

BITC 40TH ANNIVERSARY PARTNER CASE STUDY

M&S

EST. 1884

MARKS & SPENCER

SUMMARY

Marks & Spencer (M&S) has been one of the most integral members of Business in the Community since its inception. The only business to have won BITC's 'Company of the Year' three times, it has continually set the benchmark for good practice, whether through its delivery and evolution to Plan A or the founding of the London Benchmarking Group. Stretching back throughout its history, M&S has recognised its significant role in local communities, and this has guided its partnership with BITC. From its early support of Local Enterprise Agencies, through its leadership of education-business partnerships, to its 20-year commitment to reducing barriers to employment through Marks & Start, M&S has been at the forefront of BITC's local community programmes since the beginning. It continues to build on this leadership through the on-going evolution of Plan A and ESG, which combines environmental, ethical trade, health and social commitments to achieve long-term benefits for the planet and communities.

HERITAGE AND HISTORY

"Many businessmen tend to think first of their shareholders before their customers and employees. Marks & Spencer has always recognised its responsibilities to all three groups."

What is unusual about this comment is that it was not written by anyone at M&S, but by Lord Sainsbury, owner of its competitor J Sainsbury, writing in *The Times* in January 1969. M&S began life as a market stall in Leeds run by Michael Marks, a Jewish immigrant from Belarus. In 1894, he went into partnership with Tom Spencer – founding Marks & Spencer (M&S). The pair called their new stores 'Penny Bazaars' and by 1900 had expanded to 36 outlets, including 12 high street stores. It became a public company, run by Michael's son Simon Marks. Marks invited his brother-in-law Israel Sieff to be his business partner, ensuring the firm remained a family business. The Sieff family would remain involved in the business until the death of Sir David Sieff in 2019.

During its first decades, M&S continuously evolved and adapted to the rapid socio-economic changes of the 20th century. Whilst many of the company's innovations were designed to deliver commercial success and keep customers coming back to its stores, the founding families of M&S also had a keen awareness of their social responsibilities and strong philanthropic values. M&S's responsible business story takes off in the 1930s, when it developed a benefits and welfare package for all employees, pioneered by Flora Solomon. Hired by Simon Marks to improve working conditions after challenging him over employee welfare standards, she created the staff welfare and training departments in 1933 & 1934.

The benefits she introduced were revolutionary for the time. Alongside subsidised staff canteens were training programmes, pension schemes and pre-NHS era health care services. During the Second World War, she helped to establish what became the government sponsored communal 'British Restaurants' and in doing so shaped the future welfare state. M&S continued to take a leading role in ensuring the welfare of female staff in particular. In 1965 M&S introduced free cervical screening at a time when it was not yet available on the NHS; and it was the first company in Europe to introduce a mobile breast screening unit.

MARKS & SPENCER – TIMELINE

- 1982** Marks & Spencer is a founding member of Business in the Community. David Sieff becomes the first chairman of BITC's Executive Committee and Lord Sieff a member of the Governing Council. M&S provides a number of secondees to BITC's central team and Local Enterprise Agencies
- Late 1980s** M&S is the major sponsor of the Compact scheme – a series of education business partnerships across the country
- Early 1990s** M&S establishes a dedicated CSR team
- 1994** BITC launches a two-year trial of 'Compact Plus for Jobs' supported by M&S. M&S and five other companies launch the London Benchmarking Group
- 1996** M&S participates in the first Business in the Environment Index
- 1998** M&S participates in the inaugural 'Bruce Naughton Wade CCI Index'
- 2001** M&S is a member of BITC's Business Impact Review Group
- 2002** M&S and BITC launch the Sieff Award to recognise community organisations or individuals who have successfully collaborated with the private sector. M&S commits to offering 600 work experience placements to homeless people over two years through Ready for Work. The company takes part in the inaugural Corporate Responsibility Index.
- 2004** M&S wins BITC's Company of the Year. It moves to a new headquarters in Paddington, where it commits to being a socially responsible neighbour. The company launches Marks & Start, its internal employability programme, offering placements to disadvantaged groups including previously homeless people, single parents, disabled people and the young unemployed
- 2006** M&S wins BITC's Company of the Year for the second time
- 2007** Plan A is launched, setting ambitious environmental targets for the company. Sir Stuart Rose, Chief Executive, becomes Chairman of Business in the Community
- 2012** M&S wins BITC's Company of the Year for the third time; the only company to have done so
- 2014** M&S launches Make Your Mark to help 5,000 unemployed young people get into work as an evolution of its employability work. M&S also develops and launches Movement to Work, inviting suppliers and other businesses to support young people
- 2014** M&S secondee leads Healthy High Streets collaboration with founding partners Boots UK, The Co-op Group and Santander
- 2017** Steve Rowe, CEO, becomes Chair of the Place Leadership Team and the Co-Chair of the Community Leadership Board in 2021
- 2019/20** M&S launch Kick Start as part of its employability work.
- 2020** M&S launches new ESG framework and Net Zero strategy with the target to be net zero in its value chain by 2040
- 2022** M&S celebrates supporting 10,000 young people through The Prince's Trust, and 28,000 more widely through Marks & Start since 2004

By the 1960s M&S was actively fundraising for chosen charities. Charity fashion shows were held in aid of organisations like the Family Welfare Association¹, Leonard Cheshire Homes, Shelter and the YMCA². In 1974 the company's staff welfare programme and local community activities were recognised with an award for social responsibility in European business. Five years later Lord Sieff issued a statement to shareholders:

"We recognise our social responsibilities and help the communities in which our customers and staff live" ... "M&S have always believed that our store in the high street is not just another shop but an integral part of the community. And as a company we want to be good citizens by contributing to the community we serve."³

In doing so, Marcus Sieff (Lord Sieff of Brimpton) became one of the first business leaders to publicly acknowledge that corporate responsibility was important. His advocacy of social responsibility during the 1980s – to audiences as diverse as the London Stock Exchange, trade unions and headteachers⁴ – then gave the movement a voice which undoubtedly helped shape the agenda being promoted by the newly formed BITC, which M&S's leaders had played a key role in founding.

M&S AND BITC – AN INTEGRAL PARTNERSHIP

In 1980, David Sieff, a director of M&S and son of its chairman Marcus Sieff, was invited to attend the UK government organised Anglo-American conference on Community Involvement at Sunningdale⁵. At the time M&S was already involved in the work of groups such as the Action Resource Centre (ARC), providing secondees on one to two-year assignments to help run services such as the ARC Islington Small Business Counselling Service. Following the Sunningdale conference, Sieff joined the working group led by Sir Alastair Pilkington looking at how business might become more closely involved in local communities, from which BITC emerged. The Sieffs would both remain closely involved and key to BITC's early operation. David Sieff personally took on a significant early role as the first chair of BITC's Executive Committee. M&S secondee Philip Gibbs joined BITC's first staff team and later Neville Martin would help expand the organisation's reach as BITC's north-east regional director. David Sieff also later coined the phrase 'prosperous High Streets' needed 'prosperous back streets' – which became one of BITC's long-running mantras. In recognition of the pioneering role he played as an individual in forging links between the private sector and communities, BITC and M&S jointly established the 'Sieff Award' in 2002 to mark David Sieff's retirement – awarded to community organisations or individuals who have successfully collaborated with the private sector.

From this early investment in BITC in 1981, M&S has had one of the most unique relationships of any company with BITC; and although impossible to calculate, in hindsight has almost certainly invested one the highest number of man-hours of senior executive time into the network of any member company. From 1995-99 M&S sublet offices on Baker St (opposite M&S's Baker St headquarters) to BITC at a peppercorn rent and would host BITC for four months in its main offices before BITC's move to its current premises at Shepherdess Walk. The pair's relationship is also characterised by mutually beneficial delivery partnerships – including of a contractual and semi-commercial nature, such as on its Marks & Start employability programme. M&S has provided BITC with a chair in Sir Stuart Rose, and numerous best practice examples in terms of award-winning programmes. M&S is the only company to have won BITC's Company of the Year award three times; and was an early supporter and participant in almost all of BITC's key campaigns and initiatives from enterprise agencies to education business partnerships, benchmarks like the CR Index, the Mayday Network on climate change and marketplace sustainability campaign.

SUPPORTING PEOPLE AND COMMUNITIES

At the heart of this relationship lies M&S's focus on its people, the community and specifically the skills and employability agendas which have provided the focus for much of its community activity for over 40 years. With prime locations on so many of Britain's high streets, M&S had felt the impact of the riots of St Pauls, Mosside, Toxteth and Brixton first hand. After closing the doors as the disturbance began, Philip Morris, the Brixton Store Manager repurposed the staff lounge into a temporary 'creche' for the many customers and children who had been in the store at the time, until it was safer to leave, with many staff providing lifts home

for customers. Speaking in the 1982 film **Helping Hands**, which featured M&S's involvement in the community, the store manager spoke of his determination to **"do something to regenerate the community"**⁶ and launched a 'Backing Brixton' campaign, making substantial efforts to restore confidence and attract shoppers back into the area. The impact of the riots showed the important interrelation of social, economic and environmental aspects in an area, and how crucial this is to the success of retailers. The same thinking lay behind M&S's decision to second staff to town centre management schemes during the 1990s⁷ and to lead BITC's Healthy High Streets partnership initiative nearly 30 years later (see below). **Helping Hands** also featured several of the skills and employability projects and initiatives its stores and staff were involved in at the time; from job creation schemes with Leeds Business Ventures to training schemes for young unemployed with Project Fullemploy in Dalston and Transition to Working Life in Glasgow.

Throughout the 1980s M&S continued to offer full-time secondees both to BITC, Local Enterprise Agencies and other job creation schemes. It also created a 100-hour development assignment programme for colleagues to work part-time with charities and external organisations. Between 1978 and 1985, 32 M&S colleagues were involved (as part- or full-time secondments ranging from three months to two years) in 35 schemes in different parts of the country aimed at job creation and training unemployed young people. By 1994, 40 colleagues a year were on secondment to third sector organisations⁸. Alongside this, high profile charity donations and fundraising continued and long-term relationships with multiple charity partners such as BTCV were formed⁹.

By the late 1980s, businesses had begun to focus on education as a key community issue, as well as the training, employment and enterprise agendas that had dominated during the 1980s years of high youth unemployment. David Sieff wrote in 1989 **"Today, one of the major areas where business should make a contribution is education"**. From 1988 BITC became involved in setting up education business partnerships across the country, known as Compacts. M&S became the major business sponsor of the Compacts initiative as well as providing secondees as project directors for several local Compacts. M&S also invested in other education initiatives including developing head teacher training and enterprise skills packs for primary children with Durham University Business School¹⁰. The Compact model was expanded during the 1990s to raise the employment levels of young people with the goal of providing jobs with training for all young people over 14 who achieve their goals. Then in 1994 a two-year trial of 'Compact Plus for Jobs'; to provide young people with follow up support after leaving school was supported by M&S, Whitbread and Sainsburys.

By the turn of the century M&S's commitment to skills and employability had begun to shift from supporting schemes run by others to what it could do itself. In 2002, M&S made a commitment to BITC's newly formed homelessness campaign, Ready for Work, to offer 600 work experience placements to homeless people over two years – the scale of this commitment alone required a dedicated project manager based at BITC. The success of the scheme – in which over a third of participants went on to secure work - encouraged M&S to develop the model, offering placements to other groups including single parents, disabled people and the young unemployed. Existing employees volunteered as 'buddies', to mentor participants. The scheme, Marks & Start, was bold, the largest of its kind in the UK, and remains a flagship initiative. Formally launched in 2004, Marks & Start has now supported over 28,000 disadvantaged people, working with a range of charity partners including the Prince's Trust, BITC, Remploy and Gingerbread. Marks & Start also enabled M&S to extend its education offer into work experience placements for school students.

2004 was a landmark year in many ways for M&S, both in terms of the business and in relation to responsible business. It saw the formal launch of **Marks & Start** (see above) and significant scaling up of its employee volunteering and employability programmes. M&S also won BITC's company of the year award in 2004 for the first time. In the words of one commentator, the award **'confirms the team's success re-articulating the philanthropic values of M&S's Victorian founders in terms of strategic business management and future commercial success'**¹¹ and formed part of the defence in a fierce take-over battle. M&S also moved out of its Baker St headquarters, and into new offices in Paddington. The move was accompanied by a number of commitments by

¹Kensington Post, 12 Nov 1965

²Formby Times, 5 Jan 1972

³M&S Archive, M&S Corporate Social Responsibility timeline

⁴Notes for Speeches, M&S Archive

⁵The National Archives, AT 81-162

⁶Helping Hands, 1982 M&S Archive

⁷Putting the heart back into the high street M&S Annual Report 1994

⁸M&S Annual Report 1994

⁹Corporate Citizenship Briefing <https://ccbriefing.corporate-citizenship.com/2004/08/01/profile-marks-spencer-popular-capitalism/>

¹⁰M&S Archive

¹¹Education is our business, David Sieff, Business in the Community Magazine, Autumn 1989

M&S to 'integrate the company to its new location as a socially responsible player'. These included joining the Paddington Waterside Partnership, working with Paddington First to recruit local residents into jobs, recycling assets and donating clothing samples in a partnership with Shelter. It also involved a number of employee engagement tours. These introduced employees, particularly senior staff, to local community groups and leaders including headteachers and local voluntary groups. The tours were run with the support of BITC and based on its successful 'Seeing is Believing' model.

In 2006, both Marks & Start and M&S's cause related marketing partnership with Breakthrough Breast Cancer won BITC awards. The latter had led to the creation of a range of post-surgery lingerie for women with breast cancer and evolved into a major fundraising partnership with Breast Cancer Now which has successfully raised over £33 million to date in 2022. Other high profile and long-running fundraising partnerships have included multi-year campaigns with Macmillan raising £23m, Shelter £14m and Royal British Legion £9m.

When M&S was the first retailer to voluntarily charge for carrier bags in 2008 to reduce plastics, M&S used the funding to support five 'greener living spaces' projects, in partnership with Groundwork. By 2017, M&S was donating £4 million a year to charity, voluntary, environmental or health related causes through these funds.

The recession following the 2008 financial crisis disproportionately affected young people, with over a million 16-24 year olds out of work in 2014. In response, M&S launched an initiative called Make your Mark to support 5000 unemployed young people into work (as part of its long-standing Marks & Start programme Marks & Start). M&S worked in partnership with The Prince's Trust to offer young people four-week placements. Recognising the scale of the challenge needed a bigger response, M&S invited its suppliers and partners to also offer placements to young people. This gave birth to a larger movement called Movement to Work, which Mark Bolland, M&S CEO founded. From an initial 14 companies, Movement to Work now involves nearly 200 companies, multiple local and regional partners and operations as a charitable coalition that has supported over 100,000 placements for young people.

As well as its focus on employability and skills, M&S has always been committed to supporting local communities where its colleagues and customers live and work. From 2014-2016, M&S seconded six colleagues to BITC to be Business Connectors and create connections between local businesses and community groups. One connector was Malcolm Heaven in Loughborough who brokered almost 3,000 hours of support to local community organisations and schools. At the same time, M&S became a core partner of the Healthy High Streets Campaign, with Peter Donohoe seconded as the Head of Field Operations. The programme's aim was to encourage collaborative action between retailers and stakeholders on high street regeneration, specifically to increase footfall, employment opportunities and reduce vacant shop spaces.

M&S colleagues feel passionately about supporting local charities and community organisations. Stores choose a 'charity of the year' to fundraise for and this on average raises £1m for local causes every year. Alongside this, M&S colleagues actively volunteer time to support their local communities. In 2015 M&S launched its first large scale volunteering programme Spark Something Good which saw 4,000 volunteers helping out at 240 community projects across the UK. This was replicated each year (until interrupted by Covid-19) with a volunteer week where over 5000 colleagues would support 450 community groups – from delivering tea parties to improving facilities at youth clubs and children's centres.

M&S was one of the first businesses to join up with the social platform Neighbourly. This was a digital first way to connect with local community organisations and the platform helped power M&S's local fundraising and volunteering. In 2015 M&S extended the partnership with Neighbourly and launched its new surplus food redistribution scheme, designed to ensure no food goes to waste. This initiative sees surplus food taken from each M&S store and is donated to thousands community organisations serving local people who are struggling to put food on the table. Since 2015 more than 40 million meals have been donated by M&S in this way.

In 2017 and 2018 M&S delivered an innovative programme in ten communities across the UK to learn how to deepen its impact at a local level, led by Jo Daniels. Each community was sponsored by a member of M&S's Executive Committee and deep listening was undertaken to understand the needs of each community. A 'place based' programme was designed to address two key issues 1) education and employability – raising aspirations of young people and supporting hard to reach people, and 2) isolation and social connections. The programme provided a framework where Store Managers could develop local partnerships to test and deliver new solutions.

One of the key outcomes of the Ten Communities Programme was that in order to make transformational change at a local level, large scale collaboration was essential. Not just with community groups and local authorities, but with other businesses. This led to Steve Rowe, CEO of M&S, becoming Chair of BITC's Place Leadership Team and subsequently BITC's Community Leadership Board and M&S playing an integral role in the development of BITC's Place Strategy and toolkit.

In 2022 M&S had also donated over £11.5m through its Sparks loyalty scheme to 35 charity partners, engaging customers in charity donations every time they shopped.

LEADING A WIDENING AGENDA

In 2012, M&S had won BITC's company of the year award for the third time, having previously won it in 2004 and 2006. The accolade recognised M&S's leadership across the responsible business agenda. During the 1990s, understanding of corporate responsibility widened, and M&S was at the forefront of this development. A key element was an increasing focus on management and measurement and led to M&S's involvement in a series of multi-industry initiatives both within and outside of BITC's umbrella. These included Opportunity 2000 (Opportunity Now) launched by BITC in 1991 to campaign for gender equality, which pioneered the use of benchmarks. The campaign's leadership team would later be chaired by Clara Freeman of M&S, who also spent several years on BITC's board. In 1994, M&S along with five other companies (bp, IBM, Natwest, Diageo and Whitbread), became founding members of the London Benchmarking Group (now B4SI) for corporate community involvement and in 1996 M&S was one of the 73 FTSE 100 companies who completed the first Business in the Environment (BIE) Index. M&S was also amongst the participants in BITC's inaugural CR Index in 2002, ranking as the top retailer and joining the Business Impact Reporting Group, convened to review and test out the framework devised by BITC in **Winning with Integrity**¹² which went on to set the BITC agenda for the next decade.

SUSTAINABILITY AND PLAN A

As the corporate responsibility agenda broadened, sustainability, environmental, social and ethical issues related to operations, products and supply chains became increasingly important to businesses. M&S published its first CSR Review in 2003, addressing the themes of products, employees and community, although it had published information on its environmental activities since 1992¹³. M&S's earlier commitments and achievements included using free range eggs in all of its food lines containing eggs (2002), selling only fairtrade tea & coffee in its cafes (2005), becoming the first major retailer to remove hydrogenated fats from all its food and meet salt reduction targets (2006); launching a clothing line using Fairtrade cotton and developing a supplier code of conduct on dyeing, printing and finishing (2006).

In 2007, M&S launched Plan A (because there's no Plan B for the planet) - a £200m eco plan setting 100 ambitious commitments designed to address the key environmental, social and ethical challenges across its value chain¹⁴. It was brought to life within store marketing and Plan A champions were appointed in every store. The strategy was updated every three years as commitments were delivered and new issues identified. Through every iteration there was greater integration into core operations and 'how we do business'.

A flurry of achievements came as M&S focused on delivering leadership actions. In 2008 M&S launched their clothes recycling scheme (as the first step toward a more circular business model. "Shwopping" has since collected 35 million items raising an estimated £23 million for Oxfam. Also in 2008 M&S worked with BITC on the launch of its MayDay Climate Change Summit

¹² Indicators that Count, BITC July 2003

¹³ M&S CSR Review 2003

¹⁴ Overview & Ten Years of Plan A, Marks & Spencer

and Mike Barry was a member of its Leadership team. In 2012, M&S was the first major retailer to become carbon neutral in its UK and Ireland operations. By 2014, M&S's global operations including stores, warehouses and delivery fleets became carbon neutral and it became the first UK retailer to achieve the Carbon Trust Standards for carbon, waste and water. A new range of more sustainable denim was launched in 2017, and now all the denim across womenswear, mens and kidswear is made to its Sustainable Denim Principles. By 2019, all of the cotton used in M&S clothing was also responsibly sourced.

Fourteen years on from the launch of Plan A, in 2021 M&S set a new ambitious net zero strategy. M&S committed to be net zero across its entire value supply chain (scope 1, 2, and 3) by 2040 with a science based target to help keep global warming below the all-important benchmark of 1.5 degrees. The target is supported with an action plan with 10 key areas, including low carbon farming, planet-based diets and circular fashion. This is now a key pillar of M&S's renewed ESG framework. Going forward M&S remains ambitious to drive a greater commercialisation of sustainability and create compelling propositions for customers to live more sustainable lifestyles.

PARTNERSHIPS AND THE FUTURE

Just as the challenges of recession and unemployment during the 1980s were too big for one sector or organisation to tackle alone (and led to the formation of BITC as a business coalition), so too are the many sustainability challenges in global supply chains that need addressing. M&S often led and actively participated in multiple collaborations and industry groups to find solutions that can be scaled across markets and raw materials used its products such as palm oil, soy, cotton, timber and fish. They include the Roundtable for Sustainable Palm Oil, Better Cotton Programme, the Ethical Trading Initiative, Consumer Goods Forum, WRAP's Textiles 2030, and the British Retail Consortium's Climate Action Roadmap. M&S believe that by working together, the business community can do the right thing for people and our planet.

Steph Hagan, March 2022

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