

## 2018 AGM Questions

Question	Answer
What are M&S's plans for further cooperation with Energy4All in regard to solar panels on the roofs of its premises?	We have installed panels in eight stores to date. We are in discussion with Energy4All about expanding this to further locations but are unable to confirm anything at present as we are considering what additional stores are suitable for this initiative based on issues such as the structure of the buildings and associated financials.
Can I get a guarantee that M&S will try harder in its sale of sustainable foods, specifically to stop selling yellowfin tuna, which is under threat, and radically reduce, if not completely stop, the use of palm oil?	We haven't and won't sell blue fin tuna. 95% of the tuna that we sell is skipjack where we have pioneered the sourcing of pole and line and have only used this method since 2009. Our yellow fin comes from responsibly managed fisheries which are deemed sustainable. We only use hand line and long fishing systems. We don't use the indiscriminate systems such as purse seine and fish aggregating devices we helped found the global tuna alliance to further encourage responsible sourcing. In 2017/18 all the palm oil used in M&S products were 'Roundtable on Sustainable Palm Oil'(RSPO) certified. This is up from 90% the previous year. The 3% remaining is covered by the purchase of RSPO credits (previously known as Green Palm certificates). Additionally, we sit on the Board of the RSPO and we are helping to drive standards and encourage the transition to sustainable suppliers.
Can the Board give a guarantee to all staff working for M&S whether employed directly or indirectly namely any subcontracted staff such as cleaners and security staff are being paid the living wage, even if they are temporary staff?	Pay for front line colleagues is well positioned against the UK retail market, and we offer the best total reward package of any major UK retailer. We have engaged with our franchise partners on their pay rates, sharing our experience of increasing pay in a sustainable way. We have a 2025 commitment on living wage – that includes our extended supply chain. We are making progress on this.
As Gareth Southgate has highlighted the M&S England suit with the waistcoat. Is there an opportunity for the wives and girlfriends to appear in a M&S clothing collection to increase the success of the suit up 100% and waistcoat 35%?	The sales have been phenomenal, and the number of people suddenly wearing waistcoats is fantastic and will be looking forward to the British public getting involved in 'Waistcoat Wednesday' in support of the team. The wives and girlfriends are a slightly different issue as we have to talk to them individually, but we look for celebrity endorsements in a number of places and I think that is an interesting idea.

<p>Over 35% of boys and 20% of girls aged 6-10 are expected to be obese by 2050. What are M&amp;S doing to help combat this?</p>	<p>Obesity is an issue of national importance. At Marks &amp; Spencer we have been clear for some time on our responsibility and our health credentials. The business offers over 1,500 lines classified under 'Eat Well' label. We are the market leader in healthy recipe dishes, with a 44% market share, and we continue to drive sugar and other additives out of our products. We have taken 110 million calories out of our Food over the past couple of years. We have also reduced the sugar in our cordials and juices by 50%, and for many years we have added no artificial colourants or preservatives to our Food. Additionally, we observe a policy of no sweets on till points in our own stores. Currently we are unable to extend this commitment to our franchise stores.</p>
<p>What is the Chairman's view of the plan for the turnaround and how will it be different to what we've heard before? Will there be any more redundancies and store closures?</p>	<p>The store closure programme is about ensuring that we have a modern estate that fits the needs of our customers and the market place. The truth is much of our store estate is out of date. We have old stores in locations where people are no longer shopping, and I think we are paying the price for that as a business. It is a drag on our performance. It is also means that there are many stores that have wonderful colleagues in them, who are working their socks off, but we cannot afford to spend money on modernising those stores because it would not pay back.</p> <p>We have now committed to grasping the nettle that perhaps should have been grasped many years ago and we have announced that 100 stores are set to close in total by 2022 and we hope to get through most of that in the first two years, but I cannot tell you it is going to end there.</p> <p>It is crucially important that we manage the stores that are closing down really well, that we involve people through our business-involvement group as much as we possibly can, and that we treat them fairly and maximise their chances for redeployment. To date: 86% of our colleagues have transferred to other stores or Simply Foods, and we are delighted by that. We will maximise the opportunities available for those colleagues to move into other stores. The unfortunate truth is that, in some locations, it is not just viable, and I am afraid</p>

	that there are likely to be some more redundancies, and we should be clear about that. We will make sure that any closures are as painless as they possibly can be, but I can tell, as you would expect, despite the sadness, our colleagues have shut stores with absolute dignity and professionalism. I would expect that to continue.
Would M&S consider setting ambitious yearly targets to reduce its plastic footprint, starting by eliminating unnecessary single use plastics, and introducing reusable packaging ranges?	<p>At M&amp;S we do set ourselves ambitious targets across the whole of our Plan A initiatives. As already stated publicly we intend to be a zero-waste business by 2025. That is very ambitious target. We were the first major retailer in the world to become a carbon-neutral business. Additionally, we have reduced our wastage and energy usage by more than 30%. By 2019, for example, 100% of our products will be BCI ('Better Cotton Initiative') compliant.</p> <p>There is clearly more we can do with plastic and this is something we are taking extremely seriously. We have signed the UK Plastic Pact and we have a very special and committed team who are looking very carefully at how we make sure that we get rid of all single-use plastic, and action is being taken to remove all unnecessary plastic used across the business, making sure we only use plastic where there's a clear benefit and there is no viable alternative.</p>
M&S has become a by-word for failure	I take exception to that and I think it is an exaggeration. There is a great deal that is good about the company. However, we are not where we want to be. I just think there is a fine line between stating it as it is and self-flagellation. I am in the former camp, not the latter.
What are the issues and how far back you will go to find out the unvarnished truth?	The genesis of any turnaround starts with the recognition of the unvarnished truth, the ability of the management to set corporate vanity on one side and communicate the urgency of change and the true state of the business internally and externally. This is something that we are continually addressing.
What is the outcome of the private shareholder panel meetings and the performance?	Our second private shareholder panel met with Steve Rowe and other members of the senior leadership team in June 2018 for a roundtable and store tour in Westfield in White City. The key themes discussed were clothing concerns, our customers, availability and the sparks programme.

	<p>We have found the panel to be incredibly insightful and knowledgeable about M&amp;S and have welcomed their views and challenges which we are routinely considering and taking on board as part of our decision-making processes.</p>
<p>We have seen competitors engage in corporate activity, such as mergers or strategic partnerships. Are M&amp;S looking at similar opportunities?</p>	<p>As a Board, we are obligated to never be close-minded about these things, but I must tell you that the answer to your question is no. We strongly believe that, if we deliver on our transformation plan, we can create a profitable, growing company in five years' time. Today the value of our shares does not reflect the future potential in the brand. Our future is in our own hands, so our job is to transform the business to make a successful again. Once we have done that – and it is going to take time – then all the options are open.</p>
<p>It would be good to see more senior staff visibly on the shop floor.</p>	<p>People rightly expect a very high level of service from M&amp;S, and this includes seeing management on the shop floor. This is something that has become a priority under Steve's leadership and I am disappointed that this has not been reflected in your experience of visiting our stores.</p> <p>As part of modernising our store estate we need to ensure that our processes are right, and that we are using technology in the right way so that colleagues are not tied up doing office-based tasks but are interacting with customers on the shop floor.</p>
<p>Why is M&amp;S so negative about its own financial performance when it is still a successful company?</p>	<p>We are not negative about our business. However, I accept that media reaction has been negative, and we might not have combated negative perceptions strongly enough, as we remain the largest clothing and home retailer according to market share.</p> <p>Importantly, this Board will state it as it is, we are not going to try to varnish over figures that are disappointing. Our five-year business transformation plan is underway, and we know that, in five years' time, we need to create a profitable, growing business for shareholders and employees.</p>
<p>Why do you use Pork gelatine in some of your yoghurts and desserts when there are very good alternatives?</p>	<p>We now use gelatine in very few deserts, and only for quality reasons. We use alternatives in most deserts. In yoghurts we only use gelatine in 3 products</p>

	again for quality reasons and use alternatives like pectin (natural ingredient from apples) in all other products.
Can we have greater notice for the AGM?	<p>While we understand that the it could be advantageous for shareholders to know the date of the AGM in advance to aid with travel plans. As a matter of law, the Companies Act prescribes the Notice of Meeting requirements. Shareholders must be given notice at least 21 clear days before each meeting. Our AGMs are typically held during the second week of July each year; however, it is important to note that venue confirmation is harder to provide.</p>
Sparks Card – How are the rewards decided based on how many points you have?	<p>The rewards are currently focused on offers, events &amp; experiences. The more Sparks you collect, the more benefits and rewards you will receive. Tiers are linked to spend &amp; frequency. The more that you spend and interact, the more Sparks you will receive.</p> <p>However, we understand that the points-to-prizes conversation is not adequate. Therefore, we are completely reviewing our Sparks offering, which will be completed shortly.</p>