energy-efficient lighting, refrigeration, heating and ventilation systems. “Bournemouth now uses 25% less energy than before the renovation,” said Rose. M&S estimated that across the organization, it had reduced energy-related emissions by 48,000 tons of carbon dioxide, primarily by sourcing 21% of its electricity from renewable sources.

A manager explained that product sourcing had changed, too. “For years we chose vendors with an eye on cost; now we look at energy usage. Take light bulbs as an obvious example. Today’s bulbs use 20% less energy and are no more expensive than the traditional ones. It’s the smaller companies that you look to for these innovations, not the large ones.”

M&S also looked down its supply chain toward its farmers, expecting them to reduce their own emissions. “We’re encouraging farmers to provide small-scale, on-farm renewable generating capacity by installing anaerobic digestion and wind turbine systems,” said Rose, who noted that in addition to meeting their own energy needs, the farmers could sell their “green” electricity. “We now have contracts with two farmers who will provide us with six Gwh of green electricity. To put this in perspective, there are currently around 20 anaerobic digestors in the U.K., compared to several thousand in Germany. We’ve recently funded a study tour to Germany for 27 farmers and other interested parties to look at on-farm anaerobic digestion. We hope this will encourage more farmers to invest in the technology,” he said.

M&S continued to source a significant portion of its food from the U.K.—well above its market share. In 2007, the company purchased 26% of the U.K. plum crop, 50% of the U.K. blueberry crop and 48% of the cherry crop and had plans to help farmers extend the U.K. growing season for established fruits and vegetables. M&S had already successfully done so for asparagus, where the company led an effort to double the length of the U.K. growing season. M&S's technical director for foods explained:

The old style asparagus season gave us a six week window. We've grown that window by working with our vendor to use multiple planting geographies for planting: a south-facing slope produces very early asparagus beginning in late March and a north facing slope allows us to extend the harvest period into July. Our sole supplier is John Chinn of Cobrey Farms in the Wye Valley—he has become something of a celebrity after working with us on this. We estimate this will save up to 360 tons of carbon dioxide per season by not flying in our asparagus. We are the only major retailer to sell 100% U.K. asparagus during the season.

Perhaps the most energy conserving potential lay in consumers' own homes, where about half of all the energy usage in the retail value chain could be found. The process of freezing and defrosting food, pre-heating ovens, and dishwashing was energy intensive. But it was the washing of clothes at high temperatures, drying and ironing them that used significant amounts of energy. M&S had developed very good non-iron shirts and sheets: the combination of low temperature wash (below 30C) combined with no ironing provided a big savings. Surveys suggested that the percentage of consumers washing at 30C or below had increased from 24% to 38% since the campaign began. "Part of how we can reduce our carbon footprint is by reducing the knock-on usage by our customers. If we could find a way to reduce energy usage consumed in the process of visiting our stores, that would represent a real savings," said a manager. The company was exploring the feasibility of developing a plan for carbon labeling of consumer products but believed it would take several years before a trial program could be launched. Early consumer research suggested that consumers wanted retailers to take the lead in reducing carbon emissions, using labels only when the consumer was an important factor in reducing emissions (as with laundry for example).

Pillar Two: Waste

M&S established a goal that by 2012, none of its own waste would be sent to landfill. An operations review by external consultants concluded that the volumes of waste M&S generated didn't justify the creation of an in-house waste handling operation and M&S elected to hire recycling service companies to collect waste from its stores and warehouses. At the same time, M&S recognized that its use of packaging caused concern among customers and the company sought ways to decrease its volume of food packaging. For example, M&S introduced a new type of plastic packaging for ready meals, tested in its Italian ready meal line, that was 20% lighter than one used prior. M&S estimated that by launching the new packaging across the 15 products in the line would save 47 tons of packaging annually.

In addition to trying to solve its own waste problem, M&S also embarked on programs to reduce the amount of waste that its customers generated. One such program was a high profile effort to reduce consumer use of plastic shopping "carrier" bags. By asking its customers to switch to reusable carrier bags, and by encouraging customers to re-use the shopping bags, a total of 37 million fewer bags were used than in the previous year. "We achieved this by simply asking our customers: 'Do You Need a Carrier?' and by encouraging them to buy our Bags for Life³," said a manager..

³ Bags for Life were large, re-usable plastic bags that M&S sold for \$.20 apiece. Consumers could trade in worn-out bags for free replacements if necessary.

The company achieved a greater reduction in plastic bag usage—66%—during a trial in 14 of its Northern Ireland stores when it began to charge \$.10 per bag. In the four weeks before M&S introduced the charge, customers were given a free Bag for Life. All profits realized from the sale of the bags were donated to the charity Groundwork to invest in local environment projects. After being introduced in all M&S UK stores in 2008, plastic bag usage was down 80%. In addition to reducing demand for plastic bags, the company now used 100% post consumer recycled plastic in the plastic bags that were used.

A second initiative was designed to reduce the amount of clothing sent to landfill. M&S estimated that 80% of the 350 million garments it sold each year were destined for eventual landfill. A manager described the dilemma, “We could have asked consumers to recycle their clothes back at the stores but the thought of all that used clothing in our stores was not attractive. Few of our stores have car parks so the common idea of having large recycling bins there wasn’t feasible. So we did a deal in January 2008 with the charity Oxfam which has stores throughout the UK. Any M&S garment brought to their stores is exchanged for a £5 coupon good with any purchase of £35 or more at M&S. So far 500,000 people have delivered 2,000,000 garments under this plan. Instead of going to landfill, Oxfam has resold these garments generating £2 million that they can spend on charitable activities. The redemption rate of these coupons is running at about 55%, many times better than traditional coupons”.

Pillar Three: Sustainable raw materials

The third pillar of M&S’s Plan A was a commitment to sourcing the most sustainable raw materials possible. Though executives believed that the company had long maintained high standards in this area—particularly with regard to animal welfare and sustainable fishing—they nevertheless generated a list of additional initiatives to add to Plan A. M&S pledged to guarantee that, beginning in January 2006 (even before Plan A was official), none of the ingredients in any of its beauty or household products would be tested on animals—a move which required the retailer to conduct a comprehensive review of 1,200 products and their individual ingredients. By mid-2007, consumers began to notice “Cruelty-Free” products—marked with a Leaping Bunny logo—displayed on M&S shelves.

Animal welfare was a centerpiece of the sustainable raw materials program. M&S ensured that all of its fresh poultry (except chickens) was free range raised and the retailer discontinued selling white veal and calves’ liver after consumers expressed concern over the treatment of juvenile cows. Beginning in January 2008, M&S limited its veal sales to UK-reared rosé veal which met animal welfare standards set by Compassion in World Farming and the Royal Society for the Prevention of Cruelty to Animals.

M&S worked closely with independent, non-profit organizations, ranging from the British Union for the Abolition of Vivisection to the Marine Conservation Society (MCS), to understand and adopt the prevailing “green” standards. For example, M&S discontinued sales of fish blacklisted by the MCS and launched a pesticide residue reduction network with its suppliers. M&S’s farmers responded well to the program: “We’ve already banned the use of 70 pesticides in our products and the network will help us to phase out nine more by 2009,” a manager said.

In the meantime, M&S’s sales of organic foods rose 48% in 2007, with the retailer doubling the size of its line to nearly 600 products. In some categories, such as children’s chocolate products, all its products were organic.

Pillar Four: Fair partner

M&S's fourth pillar exemplified the company's commitment to the Fair Trade movement—notably, purchasing products at a “fair” price from suppliers in underdeveloped countries to encourage their self-sufficiency and representation in world trade. Initially Fair Trade tea and coffee was sold in the company's 200 store cafes, and had now been expanded to include all of the tea and coffee products sold by M&S. “We're proud of that—not because we're the only major retailer on the high street that can say it, but because of the difference it makes to the lives of the farmers who grow the crops,” said a manager, who noted that the premium price consumers paid for Fair Trade products allowed tea and coffee farmers to invest in construction, training and education within their own communities. Though most of M&S's coffee came from Kenya, a manager illustrated the benefits of Fair Trade by citing an example in Rwanda: We buy the coffee from COOPAC, a co-operative of coffee farmers in Rwanda, who have been fair trade certified since 2001. They have already built a school and healthcare clinic thanks to the Fair Trade Premium funds they've received. Over the next few years, the premiums will be used to buy a cow for every farmer, which will give them an alternative source of income, as well as enabling them to use the manure to replace chemical fertilizer.” The Fair Trade philosophy extended also to domestic suppliers. “We were the first major retailer to launch a Milk Pledge, guaranteeing our fresh milk farmers a six-month price based on agreed parameters, including the price of animal feed and fuel,” said one manager. “We already pay one of the highest prices amongst major food retailers to our fresh milk farmers and the Pledge provides them with a consistent price in a market characterized by major price fluctuations,” he said.

Pillar Five: Health

M&S's fifth pillar was designed to improve the health of its customers and employees. Among their first actions was, in 2007, to eliminate hydrogenated vegetable oils (trans fats). In March 2008 this was followed by programs to reduce fat, salt, sugar and additive levels in M&S own-brand foods. By April 1, 2008, M&S had removed the artificial colors and artificial flavorings from all the food and soft drinks it sold. “It's taken three years to remove artificial colors and flavorings from over 900 products,” said a manager. “We've come up against some real challenges along the way, particularly when removing artificial colors. It's only once you start to remove colorings, you realize how much we eat with our eyes—people expect things to look a certain way. We now use fruit and vegetable extracts,” he said.

The company reduced additives even banning many allowed by the European Union. M&S noted that its position as a 100% own-brand food retailer meant it could guarantee its standards across every product it sold. “We can make sure our customers receive clear, simple and re-assuring information about the ingredients we use in all the food products we sell,” commented a manager. The company was ahead of schedule to be compliant with the Food Standard Agency's (FSA) 2010 salt targets. “We started reducing levels of salt in bread in 1998 and we currently meet the FSA's 2010 salt targets for 10 of our 15 priority categories,” said one manager, who noted that the company had also introduced a food labeling program to help consumers identify healthy foods at M&S stores. “We make it easy for customers to choose ‘at a glance’ the healthy option across our range of food through use of our Eat Well sunflower logo. We now have over 30% of our food labeled as a healthier option,” he said.

The Future of Plan A

The U.K.'s largest grocery chain, Tesco, was also making a significant investment in a sustainability program. Tesco committed to creating carbon footprint labels on all of its products and invested \$1.2 billion in programs designed to cut the chain's carbon emissions by 50% by 2020.⁵

Other chains, such as ASDA (Wal-Mart's U.K. subsidiary)—and including Waitrose and Sainsbury's, M&S's closest competitors—had announced environmentally friendly programs of their own. "We think we have advantages in this effort relative to competition", said Rose. "First of all the fact that we have our own label means we can give blanket assurances—like the absence of artificial food coloring—that our competitors can't possibly do." said Rose. "Second, our larger competitors must have several suppliers for most products and as a result achieving consistency on sustainable dimensions must be a challenge for them."

Even so, Rose acknowledged that the economic climate had changed the competitive situation. "It is not such a big deal for consumers to drop down to Tesco now," said Rose, who noted that Tesco had improved the quality of many of its products. "It's more socially acceptable to trade down these days," he said. "Plan A was originally expected to cost us \$80 million per year but is now projected to be cost neutral to date as we find it is generating offsetting cost savings. We are going to follow through on this effort, no matter what, with or without a recession. The current Plan A is only a start. The government is mandating greenhouse gas reductions of 80% by 2050: so far we've merely been softening the edges of the problem. Soon we'll have to move on to "Plan A – Part 2" and that will require a whole new level of creativity and commitment."

Exhibit 1 Marks and Spencer press release, 4 November 2008*Marks & Spencer updates on progress of its 'eco-plan', Plan A*

Twenty-two months into Plan A, Marks & Spencer today presents its regular half-yearly update on the five year 'eco-plan'. So far 20 of the plan's 100 commitments have been completed and a further 75 are underway.

Sir Stuart Rose, Chairman of Marks & Spencer said: "We continue to make solid progress and although Plan A is less than two years old it is already becoming ingrained into the way we do business. Conditions may be challenging on the high street but Plan A has made us think of new ways of working. This has helped to deliver not only benefits to the environment and people across our supply chain but also savings to our customers and our business. Progress made on energy saving, reducing waste and increasing efficiency mean that twenty-two months in, Plan A is cost neutral. We know our customers expect us to take a lead on ethical and environmental issues and we will continue to deliver."

Recent Plan A highlights and achievements include:

- **Food Carrier bag usage** is down by 80% since we started charging \$.10 for bags in our food halls. This has saved over 100 million plastic bags from landfill and helped to raise over \$1 million for 22 Groundwork environmental charity projects across the UK.
- **Fair trade cotton sales** are up 105% to \$54.8 million so far this year, with over 4.2 million garments sold across womenswear, menswear, lingerie, kidswear and homeware product ranges.
- The **M&S and Oxfam Clothes Exchange** has helped to raise \$2 million for Oxfam and reduced the amount of clothing sent to landfill by around 1000 tons.
- Our **'Wash at 30' campaign** has helped to increase the number of our U.K. customers washing at 30 degrees from 23%, when the campaign started in April 2007, to 38% in September of this year, saving over 50,000 tons of CO₂.
- M&S was recognised at the **RSPCA Good Business Awards** for the third year running, winning three awards including 'Supermarket of the Year' and the fashion award 'Best Large Retailer.'

Launched in January 2007, the 100-point Plan A includes five-year targets in five areas. Progress to date includes:

1. Climate change: aiming to make our operations in UK and Republic of Ireland carbon neutral, only using offsetting as a last resort, and helping customers and suppliers to reduce their emissions too.

- We have launched a new energy service selling gas and electricity to our customers in partnership with Scottish and Southern Energy, incentivising customers to use less energy by offering a \$30 M&S voucher to anyone reducing their annual energy usage by 10%.
- One year after opening, many of the features used in our three 'green' stores have become standard in all of our new and refurbished stores. The three stores reflect the diversity of our retail portfolio, including a new retail development (Pollok), a new Simply Food (Galashiels) and an existing high street store (Bournemouth). 60% of the innovations used on these sites now feature widely across M&S stores including: energy efficient lighting, displacement

ventilation, and a number of water saving initiatives including self closing taps and dual flush toilets.

- Our new Shanghai store also has an emphasis on sustainable design. The store has been built with sustainable features such as energy efficient lighting, environmentally friendly double glazed wall panelling to reduce heat transfer from outdoor to indoor and water saving toilets.
- The first two 'eco'-factories in our supply chain, opened in Sri Lanka in April 2008, are already delivering significant carbon and energy savings: One of the factories, owned and operated by MAS producing lingerie exclusively for M&S, is a new-build and designed to become carbon neutral. The other factory, owned and operated by Brandix producing casual clothing, was converted to reduce carbon emissions by 75%, energy use by 40% and water use by nearly 60%. It is the first factory in the world to receive LEED platinum status - the top-level certification for energy efficiency and overall environmental impact awarded by the U.S. Green Building Council.
- The third 'eco' factory in our supply chain – and the first in the UK - has opened in Wales. It took our furniture supplier, Westbridge, one year to convert the factory in Holywell. Six months after opening, the site emits 48% less CO2 emissions, has an electrical energy saving of 56% and a water consumption reduction of nearly 30%.
- We are sharing the learnings from Wales and Sri Lanka with our other suppliers and we are progressing well with plans to support the opening of further eco-factories in other countries.
- We continue to encourage farmers and suppliers, both within our supply base and outside, to help build capacity to generate renewable energy. To date we have contracted over 40 gWh of electricity from renewable sources including wind, anaerobic digestion and small scale hydro.

2. Waste: aiming to stop sending waste to landfill from our UK stores, offices and warehouses; reduce our use of non-glass packaging by 25% and carrier bags by 33%; find new ways to recycle and reuse the materials we use.

- As well as recycling over 70 million coat hangers so far this year we are cutting the number of different types of hangers used in our supply chain which will help us to increase the amount we re-use.
- We're making steady progress on reducing food packaging, 90% of which is now recyclable, depending on the local authority facilities available. Some examples are included below: We've successfully reduced the packaging used across all pizza ranges by 62%. That adds up to a saving of over 480 tons of packaging a year. We've replaced the plastic container our beef joint used to be packaged in with a 'skin pack' which keeps the meat at its optimum quality but cuts down the packaging by 69%. We've reduced packaging on our vegetables ranges by 16% by removing the plastic trays they sit in.
- We are on track to increase the percentage of our construction waste which is recycled from 75% to 85% this year.
- We have an ongoing partnership with Closed Loop, a recycling company which makes food and drink packaging from plastic bottles, and have an agreement to take 30% of their recycled food grade packaging for our products.
- Carrier bag usage in our foodhalls is down 80% since we became the first major high-street retailer to roll out a national carrier bag charging programme. All profits* raised from the \$.10

charge for single use food carrier bags is donated to the environmental charity, Groundwork, to support 'greener living spaces' projects to improve neighbourhoods across the UK. Over \$1 million has been raised to date and 22 projects are either complete or underway, ranging from creating a new play area at the Gorgie City Farm, Edinburgh to the development of a new community roof garden in Hammersmith, London.

- The M&S and Oxfam Clothes Exchange has raised over \$2 million for the charity in its first six months. The biggest programme of its kind, the Clothes Exchange encourages M&S customers to recycle their unwanted M&S clothing at Oxfam stores by offering them a free \$10 discount voucher to spend on clothing, home or beauty in M&S. The Exchange has already helped to reduce the amount of clothing sent to landfill by over 1,000 tons.

3. Raw materials: aiming to ensure our key raw materials come from the most sustainable sources available to us.

- Over the last six months sales of organic cotton, wool and linen garments have risen by 114%, with over 600 000 garments sold.
- We have used over 25 million recycled waste plastic bottles to make polyester, which is used in our homeware and bedding as well as in polyester garments and re-usable shopping bags.
- We're running trials on recycling the 15% of fabric wasted as off cuts during clothing manufacture for re-use in regenerated cotton yarn.
- We've worked closely with our suppliers to assess the environmental impact of the materials we use to build and fit out our stores. This insight allowed us to develop a Sustainable Construction Manual with the Building Research Establishment which has been distributed to all our design and construction contractors.
- We were recognised for the third year running in the RSPCA Good Business Awards for our strong animal welfare ethic across food, fashion and cosmetics, and received the following awards: We regained the 'Supermarket of the Year title' and were praised for our strong animal welfare auditing. We won the coveted 'Best Large Retailer' award for animal friendly fashion policies. We also won the Cosmetics award for 'Ongoing Commitment to Change'. This recognised the work we have done with our supply base to ensure that the individual ingredients used in our beauty range are not tested on animals.
- Pushing ahead on animal welfare, we are working to change our fresh outdoor bred pork range to free range and are trialling these products in 53 stores.
- As part of our ongoing focus on water reduction we have introduced a range of water saving features in our new and refurbished stores, including percussion taps, use of rain water and waterless urinals. We are also trialling improved automatic forms of metering in 20 stores.
- We have a clear plan in place to reduce the amount of palm oil used in our products and replace it with suitable alternatives. We have identified all the products that we sell containing palm oil and have already begun the process to move to certified sustainable palm oil. We have also helped to fund the WWF Heart of Borneo project which aims to restore and conserve forest land in Borneo affected by palm oil and logging activities.

4. Fair partner: aiming to improve the lives of hundreds of thousands of people in our supply chain and our local communities.

- We remain the biggest retailer of Fair trade certified cotton and in the first six months of this year Fair trade cotton sales rose 105% to \$54.8 million. Over 4.2 million garments have been sold across womenswear, menswear, lingerie, kidswear and homeware product ranges.
- We have run a number of UK and worldwide Supplier Conferences on ethical trading. During these workshops we can discuss any issues openly with suppliers to share best practice and find solutions to common ethical problems.
- We have had over 8,000 hits on our Plan A Supplier Exchange Website which is used by over 1500 suppliers in 30 countries. This is a central source of information, outlining business tools, best practice and support for M&S suppliers.
- We are making good progress on the Ethical Model Factories we are developing as part of our commitment to ethical sourcing. Work on three garment factories in Bangladesh is well underway and a further three factories will be developed in other countries over the next six months. The focus of the work is to create long-term improvements in labour standards and establish the level of a living wage. Once the Ethical Model Factories have operated successfully for one year, a best practice country guide will be developed for all M&S suppliers.
- As part of our commitment to supporting British suppliers, this year we launched a nationwide 'Meet the Farmer' programme, which allows our customers to meet the farmers who grow the food for their local store. This allows customers to learn more about farming in their area and also acts as a showcase for high quality British produce.
- We have become the first retailer to provide our dairy farmers with funding to help meet the requirements of the potential new Nitrogen Vulnerable Zones (NVZ) legislation, designed to reduce the impact of dairy farming by-products on the environment. As part of our Milk Pledge we pay one of the highest prices of any major food retailer to our dairy farmers – around \$.57 per litre.
- This year, for the second time, M&S sponsored the Sir Ian Botham 'Great British Walk Against Childhood Leukaemia'. The walk took place in October and visited nine towns in the UK, starting outside the M&S store in each location. Stores devised their own fund raising activities and raised around \$50,000 which has been matched by the company to total a donation of over \$100,000. M&S provided lunch every day and sportswear for Sir Ian and his team. Since 1985 Sir Ian has walked 8,000 miles and raised approximately \$24 million for charity.

5. Health: aiming to help thousands of customers and employees choose a healthier lifestyle.

- Over 750 products in prepared food now feature both the Food Standards Agency's (FSA) nutritional traffic light and Guideline Daily Amounts (GDA) front of pack labels.
- We were the first UK retailer to remove hydrogenated fats from our foods, and are looking to reduce saturated fat and sugar levels wherever possible.
- We continue to make progress in our commitment to reduce salt in our products and now meet over 65% of the FSA's salt targets for 2010. These include categories that are recognised as contributing a large percentage of salt in the diet such as soups, ready meals, bread, sandwiches, breakfast cereals and quiche.

- We have launched four online training modules for staff to help them learn more about healthy eating and nutrition.
- We have completed the removal of artificial colours and flavourings from our entire food and soft drinks range.

*All of the \$.04 profit from the sale of single use food carrier bags will be donated to Groundwork.

Source: Company documents.

Exhibit 2 Marks and Spencer selected financials, fiscal 2003 to 2008, \$ millions (except share items)

For the Fiscal Period Ending	12 months Mar-29- 2003	12 months Apr-03- 2004	12 months Apr-02- 2005	12 months Apr-01-2006	12 months Mar-31-2007	12 months Mar-29- 2008
Revenue	12,568	14,582	14,074	13,563	16,924	17,960
Cost Of Goods Sold	8,202	9,595	9,177	8,370	10,340	11,019
Gross Profit	4,367	4,987	4,897	5,193	6,584	6,941
Selling General & Admin Exp.	2,087	2,340	3,701	3,706	4,660	4,926
Depreciation & Amort.	368	437	-	-	-	-
Other Operating Expense/(Income)	769	754	(24)	(32)	(130)	(99)
Other Operating Exp., Total	3,224	3,531	3,677	3,674	4,530	4,827
Operating Income	1,143	1,456	1,220	1,519	2,055	2,114
Interest Expense	(80)	(108)	(227)	(235)	(219)	(237)
Interest and Invest. Income	17	24	52	23	26	11
Net Interest Exp.	(63)	(84)	(175)	(211)	(194)	(227)
Other Non-Operating Inc. (Exp.)	42	21	-	(1)	41	117
EBT Excl. Unusual Items	1,122	1,394	1,045	1,307	1,902	2,005
Restructuring Charges	(2)	(53)	-	-	-	-
Gain (Loss) On Sale Of Assets	3	(15)	(1)	(10)	4	54
Other Unusual Items	-	-	(95)	-	(60)	189
EBT Incl. Unusual Items	1,122	1,326	949	1,297	1,846	2,248
Income Tax Expense	327	419	282	392	547	613
Minority Int. in Earnings	1	-	-	-	-	1
Earnings from Cont. Ops.	795	907	667	905	1,299	1,636
Earnings of Discontinued Ops.	-	104	434	4	1	-
Net Income	795	1,010	1,101	910	1,300	1,636
Per Share Items						
Basic EPS	\$0.347	\$0.446	\$0.546	\$0.546	\$0.77	\$0.979
Dividends per Share	\$0.16	\$0.21	\$0.23	\$0.24	\$0.36	\$0.45
Payout Ratio %	45.77%	45.28%	40.89%	39.02%	39.49%	41.82%
Supplemental Items						
EBITDA	1,511	1,893	1,699	1,995	2,612	2,746
EBITA	1,143	1,456	1,241	1,541	2,083	2,156
EBIT	1,143	1,456	1,220	1,519	2,055	2,114

Source: Capital IQ.

Exhibit 3 Marks and Spencer competitive position, 2007

Format/Channel	Share (%)	U.K. market rank
Retailing	2.9	5
Store-based retailing	2.9	5
Grocery retailers	3.1	13
Convenience stores	0.9	5
Non-grocery retailing	5.2	1
Mixed retailer	27.1	1
Department stores	43.7	1

Source: Euromonitor International.

Exhibit 4 Plan A commitments, 2007 to 2012Climate change

1. **Carbon neutral.** Make all United Kingdom and Republic of Ireland operations (stores, offices, warehouses, business travel and logistics) carbon neutral.
2. **Energy efficiency (stores).** Reduce the amount of energy used in the stores by 25% per square foot of floor space.
3. **Energy efficiency (warehouses and offices).** Achieve a 20% improvement in fuel efficiency and energy use in warehouses and offices.
4. **Business travel.** Introduce a “green” business travel policy to reduce carbon dioxide emissions caused by M&S travel.
5. **Company cars.** Introduce a “green” company car policy to reduce average carbon dioxide emissions.
6. **BRE-EAM.** Target all new stores to achieve Building Research Establishments Environmental Assessment Methodology (BRE-EAM) ‘excellent’ rating and all other stores to be assessed against BRE-EAM rating system.
7. **Green electricity.** Source or generate 100% ‘green’ (renewable) electricity for M&S stores, offices and distribution centers in the United Kingdom and Republic of Ireland.
8. **Anaerobic digestion.** Work in partnership to build and operate anaerobic digestion facilities to generate renewable electricity.
9. **Green stores.** Open ‘green’ concept stores in Pollok, Galashiels and Bournemouth in 2007.
10. **On-site renewable.** Have 20% on-site energy generation from renewable in all new builds where practicable.
11. **Bio-diesel.** Conduct trials and move toward the use of 50% bio-diesel in M&S trucks as sustainable sources become available.
12. **Green transport.** Introduce innovative new transport technologies and set further targets as these become proven.
13. **EURO engines.** Progressively convert delivery fleets to cleaner EURO IV and V standard engines.
14. **Carbon offsetting.** Work with the government and environmental groups to develop an acceptable approach to using carbon offsets where no other method of reducing carbon dioxide emissions is available.
15. **Refrigerants.** Continue to replace HCFC gases and help to develop better alternatives than HFCs for use in M&S refrigeration.
16. **United Kingdom and Republic of Ireland.** Source as much food as possible from the United Kingdom and Republic of Ireland.
17. **Seasonal food.** Launch five research and development projects to extend United Kingdom growing seasons and develop new varieties that reduce the need for imports.
18. **Supplier logistics.** Work with suppliers to understand how M&S can improve the efficiency of deliveries to distribution centers, including increasing the use of rail transport.

19. **Food 'carbon footprint.'** Work with the Carbon Trust to identify carbon 'hot spots' in the food supply chain in 2007 and set targets to reduce carbon dioxide emissions.
20. **Reduce air freight.** Investigate and minimize the use of air freight while balancing the need to trade with developing countries and provide nutritional choice.
21. **Supplier Exchange (climate).** Mobilize key suppliers via the M&S Supplier Exchange to significantly reduce their carbon dioxide emissions.
22. **Green factories.** Support the development of 'green' factories with suppliers.
23. **Agricultural carbon balance.** Undertake research to understand the carbon balance associated with the production of agricultural raw materials.
24. **Labeling air freighted food.** Label all air freighted food products within 12 months.
25. **Carbon labeling.** Support the work of the Carbon Trust to develop a carbon labeling plan for consumer products and services.
26. **Low carbon products.** Develop and sell products with a lower carbon impact.
27. **Footprint campaign.** Launch campaigns with the WWF and National Federation of Women's Institutes to help M&S customers and employees understand their 'carbon footprint' and how to reduce it.
28. **The Climate Group campaign.** Work with the Climate Group on a major educational campaign in 2007 to encourage people to wash clothes at 30 degrees to cut energy use and carbon dioxide emissions.
29. **Public transport and cycling.** Progressively introduce facilities to encourage the use of public transport and cycling for both customers and employees where appropriate.

Waste

30. **No operational waste to landfill.** Aim to ensure that M&S operations in the UK and Republic of Ireland (stores, offices and warehouses) will send no waste to landfills.
31. **Food waste (reduction).** Set targets over the next 12 months to reduce food waste from M&S stores and distribution centers.
32. **Food waste (alternative disposal).** Send all remaining food waste to some form of recycling including composting and anaerobic digestion.
33. **Construction waste.** Send no waste to landfills from M&S store construction programs.
34. **Construction and fit-out materials.** Work with Waste and Resources Action Programme to increase the amount of recycled materials used in the construction and 'fit out' of M&S stores.
35. **Café closed loop.** Trial closed-loop recycling for packaging in Café Revives over the next 12 months.
36. **Consumables.** Improve our use of recycled and recyclable materials in consumable items used in our stores and offices.
37. **Packaging (reduction).** Reduce the weight of non-glass packaging by 25%.
38. **Packaging (sustainable raw materials.)** Increase the amount of packaging made from more sustainable raw materials such as recycled materials and Forest Stewardship Council wood pulp.

39. **Packaging (recycling and composting.)** Ensure that all packaging can be easily recycled or composted, accepting that in some cases this may require the use of heavier materials.
40. **Packaging (WRAP logos).** Label all our packaging with the WRAP and Recycle Now symbols.
41. **Packaging (Courtauld Commitment).** Continue to work with WRAP to achieve the targets to reduce packaging and food waste contained in the Courtauld Commitment between 2008 and 2010.
42. **Trash bin bags.** Launch a range of trash bin bags made from recycled polythene collected from M&S distribution centers.
43. **Clothing hangers.** Extend hanger recycling with a customer awareness campaign to build on the 50 million M&S currently recycles and re-uses each year.
44. **Customer recycling services.** Introduce a range of recycling services to customers including a project for used clothing.
45. **Shopping bags (reduction).** Reduce shopping bag use by 33% by 2010 including launching a 'No to Bags' campaign.
46. **Shopping bags (recycled plastic).** Make our remaining shopping bags out of recycled polythene by 2008/2009.
47. **Shopping bag agreement.** Working with Department for the Environment, Food and Rural Affairs, the British Retail Consortium and Waste & Resources Action Program to reduce the overall environmental impact of shopping bags by at least 25% by the end of 2008.

Sustainable Raw Materials

48. **Sustainable farming.** Produce fruit, vegetables, salads and meat to independent environmental standards and develop a set of sustainable farming measurements to demonstrate the environmental benefits of these standards.
49. **Organic food.** Triple sales of organic food in the UK and Republic of Ireland.
50. **Pesticides (phase out).** Phase out a further 19 pesticides used in fruit, vegetable and salad production by the start of 2010 in addition to the 60 M&S has already banned.
51. **Pesticides (post-harvest).** Eliminate the post-harvest usage of pesticides on fruit, vegetables and salads.
52. **Pesticides (network).** Launch a Pesticide Residue Reduction Network with suppliers.
53. **Non-genetically modified.** Maintain non-GM food policy.
54. **Sustainable textiles.** Reduce the environmental impact of the textiles sold by trialing new fibers such as bamboo, renewable plastics and new ways of producing fibers such as organic cotton, linen and wool.
55. **Cotton.** Launch a sustainability strategy covering all cotton including approaches such as 'Fair trade', organic and the international cotton industry 'Better Cotton Initiative' by 2008.
56. **Food commodities.** Work with key stakeholder groups, including the Roundtable for Sustainable Palm Oil and the Roundtable for Sustainable Soy to set acceptable standards. Set targets for usage once these standards become available.

57. **Wood.** Make sure all the wood used is FSC certified (or where FSC is not available, an equivalent independent standard) or is recycled.
58. **Fish.** Ensure all fish (fresh and processed) sold is Marine Stewardship Council (MSC) certified or, where MSC is not available, another equivalent independent standard.
59. **Dye-houses.** Further improve auditing system for dye-houses to ensure compliance with M&S' sector leading environmental and health and safety standards.
60. **Polyester.** Use recycled plastic (e.g., used bottles) to make polyester, rather than using oil. Make ranges of men's, women's and children's polyester fleeces from recycled plastic within a year. Extend to other polyester ranges such as trousers, suits and furniture 'fill' by 2012.
61. **Clothing standards.** Improve traceability in non-food supply chains for animal-derived raw materials and work with animal welfare groups to develop sourcing policies on animal welfare for leather and wool.
62. **Fixed cut off date for animal testing.** Launch a fixed cut off date commitment for all our beauty products.
63. **Free range.** Convert all fresh turkey, geese, duck and pork products to free range.
64. **'Oakham chicken.'** Further improve stocking densities for welfare award winning 'Oakham chicken.'
65. **Water efficiency (stores and offices.)** Reduce store and office mains water usage by 20%.
66. **Water efficiency (suppliers.)** Work with suppliers to improve the efficiency of water use during the production of raw materials and products.
67. **Stores (raw materials.)** Set sustainable raw material standards for store construction and equipment.

Fair partner

68. **Unannounced assessments.** Introduce random checking of suppliers to ensure they are working to M&S' Global Sourcing Principles at all times.
69. **In-country resources.** Increase the number of people based in the countries of production to follow up concerns identified by M&S' assessment system within 12 months.
70. **Ethical Trading Initiatives standards.** Work with suppliers within the Supplier Exchange to share best practices on issues such as working hours and living wages.
71. **Ethical trading assessments.** Extend the scope of ethical trading assessments to include other parts of the supply chains e.g, laundries, embroidery operations and goods not for resale.
72. **Confidential complaints.** Trial a confidential worker complaints mechanism for workers in 2007/2008.
73. **Product information.** Introduce an enhanced web-based system that further improves M&S's information about factories and raw material suppliers within three years.
74. **Supplier ranking.** Introduce a benchmarking system for clothing and home suppliers covering ethical trading and participation in the M&S Supplier Exchange initiatives by the start of 2008.

75. **Buying guidelines.** Further develop responsible buying guidelines and integrate them into buying processes.
76. **Small suppliers.** Increase use of small and small local suppliers by improving the understanding of M&S buying teams of the different needs of small producers.
77. **Buying Pledges.** Extend the M&S Milk Buying Pledge that offers a guaranteed set price to other types of food in consultation with farmers.
78. **Link customers and producers.** Connect customers to suppliers by developing a website providing information on how and where UK foods are produced.
79. **Regional food sourcing.** Double the amount of food sourced regionally and improve the information provided to customers.
80. **'Fair trade' food.** Continue to expand ranges of 'Fair trade' food including converting jams, preserves and bagged sugar to 'Fair trade' and offering more 'Fair trade' fruit, wine and other products.
81. **'Fair trade' clothing.** Convert 20 million clothing garments including \$10 plain t-shirts, women's vests and oxford shirts to 'Fair trade' cotton—equal to 10% of all M&S cotton use.
82. **Supplier Exchange.** Launch a Supplier Exchange to drive best practices, stimulate innovation and help suppliers secure funds to develop more sustainable production techniques and invest in their workforces and communities.
83. **Supplier Community Investment.** Work with suppliers via the Supplier Exchange to help them invest to improve livelihoods in vulnerable communities.
84. **'Marks & Start'.** Continue to help disadvantaged groups like the disabled and homeless get into jobs via work placements in M&S stores, offices and suppliers' factories.
85. **Plan A Champions.** Appoint and train Plan A Champions in all stores and offices.
86. **Customer campaigns.** Develop and launch initiatives on environmental and international community issues.
87. **Breakthrough Breast Cancer.** Maintain campaigns with Breakthrough Breast Cancer.
88. **Franchise Exchange.** Launch a website for franchise partners to inform them about Plan A and the activities they could undertake in their own businesses.

Health

89. **'Eat Well'.** Increase the amount of 'Eat Well' nutritionally-balanced food sold from 30% of M&S food to 50%.
90. **Labeling.** Introduce the use of nutritional traffic lights to relevant food products.
91. **Children's candy.** Remove children's candy from check out lines.
92. **Natural colors.** Use only natural colors in children's candy and cakes by the start of 2008.
93. **Salt.** Make further reductions to the amount of salt in foods by working to M&S targets, many of which go beyond those set by the FSA.
94. **Omega 3 (salmon).** Ensure all fresh salmon meets new 'Loch Muir' standards (enriched with Omega-3) during 2007/2008.
95. **Natural enrichment.** Develop agricultural projects to provide naturally enriched foods.

96. **Nutritional enrichment.**

97. **Healthy Eating Advisors.** Introduce 1,500 Healthy Eating Advisors in stores and extend the training to food section employees by the start of 2010.

98. **Health campaigns.** Launch at least two major health initiatives for employees and customers.

99. **Diet and health information.** Evaluate the most effective means of providing expert diet and health information to customers including trialing in-store nutritionists and the provision of a nutrition customer care line.

100. **Lifestyle information.** Provide improved health and lifestyle information to employees and customers.

Source: Company documents.

Endnotes

¹ George MacDonald, "Can M&S claw back food sales?" Retail Week, 11 July 2008, Factiva, <http://www.factiva.com>, 2 October 2008.

² George MacDonald, "Can M&S claw back food sales?" Retail Week, 11 July 2008, Factiva, <http://www.factiva.com>, 2 October 2008.

³ George MacDonald, "Can M&S claw back food sales?" Retail Week, 11 July 2008, Factiva, <http://www.factiva.com>, 2 October 2008.

⁴ George MacDonald, "Can M&S claw back food sales?" Retail Week, 11 July 2008, Factiva, <http://www.factiva.com>, 2 October 2008.

⁵ "Supermarkets in the U.K.," *Euromonitor International: Country Sector Briefing*, June 2008, Euromonitor, <http://www.euromonitor.com>, 17 October 2008.