

The View from the Front Line: Richard Gillies, Marks & Spencer

Marks & Spencer is a retail legend. Growing from a single penny bazaar in Leeds, UK in 1894, the company now operates in 43 countries, turning over £9 billion and employing 78,000 people. In 2007, Marks & Spencer Executive Chairman Sir Stuart Rose launched Plan A ('because there is no plan B'), making 100 commitments on environmental, social and ethical issues. Richard Gillies is the Director of CSR, Plan A and Sustainable Business, leading a team of 11 and working with many other specialists throughout the organization.

Why and how did you get involved in this agenda?

I had one of those strange little moments that make you stop and reassess things. I left the house one morning drinking a bottle of yoghurt. While in my car, I tried to throw the empty bottle into the recycling bin, but missed. I undid the seat belt, got out of the car, picked the bottle up and put it in the bin. When I got to work, someone put an electricity bill in front of me to sign off. I almost signed it without thinking about the implications of our energy use. It hit me then that I wasn't bringing my personal values to work with me the way I should.

In my previous role of Construction Director we started to take a long-term view of our buildings. I instigated a review of our property portfolio with a view to future proofing, and energy efficiency became a key focus for us.

In 2008 I was appointed to my current role. The recession was just starting to bite and I was given the job of making sure the economic situation did not undermine Plan A.

What are the drivers for Marks & Spencer to engage in this agenda?

The most important driver is to protect and enhance our brand. Marks & Spencer is one of the most trusted brands in the world and the environmental and ethical issues are important aspects of the modern view of 'trust'.

But, we shouldn't underestimate the importance of 'doing the right thing'. Plan A came about because Sir Stuart watched Al Gore's climate change documentary 'An Inconvenient Truth' and was inspired to act.

We originally put £200m into Plan A over five years as a pump primer but so far it has delivered more in savings than it cost. While this is excellent, we see it as a secondary driver to the other factors – we didn't get involved in this for mercenary reasons.

What are the big challenges for your organization?

Behavioural change and education of individuals is always a challenge. We treat Plan A just like any other change management programme, but it has to be said that this is the easiest one I've worked on – people are very motivated to act. There is, however, a language barrier between the 'CSR junkies' and the 'economic animals' – while their aims are aligned, it can be difficult to get them on the same wavelength.

There are many external challenges. As a society there is a strong trend of 'disposable fashion', which means competing with very low cost competitors. Supply chains are another challenge. For example, cotton is our biggest raw material and has all sorts of environmental issues associated with its production. We are working with our suppliers to improve their performance.

In our annual reports on Plan A, we are very honest about admitting our mistakes. We have appointed Jonathon Porritt (founder of Friends of the Earth and Forum for the Future) as an independent advisor and overseer of our work. He's not one to gloss over any shortcomings.

What successes have you had?

We have met 39 of the original 100 commitments in Plan A and have added 24 new commitments that stretch us even further. Some examples include:

- Our arrangement with Oxfam to accept used clothes, which has helped the charity earn £1.9 million and keep 1500 tonnes of clothes out of landfill;
- We have started using recycled polyester in many products including umbrellas and school uniforms although the finished fibre is expensive. In order to strengthen the supply chain, we have started using cheaper lower grade recycled polyester as cushion filling. This gives economies of scale in the whole polyester 'loop' and makes the higher grade material more competitive in price;
- We have developed an eco-factory in Sri Lanka to produce lingerie. It emits 96 per cent less carbon than a standard factory;
- We've reduced the number of plastic carrier bags we give out by 400 million per annum;
- We are recycling 325 million clothes hangers per annum;
- We've cut our energy use by 10 per cent and our carbon footprint by 15 per cent.

Looking to the future, we want to get to a position where Plan A and the Plan A way of doing things is ingrained in how we do everything within our business.

What's your advice for others in your position?

While you should stretch your brand to include greener products, don't diversify too far. For example we experimented with selling wormeries, but we soon realized that people do not come to Marks & Spencer to buy this kind of product.

Seeing is believing – if you want to bring people on board, show them how it works in practice. Finally, devolve responsibility, get everyone involved.