

## SUMMARY OF M&S GSCOP ANNUAL COMPLIANCE REPORT 2021/22

### Longer version of the summary published in the Annual Report and Accounts 2021/22 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”).

#### Compliance Report

M&S submitted its report, covering the period from 4 April 2021 to 2 April 2022 to the Audit Committee on 12 May 2022. It was approved on 19 May 2022.

#### Working with the GCA

Our Chief Executive Officer and Audit Chair both met Mark White during 2021/22 and Mr White also attended several meetings with our Commercial Director, Foods and Code Compliance Officer (“CCO”). M&S continues to be committed to working collaboratively with Mr White and to operating in compliance with the Code.

Over the relevant period, M&S approved investment in a new Supplier Query Management process to be implemented in May 2022. This will provide an end-to-end solution enabling Supplier queries to be managed with full visibility of their resolution stage. M&S is aware from previous GCA surveys that this is the primary source of supplier frustration and we have therefore made this a priority.

#### Training

During 2021/22 period, M&S updated its on-line Code training module which is mandatory for all members of the buying team and other supplier facing colleagues. This on-line module was complemented by several tailored, in person or virtual training sessions delivered by our CCO to over 600 people from a wide range of relevant teams within M&S.

#### 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:

- **Forensic Supplier Audits:** M&S signed up to the GCA’s new updated best practice statement on forensic supplier audits and has implemented a new more transparent and two-way process.
- **Central Supplier Portal:** Implementation of a new platform for suppliers to use for communications, feedback and support including the Query Management facility mentioned above. The platform will continue to have new features implemented progressively.
- **Small Supplier Programme:** Small Suppliers are critically important to M&S. During the Reporting Period we have started implementation of our Small Supplier Programme which is intended to support and nurture small Suppliers. The Programme covers almost one quarter of our Food suppliers and, as an initial step, has provided them with accelerated payment terms.

- **New Forecasting System:** A pilot of our new forecasting system has continued during the Reporting Period and has been extended to gain further understanding of products with different demand patterns and product life. This is a significant and complex programme, and in addition to the solution provider and external consultants, we have been supported by a collaborative working group of suppliers. Their insight and feedback have helped shape system enhancements and our rollout plans.

#### 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. Seven instances arose during the reporting period, of which six were closed or resolved at the end of the reporting period, with one issue remaining open. One additional Code issue which arose before the reporting period was also closed.