

OUR BUSINESS

CREATING SUSTAINABLE VALUE

OUR BUSINESS MODEL

We create long-term value through the effective use of our resources and relationships. We manage these in line with our core values of Inspiration, Innovation, Integrity and In Touch.

These values influence how we behave and they run through everything we do – they make the M&S difference: **enhancing lives every day** through the products and services we offer our customers in the UK and internationally.

OUR RESOURCES & RELATIONSHIPS

£ FINANCIAL

Generating returns for our stakeholders through effective management of our financial resources

🔄 MANUFACTURED

Maintaining our channels and supply chain infrastructure to meet customer demand

💡 INTELLECTUAL

Strengthening our brand through creation and protection of our intellectual properties

LISTEN & UNDERSTAND

Understanding our customers informs everything we do. Our Customer Insight Unit (CIU) listens and talks to around 60,000 customers a month, analysing the results to build a comprehensive understanding of what our customers want and how this is changing. We also engage with over 2.6 million customers every day via our social media channels, giving a constant flow of information about how they are feeling about M&S and our products. By keeping closely in touch with our customers, we can ensure that we stay relevant and continue to offer the products and services they want to see at M&S.

STRATEGY & FINANCIAL PLANNING

A well run business relies on robust financial management and planning. We are committed to creating value for shareholders by making M&S a more profitable business through improved gross margin and strong cash generation, driven by rigorous control of costs and capex. In line with our strategy to build an infrastructure fit to support the future growth of the business, we continue to invest in our supply chain and technology. We fund future growth through existing cash flows, a policy which supports our commitment to maintaining an investment grade rating.

PRESERVING OUR TRUSTED BRAND

Our own brand model sits at the very heart of the M&S difference. Our unique products set us apart and our innovative culture means we are always improving them for the better. By providing high-quality products alongside an industry leading approach to provenance, ethics and environmental standards, we have built a brand that our customers trust – this is our competitive advantage. M&S occupies a very special place in Britain and we work hard to protect that position by always acting with the integrity our customers have come to know and expect.



FIND OUT MORE

+ Read about Our Plan on p09-13

+ Read more on Risk on p23-25

+ Read more on KPIs on p14-15

OUR BUSINESS MODEL



OUR RESOURCES & RELATIONSHIPS

NATURAL

Sourcing responsibly and using natural resources efficiently

SOCIAL & RELATIONSHIP

Building and nurturing relationships with our customers and suppliers, and in the communities in which we operate

HUMAN

Developing people and their knowledge

THE M&S DIFFERENCE

BUILDING STRONG RELATIONSHIPS

We are committed to building and maintaining collaborative, sustainable relationships throughout our supply chain and in the communities where we operate. We encourage and support our suppliers to apply the same rigorous standards against which we measure ourselves. M&S has over 3,000 product, raw material and service suppliers with current social compliance assessments covering many aspects of human rights listed on the Supplier Ethical Data Exchange. We are longstanding members of the Ethical Trading Initiative and Global Social Compliance Programme. Our Global Sourcing Principles cover what we expect and require of our suppliers – we updated them this year to incorporate the UN’s Guiding Principles on Business and Human Rights.

REACHING OUR CUSTOMERS

Our range of selling channels enables our customers to shop with us in the way which is most convenient for them. M&S.com offers our full range in a stylish, editorial-led format that aims to inspire and excite our customers. We have a strong presence on the UK high street and in retail parks with a combination of larger full line stores and smaller stores, all supported by our Shop Your Way service that delivers our products wherever and whenever our customers want them. Our expanding Simply Food format means we are well positioned to respond to changing consumer shopping habits. We have a strong presence in key convenience locations, including city centres, hospitals and travel hubs, such as petrol stations, train stations and airports.

MARKETING & SERVING OUR CUSTOMERS

For the first time, we have brought food and fashion together under one brand identity – Only M&S. This unified brand provides the ideal platform from which to share the many stories that make our products unique. It also clearly communicates what M&S stands for through a unified campaign. The refreshed brand delivers a simpler, more contemporary look and, importantly, ‘Est. 1884’ celebrates our 131-year history, reflecting the value our customers place on our heritage. We have always prided ourselves on our commitment to customer service – it is a key part of our heritage. Every product is built around our customer. Our employees, trained to the highest standard, are united in their dedication to giving our customers the best shopping experience.