

SUMMARY OF M&S GSCOP ANNUAL COMPLIANCE REPORT 2020/21

Longer version of the summary published in the Annual Report and Accounts 2020/21 pursuant to Article 10(5) of the Groceries (Supply Chain Practices) Market Investigation Order 2009

The Groceries (Supply Chain Practices) Market Investigation Order 2009 (the “Order”) and The Groceries Supply Code of Practice (the “Code”) impose obligations on M&S regarding its relationships with its suppliers of groceries. Under the Order and Code, M&S is required to submit an annual compliance report to the Audit Committee for approval and then to the Competition and Markets Authority and Groceries Code Adjudicator (“GCA”).

Annual Compliance Report

M&S submitted its report, covering the period from 29 March 2020 to 3 April 2021, to the Audit Committee on 12 May 2021. It was approved on 20 May 2021.

Working with the GCA

M&S welcomes the appointment of the new GCA, Mark White. During 2020/21, Mr White met with our Chief Executive Officer and Audit Chair and attended several meetings with our Commercial Director, Foods and Code Compliance Officer. We are committed to working collaboratively with Mr White and building on the progress made by his predecessor Christine Tacon.

Following feedback from the new GCA, M&S has further enhanced its internal Code compliance controls for the buying team and other supplier facing colleagues by instituting new Code compliance self-certification procedures and a new remuneration policy which makes pay rises, bonus payments and share awards contingent on Code compliance.

Training

During 2020/21, we updated our on-line Code training module which is mandatory for all members of the buying team and other supplier facing colleagues. The training, which was been completed and passed by more than 300 colleagues during the reporting period, includes introductory video messages from the GCA and our Commercial Director, Foods.

Our on-line module was complemented by several tailored, in person training sessions delivered by our CCO (remotely delivered) to a wide range of relevant teams within M&S.

Other actions taken to enhance compliance

As a result of feedback from GCA and suppliers, and to help achieve business objectives, M&S has taken steps during the reporting period to enhance Code compliance and improve ways for working with our suppliers. Key initiatives include the following:

- **Supplier Engagement Programme:** During 2020/21 M&S has undertaken an engagement programme, led by senior management, to ensure we listen to suppliers’ concerns (Code related and otherwise), learn from them, and work collaboratively to take appropriate action in response.
- **Reducing Artwork and design charges:** In response to supplier feedback in the 2020 Annual Survey, we reduced artwork and design charges for suppliers during the reporting period.
- **Supplier invoice queries:** We took steps to minimise supplier invoice queries and ensure that, when they do arise, they are addressed swiftly; including (i) increasing the size of the Vendor Support team, (ii) improving data quality and (iii) proactively working with suppliers to ensure they understand our invoicing and payment processes.

Compliance and Disputes

M&S believes that it has materially complied with the Code and the Order during the reporting period. No formal disputes under GSCOP arose during the reporting period.

Supplier queries and allegations

In accordance with the Code and GCA guidelines, M&S has identified and reported to the GCA on all instances where suppliers have either alleged a breach or referred to potential non-compliance with the Code. Four instances arose during the reporting period, of which 3 were closed or resolved at the end of the reporting period. An additional Code issue which arose before the reporting period was also resolved.

