Marks & Spencer

Sustainability

A Retailer’s View
Marks & Spencer

- 700 stores in UK
- 360 stores around the world
- 35,000 products across Clothing, Homeware, Foods, Energy
- 78,000 UK employees
- 20 million UK Customers
The M&S Sustainability Strategy

180 point eco-plan to change the way we do business
Across 5 pillars of activity:

• Become carbon neutral
• Send no waste to landfill
• Reduce our impact on natural resources
• Set new standards in ethical trading
• Help customers and employees live a healthier lifestyle
A product has a Plan A Quality when the materials used to make it or the way it was manufactured was kinder to society or the environment than a conventionally made product.

Plan A is about systematically making every aspect of our business, our supply chain and customer use and disposal of our products more sustainable.

“becoming the World’s most sustainable major retailer by 2015”
The Perfect Storm....

“By 2030:

The World’s population will rise from 6bn to 8bn (33%)

Demand for food will increase by 50%

Demand for water will increase by 30%

Demand for energy will increase by 50%”

John Beddington, UK government’s chief scientific adviser

.....Plan A for Resource Management.
Raw Material Crisis
Rising Energy & Water Costs

- **2006**
  - China: +34%
  - India: 0%

- **2011**
  - Sri Lanka: +40%
  - Northern China: +50%
  - Turkey: +38%
Working Conditions & Worker Unrest

- Strikes
- Hazardous Machines
- Low Wages
- Poor Management Practices

95% of reasons = wages + working conditions
How do you measure impact?

- Sustainability Definition
- Traceability
- Validation
The Measures of Sustainability

Land Use?

Water Use?

Full LCA with Weighted Factors
Sustainability without Traceability?

- Supply Chain Visibility
- Authenticity
- Security
Evolving the supply chain

- Traceability – back to ‘field’
- Identifying hotspots – be pragmatic
- Standards – factories, dye-houses, spinner, farms
- Best practice – demonstration facilities, website conferences
- Collaboration – Sustainability Consortium, Roundtables, SEDEX

Aim .... Every factory, every farm, every raw material..
The New Supply Chain

- Ethical Efficiency

- Absenteeism
- Migration

Factory Efficiency

- BCI
- Better Cotton Initiative
- TENCEL®

Doing the Right Thing
New Business Models

Reducing Landfill
Driving sales
Driving Profitability
Awareness

67% hangers collected
• 79% reused
• 21% Recycled

Innovation Fund
• Consumer Waste
• Supplier Waste
The M&S Cotton Strategy

16.15: To procure 25% of our cotton from sustainable sources by 2015, and 50% by 2020.

The aim is to reduce our Cotton Footprint

- Less Water,
- Less dependency on chemicals,
- Improve social conditions for farmers,
- Protect farmers economic sustainability
- Avoid areas of bad practice
Reducing our Cotton Footprint

1. Source ‘Sustainable’ Cotton
   - Fairtrade
   - Organic
   - BCI

2. Use Less Cotton
   - Alternatives
   - Recycled
The New Model for Cotton?

BCI Cotton Project
WWF & M&S project extension to 2015
Quadruple increasing in farmer numbers
Scope expanded to cover river basin impact study

Results
Water Consumption reduced by 50%
Pesticide use down by 50%
Synthetic Fertiliser use reduced by 25%
Farmer profitability up by 9%*

* Profitability in 2009/10 was 29%
The Complex Cotton Story

The Actors:
- Agri Input Suppliers
- Seed Manufacturers
- Growers
- Transport Agents
- Local Traders
- Market Agents
- Ginners
- Traders
- Spinning Mills
- Fabric Mills
- Colouration
- Garment Makers
- Garment Suppliers
- Retailers
- Consumers
- Oxfam
- Waste Disposal

Processes:
- Picking
- Storing
- Selling
- Ginning
- Cleaning
- Collecting
- Baling
- Spinning
- Fabric formation
- Retail
- Stitching
- Colouration
Consumer Empowerment

Consumers will know everything about the products they buy.

Retailers & Brands are the face of textile industry.
For some retailers, green went out of fashion as quickly as it came in.

We think helping the planet can’t be put on hold when times are tough. We’ve helped suppliers open four eco factories, improved the energy efficiency of our stores by 10% and reduced our clothing packaging by 10%. Because to us, green isn’t so last year, it’s so this year and every year to come.
Thank you

Questions?

http://plana.marksandspencer.com/
http://corporate.marksandspencer.com/howwedobusiness/hwdb_reports