

Summary of M&S GSCOP Annual Compliance Report 2023/24

Longer version of the summary published in the Annual Report and Accounts 2023/24 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 2 April 2023 to 30 March 2024 to the Audit & Risk Committee on 9 May 2024. It was approved on 16 May 2024.

Working with the GCA and GCA Annual Survey

Our Food Managing Director, Food Chief Commercial Officer and our Audit & Risk Chair met Mark White during 2023/24 and Mr White held several scheduled meetings with our Code Compliance Officer ("CCO") and Food Technical Director. 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 2023 survey, M&S improved its overall ranking up to 1st place (from 3rd in 2022) and whilst we continue to address areas of opportunity, the supplier recognition provides endorsement of our ongoing improvement plan.

Training

During the 2023/24 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 tailored, in person or virtual training sessions delivered by our CCO to almost 500 people from a wide range of relevant teams within M&S.

Other actions taken to enhance compliance

As part of its ongoing Supply Chain development and with insight from Suppliers and the GCA, 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' (GFR) process to include automated supplier invoice payments.
- Optimisation of the Supplier Query Management digital solution ensuring that queries are dealt with more quickly and overall query numbers are reduced through GFR and automated payments (as above).

- Continuing to focus on data quality and a holistic audit recovery process that reflects any monies owed to suppliers as well as M&S.
- Further implementation of a new Forecasting and Allocation system. The majority of Chilled goods are now on this process with Ambient goods being trialled and a roll out planned for 24/25.
- M&S have supported the GCA's initiative around supplier confidentiality through the Code Compliance Officer (CCO) and also 'No Negative Consequences' for suppliers who do raise a matter with M&S.

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. Three instances arose during the reporting period which were all closed or resolved at the end of the period with no issues remaining open. Two Code issues which arose in the previous reporting period prior to 2 April 2023 were also closed.