

SUMMARY OF M&S GSCOP ANNUAL COMPLIANCE REPORT 2022/23

Longer version of the summary published in the Annual Report and Accounts 2022/23 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 & Risk Committee for approval and then to the Competition and Markets Authority and to Mark White, Groceries Code Adjudicator (“GCA”).

Compliance Report

M&S submitted its report, covering the period from 3 April 2022 to 1 April 2023 to the Audit & Risk Committee on 11 May 2023. It was approved on 18 May 2023.

Working with the GCA and GCA Annual Survey

Our Chief Executive Officer and Audit & Risk Chair both met Mark White during 2022/23 and Mr White held several scheduled meetings with our Commercial Director, Foods, Code Compliance Officer (“CCO”) and Head of Regulatory, and also visited a distribution centre to observe new initiatives. M&S continues to be committed to working collaboratively with Mr White and to operating in compliance with the Code.

M&S places high importance on the findings of the GCA Annual Survey and has continued to focus on areas of previous supplier feedback. In the 2022 survey, M&S improved its overall ranking up to 3rd place and whilst there are still areas to address, the supplier recognition provides endorsement of our ongoing improvement plan.

Training

During the 2022/23 period, M&S continued to use its on-line Code training module which is mandatory for all members of the buying team and other supplier facing colleagues. This digital module was complemented by several tailored, in person or virtual training sessions delivered by our CCO to over 500 people from a wide range of relevant teams within M&S. The training was updated to reflect GCA feedback and key areas such as cost inflation negotiations.

Other actions taken to enhance compliance

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

- Further enhancements to the ‘Good Faith Receipting’ process including digital alerts for suppliers to highlight potential errors before the goods arrive in depot.
- Implementation of a new Supplier Query Management digital solution giving end to end visibility of queries and their resolution stage.
- Simplification of the product artwork process and charges, giving greater clarity and certainty to suppliers.
- Continuing to support smaller suppliers through shorter payment terms and reducing onboarding complexity.

- First stage implementation of a new Forecasting and Allocation system. This significant and complex programme has been in development with an established solution provider and external consultants alongside a collaborative working group of M&S suppliers.

Compliance and Disputes

M&S believes that it has materially complied with the Code and the Order during the relevant 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. Nine instances arose during the reporting period, of which seven were closed or resolved at the end of the reporting period with two issues remaining open. One additional Code issue which arose before the reporting period was also closed.