

2022 AGM Questions

Question	Answer
<p>It was very encouraging in February to see that you raised your base pay rates for directly employed staff to £10 across the country and £11.25 in London, meeting the real Living Wage. However, subcontracted workers at M&S do not receive this. Accrediting as a Living Wage employer will ensure everyone working at M&S receives a wage calculated to ensure a decent standard of living.</p> <p>You have expressed a desire to get closer to Living Wage accreditation so please provide an overview of the current pay rates for subcontracted workers and what steps you have taken to discuss this issue with third party contractors.</p>	<p>As you outlined, we invested ahead of the both the national and real living wage for colleagues earlier this year as they told us that a strong base rate of pay and knowing how much they are taking home each month is hugely important to them. Alongside wider benefits and a generous pension and colleague discount, we're committed to making sure our colleagues are properly rewarded and looked after when working at M&S through one of the leading all-round reward offers in retail. Our supplier rates are set independently, and we work closely with them as part of our agreed global sourcing principles. Any supplier that works with us must always pay a fair wage and work towards the living wage and we keep this under constant review. Doing the right thing is a fundamental part of our values at M&S which is why it is important for us to retain the independence to set leading rates of pay for our colleagues and we look forward to discussing this in August when the company is already scheduled to meet with Shareaction.</p>
<p>My local store seems to have gone alcohol crazy. Are the profits from wines & spirits so great that they justify taking over the food section?</p>	<p>With recent celebration events like the Platinum Jubilee, Father's Day and Wimbledon, coupled with a sunny summer ahead, we know customers are keen to try our selection of summer wines, gins and craft beers.</p>
<p>We recognise M&S's ambition to be a leader in this area and your pledge to increase sales of healthier products to 50% by 2022. However, having reported a decline in healthier sales from 41% in 2017 to 38% in 2021, we are keen to hear how M&S has addressed the shortfall and if you are now on track to meet this target by December?</p> <p>In addition, could you confirm publicly whether your Eat Well criteria, used to report on this commitment, is now directly aligned with the UK government's HFSS definition?</p>	<p>This question was answered at 1:14:11</p> <p>To address this, we have expanded our Eat Well range – which is now at 1,800 products. The Eat Well range has been developed by the nutrition team and looks at nutrient quality as well as fat, sugar, salt levels. In March we updated our guidelines to ensure that no product with an Eat Well logo is restricted by HFSS. One of Stuart's first announcements as CEO was the Eat Well Play Well partnership with the Home Nations football teams to encourage healthy choices. This includes free fruit for kids in summer holidays. But Eat Well is just one part of our health strategy not the only part. One of our biggest ambitions is to sell more fruit and vegetables and in our Renewal stores, our produce participation is three times higher than any of our other stores because of its location at the</p>

	front. We have also invested in price through our Remarkable range and are more competitive on some key fresh items than many of our competition.
I see an absence of non-white faces on the Board. What efforts are you making to remedy this?	We believe that a diverse board offers a broad diversity of skills experience and perspective which we have been building in recent years, with women now representing 50% of our non-executive directors, and 45% of the total Board for example. On ethnic diversity we remain in line with the Parker review target of at least one Board member from an ethnic minority background, but we recognise the importance of all diversity and know there is more to do.
As a lucky M&S pensioner of almost 30 years I recognise the financial benefits I enjoy. While the maximum 3% increase p.a. has been good for years - some years less- is there a possibility of reconsidering with inflation now in double figures?	<p>The Trustee is aware of the current rises in inflation and continues to monitor how this affects the Scheme and its members. It must pay all members' pensions in line with the Scheme Rules and so is unable to provide an increase higher than the maximum amounts.</p> <p>The Trustee's responsibility is to make sure that there is a sufficient amount in the Scheme's assets long into the future and ensure pensions are paid to members who are currently in receipt of their pensions as well as members who have not yet retired. These limits allow the Trustee to predict how much money the Scheme needs to have set aside, protect the Scheme's future financial health and security of members' pensions and ensure that all members are treated fairly.</p> <p>Whilst the Scheme is in a healthy financial position and the Trustee's prudent investment strategy continues to protect and enhance the security of members' pensions, it's important to be aware that the current surplus does not mean there is too much money set aside. The value of the Scheme's assets can go up or down over time and the assumptions used to work out the how much it needs to have set aside to pay all members' pensions might change in the future too.</p>
A report in The Times a week or so back said that the new triumvirate heading up the company needs to get the share price up 25% by 2025. The current price is £1.40, so a 25% rise is a	This is answered in the webcast at 40:53.

<p>paltry £1.75. Our share price has been as high as £2.56 this current year. Getting to £1.75 in three years' time is no great achievement for the huge bonus package on offer is it?</p>	<p>The Directors' Long Term Incentive Plans are measured against a host of stretching metrics including Total Shareholder Return and ROCE as well as individual performance elements. This is scrutinised by auditors. In order for the directors to achieve a payout against LTIPs, they will have to create significantly more shareholder value than 25% share price from a base of £1.40.</p>
<p>Why can we not use our staff pension discount card for M & S food delivery from Ocado? It would be such a help to pensioners as we cannot get to an M & S Food Store.</p>	<p>Ocado doesn't currently operate across the whole of the UK, so not all colleagues would be able to access the benefit.</p> <p>At this stage, it is not affordable given large number of colleagues employed by M&S and relatively small size of Ocado Retail.</p>
<p>When does the business plan to reinstate your local charity partnerships? This is a missed opportunity to build strong relationships in the local communities that M&S serve.</p>	<p>We are proud of the role we play in our local communities both through the service to customers and time committed by colleagues in helping those that need it most. This year, our charitable donations reached over £5.2m, and we fundraised more than £4m in donations from our customers, colleagues and partners. Our donations were made to our 35 Sparks charity partners, as well as to UNHCR and UNICEF in support of the crisis in Ukraine.</p> <p>Through our partnership with Neighbourly, we do work at a local level with over 2000 community charities. This has been in place since 2015 and is focussed on food surplus redistribution. We agree there is more we can do and the Board alongside the ESG Committee continue to review key community initiatives in meetings, including as part of the sustainability strategy.</p>
<p>Why don't your larger cup sizes have wider or padded straps which would add extra comfort?</p>	<p>This was answered on the webcast at 36:57.</p> <p>As the market leader in lingerie with c35% share, we have one of the biggest size ranges on the High Street in our bras, ranging from an AA to H in cup size to ensure our customers can choose a bra that looks good and feels good. In our F+ range, we do offer wider straps to ensure maximum comfort, however we know not all our customers have the same preference in style, so we offer a choice of width across these ranges.</p>

Why do I have to go in and add Sparks offers to my card? Why not just add these offers to my card automatically. I also have issues in store when trying to access my offers in store using print outs.	<p>This question was answered in the webcast at 1:17:14.</p> <p>Colleagues in store are always happy to help check your offers for you. The easiest and best experience for Sparks is digitally and via our App where all your offers will be in one place. Since relaunch we've grown Sparks from 7m to 15m customers, as more people recognise the benefits of using Sparks. This also enables us to personalise your Sparks offers, reflecting your favourites and what you choose to shop regularly and other offers we think you might like to ensure it really is the best experience you can have.</p>
The current policy of allowing men to try on women's clothing in the ladies' fitting rooms means I and many other women have stopped trying on items in the stores. Your present policy only suits people that actively want mixed sex changing areas.	Our fitting rooms consist of individual lockable cubicles, typically managed by a colleague to provide assistance and ensure customers' privacy. They are located within our womenswear and menswear departments and therefore are mainly used by customers of that gender, however in line with most other retailers we will generally allow people to use the fitting room they prefer, with our colleagues exercising discretion and common sense.
The value of vouchers posted to small shareholders has diminished in recent years and disappeared, even though Directors' remuneration has soared. Why can't these be re-instated and uplifted for inflation?	We're focused on investing in our transformation and delivering long term value for shareholders. For this reason, we stopped running the voucher scheme for shareholders in 2020 but we know a number of shareholders are also Sparks customers and will regularly receive treats and rewards simply by shopping with Sparks. This is great for you and great for the business.
I have a friend who has both Hyperacusis & severe Tinnitus & she finds it impossible to enjoy the café in our local store. This begs the question why are Acoustic surveys of Stores not undertaken?	We regularly review the decibel levels in our stores and cafes – this is a key part of our new store development process and in ensuring our stores are accessible for all. A number of our stores also run sensory friendly hours regularly to support customers with sensory needs.
My local food hall is dated, cramped and offers limited stock. The shopping experience does not meet or reflect the usual M&S shopper expectations. Are there any plans to upgrade the offering more room for food?	<p>This question was answered in the webcast at 1:19:30.</p> <p>We know that the clothing area is over spaced, and we are looking at getting this right. One example is Stevenage where our clothing space is 60,000 square feet and we've had a great response, so we've now implemented a model based on this going forward for Clothing. That gives us the opportunity to expand what</p>

	<p>we've already tested and trialled in the last four years, which is our ideal store size in Food - it's 15,000 to 25,000 square feet.</p> <p>We also have plans to upgrade our Food offering through our Food renewals programme where we have renewed over 45 stores so far to offer a bigger, fresher range in a modernised environment. We have a strong pipeline ahead and we want to go faster as part of our store rotation programme.</p>
At busy times, why not be pro-active and open more tills, rather than wait for the obvious queue congestion, which spoils the whole visitor experience? Also, there is never anyone on the shop floor for me to ask questions to.	<p>We know how important service is and we are looking at how we can improve our use of technology and processes to free up more colleagues to serve customers. We continue to invest in store technology, for example ahead of Christmas when our stores are very busy, we allocated an extra c3,000 Honeywell devices to enable colleagues to access information on price and availability easily and answer questions for customers. We've also introduced additional queue busting payment options at over 200 Foodhalls across the UK with Pay With Me – where a colleague has a handheld device and is able to take full payment quickly and easily. This has also now been rolled out to fitting rooms, saving customers having to pay at till. This is in addition to our self-service options like Scan & Shop which is nationwide across all stores and over 1m customers have used so far, removing the need to pay at checkout.</p>
When will the issue of date rotation / management of foodstuffs be adequately addressed whole company?	<p>At M&S we pride ourselves on having the best quality and freshest products for our customers to enjoy. We also work really hard with our supplying partners to develop products that not only taste and look amazing but also offer great shelf life for our customers.</p> <p>We routinely benchmark our products against our competitors and evaluate our shelf-life vs theirs. Where there is a difference that cannot be explained by the addition of added preservatives (that we look to minimise) we take action and work to ensure we are improving the shelf life of our products.</p>

	<p>We have made great progress in the areas like our Deli range, where we now use novel packaging technology to improve the shelf life of our products without the need for preservatives.</p> <p>We also have big plans to continue to modernise our logistics and systems, so we can even more effectively ensure we have the right product in the right place at the right time, to ensure that our customers are delighted by the length of shelf life they have on our products. There is plenty more for us to get after and this is a big focus for the food group to help reduce waste and further strengthen our position as number one for product quality.</p>
Why has it taken so long for the company to withdraw from Russia?	<p>This was answered in the webcast at 53:14.</p> <p>In response to Russia's invasion of Ukraine, we took swift action and suspended deliveries of products to the market on 3rd March. However, we had a franchise arrangement and had to negotiate an exit with our licensee. FIBA operated 48 stores in Russia alongside flagship website and third-party website wilberries with 1200 colleagues and 10 stores with 250 colleagues in Ukraine. In May we confirmed a full exit from the market has been agreed and they are working to close down the remaining stores.</p>
Why do you insist on having so many clothing ranges and who is your target market as this seems confused?	<p>This question was answered in the webcast at 1:02:03.</p> <p>Our aim is to offer everyday products that are relevant to how our customers are living and working – at trusted value. To drive this, we have reshaped our ranges in response to customer feedback with options reduced by 20%, while we've backed our bestselling lines with confidence and depth to deliver growth in key categories. This includes Denim where we are number one market leaders and sold over 1.6m jeggings at the new £17.50 price point. Our Activewear Goodmove is now our biggest Womenswear in house brand worth £65m with top products like leggings selling 5000 each month. Alongside this our in-house brands are complemented by over c.40 'Brands at M&S' partners helping give customers more reasons to shop at M&S.</p>

<p>Please could you tell when Marks and Spencer are going to provide paper carrier bags rather than plastic?</p>	<p>This question is answered in the webcast at 47:23.</p> <p>We recognise this is a complex issue and debate. Our aim is to take a science-based approach, where the consensus is that the correct choice is to use closed-loop plastic and encourage maximum use and reuse. We have phased out single-use carrier bags in favour of stronger 100% recycled bags as well as offering reusable tote bags. Where appropriate, we have replaced plastic product and bakery bags with widely recycled paper versions. Crucially, we want to encourage customers to use fewer bags and reuse the bags they already own. Paper has limitations for re-use especially in the UK.</p>
<p>Why is the customer care appalling when the main credit cardholder dies? I was never informed personally as the second cardholder when my husband died that I would lose all the benefits of the Premium Club including travel which is paramount for me.</p>	<p>Firstly, our condolences on the passing of your husband and we apologise for the lack of communication in this instance. As the contract holder of the M&S Credit Card your husband was the primary contact for Club Rewards benefits, with a nominated secondary cardholder also able to access these benefits. This means that once the credit card account of your husband was closed, the Club Rewards membership would also be cancelled. In this scenario, communications would not have been issued to as you didn't hold a Club Rewards contract. While this is documented in the Club Rewards terms and conditions, we will of course look into how we can make this clearer to avoid this happening again in future.</p>
<p>Why is so much of the clothing in your stores made overseas rather than in the UK as it was previously? It is clear that the quality of clothing has deteriorated. Clothing manufactured in the UK lasts longer and is much better quality.</p>	<p>This question was answered in the webcast at 1:05:04.</p> <p>We are proud to have remained number one in the market by customers on product quality, as rated independently by Yougov. To drive this, we need a global manufacturing base to offer great style and value, and to ensure we have the expertise and scale required to deliver on this. Where there is opportunity, we do source and work with suppliers in the UK, for example we continue to manufacture furniture and around half of our beauty range in the UK. Alongside this, Jaeger, which we acquired in 2021, also remains a great British brand and the team are currently running tests with the UK-based Fashion Enter - an</p>

	award-winning social enterprise which is a centre of ethical garment manufacturing.
Are M&S going to strengthen the in-house design element of their clothing collections to limit the reliance on outsourced concession collections?	Our aim is to offer everyday products that are relevant to how our customers are living and working – at trusted value. To drive this, we have reshaped our ranges in response to customer feedback with options reduced by 20%, while we’ve backed our bestselling lines with confidence and depth to deliver growth in key categories. This includes Denim where we are number one market leaders and sold over 1.6m jeggings at the new £17.50 price point. Our Activewear Goodmove is now our biggest Womenswear in house brand worth £65m with top products like leggings selling 5000 each month. Alongside this, our in-house brands are complemented by over c.40 ‘Brands at M&S’ partners helping give customers more reasons to shop at M&S.
Will M&S use the data obtained during the limited supplies of Lockdown to streamline the food ranges? A tighter range of a product should make it more affordable for our customers.	We constantly review our range and always use customer, financial and operational data to assess its effectiveness. As we see the economic landscape changing, we will adapt our range accordingly.
When will the delivery of food be rolled out nationally? Every other retailer is doing this as not everyone has private transport and can travel to stores.	<p>This question is answered in the webcast at 58:45.</p> <p>As many shareholders will already know, M&S invested in Ocado Retail Ltd to combat this issue. Ocado delivers to around 79% of UK postcodes and is increasing capacity over the next few years with a new CFC in Bicester later this year and Luton next year. In addition, mands.com offers gifts, hampers, Christmas food to order, floral and wine, and we’ve just reintroduced sandwich platters because we were inundated with customers requesting these.</p>
Why was the decision taken to not pay a dividend again for this financial year? Shareholders should receive more perks if we are not benefitting from a dividend.	<p>This was covered live and can be found in the AGM broadcast recording at 27:20.</p> <p>Our end goal is to transform and return M&S to sustainable profitable growth and ensure every decision and action we make is geared towards us achieving that. We are prioritising reinvesting back into the business this year so that we deliver long term value for shareholders. We are focused on upgrading technology systems, supply chains and addressing legacy store estate as key</p>

	three areas, and then ensuring we have a robust balance sheet working towards metrics consistent with investment grade. The dividend will continue to remain under consideration in this context.
Can you please justify the high salary for Katie Bickerstaffe new joint CEO @ Marks & Spencer? As she is an acting joint CEO with Stuart Machin and earning in the region of three quarters of a million pounds per annum for a 4 day working week?	Overall pay for leadership is competitive and benchmarked against wider peers. Stuart, Katie and Eoin together are a dynamic team with strong track records of delivery and been instrumental in the progress made so far in the business' transformation. Their clear mandates and responsibilities, and the structure of the leadership team combines decisive leadership with freedom to act, and we are confident this is the right team and reward structure to take M&S through the next phase of transformation.
M&S benefitted over the pandemic due to the demise of some retail competitors, is the current cost of living crisis another opportunity and if so how can we capitalise?	<p>This was answered in the webcast at 1:06:55.</p> <p>We're focused on making sure our offer is as competitive and relevant as it can be for customers - particularly in the current climate. Customers have always turned to M&S for trusted value, and we believe we are well positioned in the market. The actions we've taken in our transformation mean the business is more resilient. In Food, our quality perception is at its highest point in five years and value perception is ahead of the market. In the last three years we have invested £100m in our Remarksable range focusing on everyday products such as bread, milk or mince with perception change price points. In Clothing, we remain the market leader of value for money and quality and are laser focused on protecting value for money on product that matters most. Alongside this we continue to take action to maintain our offer through actions such as our lowering costs programme in Food, reducing option count to drive efficiencies and moving away from promotions to everyday trusted value in Clothing & Home.</p>
Will M&S consider returning to some major towns? There is so little competition, surely there is potential to put an M&S heart back into many High Streets?	<p>This was answered in the webcast at 49:05.</p> <p>Our strategy is not to leave the high street but to have the right store, in the right location with right features to serve today's customer. We've said we are targeting a full line base of c.180 full line stores. We've also already completed</p>

	<p>over 45 renewals of our Foodhalls introducing bigger, fresher and more modern formats to these locations and we have a strong future pipeline ahead. Where it's right we will invest in the most vibrant high streets. For example, in Oxford Street where we want to redevelop and invest or moving to the right location to serve our customers for example in Birmingham. We relocated from a high street store to the Bullring shopping centre into a new 67k sq ft full line store offering a strong modern experience.</p>
How is the business responding to the current risks and challenges arising from supply chain and logistics issues?	<p>This question was answered live and can be viewed in the webcast at 1:10:58.</p> <p>M&S has strong relationships with its suppliers. There is a joint business plan with suppliers to ensure the supply chains remain resilient. No retailer is immune, but we benefit from longstanding supplier partnerships that help us be resilient. We are taking specific steps to support performance and offset inflation, for example in Clothing and Home by taking a more flexible approach to trading and our lowering cost programme in Food. We have made digital led efficiencies in stores and simplified ways of working and we are clear on the areas to address in the next phase to drive efficiencies in our systems, supply chain and stores.</p>
What action is the company taking to tackle issues such as carbon footprint, climate change biodiversity loss, child labour, 3rd world exploitation, plastic pollution and the environmental and ecological crisis?	<p>This question was answered at 43:24.</p> <p>In September we reset our Plan A sustainability programme, with a singular focus on becoming a net zero Scope 3 business across our entire supply chain and products by 2040. We need to take urgent and immediate action to tackle this. Across our own operations, refrigeration linked emissions are down 72% against our 07 baseline and 96% of the electricity purchased for M&S stores, offices and warehouses worldwide is now from on-site generation or green tariff renewable sources, up from 86% last year.</p> <p>However, the biggest carbon driver is supplier manufacture and customer use and we're supporting suppliers to innovate in sustainable solutions. For example, our Farming with Nature programme where we work with 17 innovator</p>

	<p>farms to trial best ways to protect biodiversity. Additionally, we're helping our customers live lower carbon lives, for example via incentivising Shwopping clothes, recycling with Sparks and entering the clothing rental market with Hirestreet. Nevertheless, we know we have more to do to reach our target and will continue to be focused on driving this across the business.</p>
<p>Why can I not attend the AGM in person? Will the board please change the policy and hold open AGM's in future?</p>	<p>This was answered live and can be viewed in the webcast at 24:45.</p> <p>We believe in the digital format as we are big advocates of shareholder democracy and want to make it as accessible as possible for private shareholders to contact the company.</p> <p>Since we introduced digital AGMs, we've seen engagement treble with over 1660 shareholders participating last year versus 593 in 2019 at the last in person meeting in Wembley and importantly we are seeing a higher percentage of capital voted in the meetings since we introduced the digital format. It is also more geographically democratic allowing more shareholders to view and participate than would normally travel to a midweek meeting in London. We can also tackle more question topics by bringing together similar questions submitted digitally. We believe the digital format has proved a success and we are keeping it under review.</p>