



We support our clients to change the business game, to use responsibility to run their business successfully and be recognized just as we are as the standard by which every competitor has to measure himself. We are the CSR Company International.

A case study on introduction of CSR to Marks & Spencer's supply chain

Client: Marks and Spencer (M&S)

Industry: Retail

Assignment: Introducing SR in the Supply chain

Country: UK, India, Bangladesh & Sri Lanka

The Company: Marks & Spencer

M&S is a major British multinational retailer that was founded in 1884 and headquartered in the City of Westminster, London. It specializes in the selling of clothing, home products and luxury food products. The company is present in 54 countries and in UK, with over 85,000 employees and a turnover of over £10 billion (March 2013) and a net profit of 458 million pounds. M&S is listed in the London Stock Exchange and is a constituent of the FTSE 100 index.

Project background: Social and Environmental policy

In 2006, M&S launched a campaign called "Look behind the label". The aim of this campaign was to highlight to its customers the various ethical and environmentally friendly methods adopted by M&S in the production and sourcing of its products. In 2007, they launched an initiative known as "Plan A" to dramatically increase its environmental sustainability spanning 5 themes: Climate change, waste, sustainable raw materials, fair partnership and health. The plan aims for carbon neutrality, responsible consumption, reuse and recycling, sustainability in the supply chain etc.

As a Major garment retailer, M&S faces challenges in responsibly sourcing its materials from its suppliers in South Asia, mainly from India, Sri Lanka and Bangladesh. The suppliers from these countries account for close to 90% of the supplies. It was therefore decided that M&S would implement ISO 26000 among its suppliers as a part of its "Sustainability Management Framework", implementation of which would be done by CSR Company.

M&S identified top ten suppliers who account for 70% of the supplies and invited them to participate in this initiative. Of the ten, nine suppliers agreed to participate on a voluntary basis and the cost of this program would be partly borne by the suppliers. They were offered to integrate social and environmental sustainability in to their business strategy through the ISO 26000 framework.

Constituents of the team:

M&S: Top Management of M&S, Ethical sourcing team, CSR Management team

Target group: 9 Suppliers of M&S

Partners: CSR Company (Strategy, project management, monitoring and training), Confederation of Indian Industries, CII (Implementing partner) and EY (Documentation)

Implementation:

The starting event took place in New Delhi with a three-day workshop for these nine top-suppliers coming from Sri Lanka, India and Bangladesh. The importance of this project was highlighted to the partners and was made to understand how this is crucial for the successful implementation of Plan A, which is the core of M&S business strategy. This idea was presented to the participants through the opening speech by M&S CEO and the presence of the Ethical Resources department for the three-day workshop. Each company sent two representatives who received information and training on ISO 26000, expectations of the project, cost approximation and other related information.



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The implementation of the SMF comprised of the following steps:

1. Gap analysis with a self-evaluation tool, professional support available from the CII.
2. Draft presentation of current status and material issues was worked on.
3. Evaluation by CSR Company.
4. Gaps are to be filled with certain actions using the ISO 26000.
5. Policies and actions to be evaluated by the CSR Company.
6. Implementation of the agreed actions in the operational day-to-day functioning in the factories, not only at the management level.
7. After nine-months of the first workshop, the head of the Ethical Resources department and the CSR Company will undertake an audit to examine if every matter was applied consistently and correctly.
8. In case the result being positive, the supplier will receive a status from M&S: 'Golden Status supplier'. This means regular audits are no longer necessary, and random occasional checks can substitute these.
9. ISO 26000 Verification by CSR Company.

Expected Benefits:

By launching this initiative of introducing ISO 26000 to the largest suppliers of M&S, it is expected that the suppliers would be more socially and environmentally responsible. By adopting ISO 26000 voluntarily, the suppliers would take upon themselves to conduct their business in a more transparent and accountable manner and the onus of being responsible would rest on their shoulder. This would help them integrating with the overall sustainability frame work of M&S under the "Plan A" initiative.

Learning:

- Implementation of the ISO 26000 on a voluntary basis by the supply-chain has an advantage: It helps in building ownership, responsibility with accountability, cost-reduction and reduces the time spent on periodic Audits.
- Sphere of influence: M&S is a multinational company with a high reliance on its suppliers. Their influence on M&S business cannot be taken for granted. Therefore, it is M&S responsibility to track till the last mile of the supply chain and check the source of the raw materials and the labor conditions that are prevalent within the supplier organization. Supply-chain complexity cannot be handled only with audits.
- Treat suppliers as partners: strive for a long-term relationship that will benefit both parties.
- Phased approach: Set borders and have a clear view. With the above-mentioned strategy 70% of M&S supplier purchases are covered under the Sustainability Management Framework. Had it tried to cover almost 100% of its suppliers, the complexity of the project would have worked against it. M&S is conducting a trial with its nine most-important suppliers, after seeing the success of the project, further partners may be included.
- Top-management Engagement: Top management involvement is of extreme importance for partners and employees in a project like this. This would inspire confidence thereby get commitment from them to participate and impellent such initiatives across the organization, which in turn will drive long term benefits for the organization.
- Practical approach of CSR: during the implementation of the Sustainability Management Framework, the CSR Company has always been in touch with the Ethical Sourcing department (operations) and the CSR department (management), this allowed for a very practical approach which provides better and faster results.