

PENSIONS UPDATE.

For retired members of the
M&S Pension Scheme

IN THIS EDITION.

- Enabling better outcomes for everyone
- Meet your new Trustee Director
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- Annual Report and Accounts

CHAIRMAN'S WELCOME.



Hello and welcome to the 2021 edition of Pensions Update for retired members of the M&S Pension Scheme.

It's been a year when the pandemic has driven a rapid growth in the use of online services in every aspect of our lives. It's also seen a renewed urgency across the globe about the impact of climate change on the environment. That's why, in this edition, we want to focus on how we can all make a difference.

Climate change is the biggest threat to our world today and it also presents huge financial risk to our global economy, so we believe the time to act is now. Take a look at page 7 to find out more about what we're doing in this area.

During this period of change we have taken the opportunity to review the M&S Pension Scheme brand. We want you, our members, to feel confident that the Trustee is working hard to secure the long-term future of the Scheme. We believe our new look and feel - unveiled in this newsletter - portrays a forward-thinking, sustainable Scheme that has members' best interests at its heart.

We've had a fantastic response from members who are keen to 'go digital' and receive their communications from us online. To help us to help the planet we would like to encourage all members to choose to receive pension communications digitally by registering for the M&S Pension Scheme Portal.

We also have a new Company-Nominated Trustee Director. I am delighted to welcome Graham Bennett, Chairman of National BIC, to the Trustee Board.

Finally, I would like to take the opportunity to mention all those involved with the running of the Scheme who have made sure the lockdown hasn't adversely affected the service to you, our members. To those who have answered your calls, processed your pensions and managed the Scheme's assets from their dining tables, kitchen worktops and spare bedrooms across the country - thank you.

Graham Oakley
Chairman of the Trustee



REPLACING RPI WITH CPIH FROM 2030.

Every month, the Office for National Statistics (ONS) estimates the inflation rate in the UK by calculating the change in price of a representative basket of goods and services.

The ONS uses three ways to measure price inflation:

- Consumer Prices Index (CPI);
- Consumer Prices Index + owner occupiers' housing costs (CPIH); and
- Retail Prices Index (RPI).

Most members of the Scheme who currently receive a pension will have increases to their pension calculated using RPI. The Scheme also holds investments that have returns based on RPI.

Due to differences in the way RPI and CPIH are calculated, CPIH tends to be about 1% lower than RPI. If RPI was to be effectively replaced with CPIH from 2030 (in accordance with the decision taken by the UK Statistics Authority and the Chancellor of the Exchequer on 25 November 2020), this would mean that lower annual increases would be applied to the above Scheme members' pensions in payment and there would be an impact on the value of certain investments which are held by the Scheme.

In April this year, the Trustee, along with the trustees of four other large pension schemes, announced that they are seeking a judicial review of this decision to ensure the far-reaching implications are fully considered.

We will post updates on the Scheme website at www.mandspensionscheme.com as soon as more information becomes available.

GMP EQUALISATION UPDATE.

We've been keeping you up to date on the outcome of a High Court judgment made in 2018 about Guaranteed Minimum Pensions (GMP) and what this may mean for members of the Scheme.

You may remember that the courts ruled it is unfair to pay people different amounts of GMP based on different retirement ages due to their gender. Pension schemes like ours must try to make sure GMP built up between 17 May 1990 and 6 April 1997 is equal between men and women.

We've been busy working with the Company and our advisers to put in place a process for carrying out the calculations to equalise members' pensions who had built up GMP during this period. You do not need to take any action at this time as we will update those directly affected as soon as we can.

If you would like to know more about GMP equalisation go to www.mandspensionscheme.com/equalising-gmps

2021 FINANCIAL HEALTH CHECK.

The Trustee is carrying out an in-depth financial health check, called an actuarial valuation, as at 31 March 2021. The Trustee will share the results on the Scheme website as soon as they become available.

We're not able to provide an update since 31 March 2020 just yet, so we haven't provided a Summary Funding Statement in this edition.

OBITUARY LIST REFRESH.

We've heard your feedback on the obituary list and have made some changes. You can now search for ex-colleagues by typing in a first name, surname or location of the store/office they worked at.

The new version of the obituary list can be found on the Scheme website at www.mandspensionscheme.com/obituaries

INTRODUCING YOUR NEW TRUSTEE DIRECTOR.



We'd like to introduce you to Graham Bennett, your new Company-Nominated Trustee Director who joined the Trustee Board in December 2020.

Graham is currently Chair of National BIG at M&S and has worked for the business for 15 years.

“ I am delighted and feel very privileged to be involved with the M&S Pension Scheme. When I had the conversation about becoming a Trustee I was really excited to be part of something that is important to so many people.

As a current employee of M&S who represents the voice of our colleagues, I hope I can ask probing questions in order to support the Trustee Board to deliver the best possible outcome for our members.

For Graham's full interview, go to www.mandspensionscheme.com/news/newdirector

COULD YOU BE OUR NEXT MEMBER-NOMINATED TRUSTEE DIRECTOR?

We're looking to appoint a new Member-Nominated Trustee Director (MNTD) to join the Trustee Board of the M&S Pension Trust Limited. The Board is made up of nine Trustee Directors and is completely independent from M&S. Trustee Directors are responsible for the management of the Scheme in line with the Scheme Rules and legislation. They must act prudently, responsibly, honestly and impartially, and always in the best interests of members.

They will make decisions across all aspects of managing the Scheme, from monitoring the administration service provided to members to making sure pensions are paid correctly and on time.

Although the role of a Trustee Director is challenging, it is a valuable opportunity to play an active role in managing one of the largest pension schemes in the UK, whilst developing skills and broadening knowledge in a number of different areas.

WHO SHOULD APPLY?

All members of the Scheme can apply for this role, except those who are receiving a spouse or dependant's pension. You do not need any prior experience as a trustee and you are not required to have a background in finance or pensions.

But it's advantageous if you've been part of a decision-making group and have some experience of HR policies and procedures, communications, business management or investments. Successful MNTDs should have an interest in pension issues and be able to commit a significant amount of their time to developing their knowledge, reading meeting papers and attending meetings. If you feel you could serve in the best interests of your fellow members, then you could be exactly what the Trustee is looking for.

HOW DO I APPLY?

The vacancy will become available from 1 April 2022. It takes a few months to select a new MNTD, whilst we review applications and invite successful candidates for interviews.

You can find more information and the application form on the Scheme website at www.mandspensionscheme.com/MNTD

Once you've completed the form, you need to submit it by 31 January 2022. If your application has been successful, the Selection Panel will be in touch to arrange an interview in February 2022.

This is an exciting opportunity to become actively involved in the running of your Scheme.

We look forward to receiving your applications!

ENABLING BETTER OUTCOMES FOR EVERYONE.

As one of the UK's largest pension schemes, the Trustee supports the importance of establishing sustainable investment principles that tackle climate change and the delivery of a net zero future.

We take account of Environmental, Social and Governance (ESG) factors across all areas of the Scheme's investments and, to help with this, we have established a special ESG Committee to explore the opportunities and risks within ESG and make recommendations to the Trustee Board.

M&S has recently announced its commitment to be fully net zero by 2040. The Trustee is keen to align the pension scheme with M&S and we expect to announce our carbon reduction targets before the start of the next financial year. In the meantime, with the support of expert advisors, we plan to build on the sustainable investments that we already have in place.

We are currently reviewing our greenhouse gas emissions and carbon footprint to meet with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and will be reporting these findings next year, alongside interim and long-term targets to rapidly reduce emissions associated with our portfolio.

What does net zero mean?

Net zero means achieving a balance between the carbon emitted into the atmosphere, and the carbon removed from it. As a pension scheme, we can do this by investing in assets that will support the transition towards a low carbon economy.

YOUR PAYSIPS.

We're serious about our responsibility to reduce our carbon footprint and one of the ways you can help us do this is to reduce the volume of paper communications we send.

We'd love for more of our members to opt to receive their communications electronically and ensure that we all play our part in protecting the planet.

It's easy to do, go to the M&S Pension Scheme Portal at www.hartlinkonline.co.uk/mandspensionscheme and click 'Register'. If you need any help take a look at our useful guides at www.mandspensionscheme.com/portal-guides

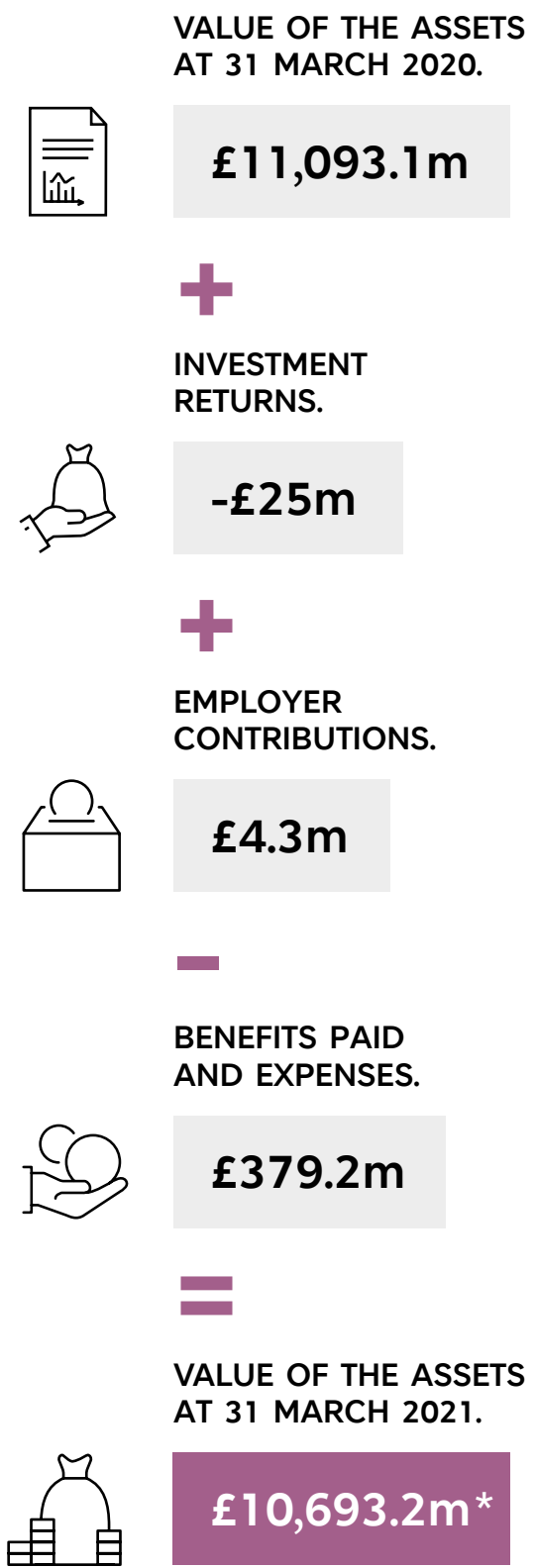
You can see all your monthly pension payslips securely on the portal. Since May 2021 we have only been sending out payslips in the post if you have requested them and if your pension payment changes by £10.00 or more from one month to the next.

The Trustee's aim is for all communications to go online. **Make sure you don't miss out by registering today!**

The Trustee has to provide members with a summary of the Scheme's finances for the year to 31 March. This includes any changes in how much money the Scheme has set aside to pay benefits, the type of investments the Scheme holds and the number of members in each category.

We've provided a summary of the key information about the Scheme's finances for the year to 31 March 2021. This includes how the Scheme has used its money, the type of investments the Scheme holds and the number of members.

To view the full Scheme Report and Accounts as at 31 March 2021 visit www.mandspensionscheme.com/governance



*The Trustee monitors the Scheme's investments closely. Over the year, these reduced in value mostly due to rises in interest rates. It's normal for the Scheme's assets to go up and down in value from year to year. The Scheme's finances continue to be in a healthy position.

THE SCHEME'S INVESTMENTS.

As at 31 March 2021, the Scheme's assets were invested as follows:

	2021	2020
Bonds and lower risk investments	54.7%	62.6%
Buy-in policies	31.3%	24.3%
Shares in companies and higher risk investments	14.0%	13.1%

SCHEME MEMBERSHIP.



PENSION PAYMENT DATES FOR 2022.

JANUARY 31 December 2021	FEBRUARY 31 January	MARCH 28 February	APRIL 31 March
MAY 29 April	JUNE 31 May	JULY 30 June	AUGUST 29 July
SEPTEMBER 31 August	OCTOBER 30 September	NOVEMBER 31 October	DECEMBER 30 November



If you have registered on the M&S Pension Scheme Portal, you can now update your UK bank account details online! Please note, if you are updating an overseas bank account you will still need to write to the Pensions Administration Team.

TELL US WHAT YOU THINK.

We'd love to hear your thoughts and feedback on any aspect of the M&S Pension Scheme.

If you have any comments, please tell us by going to the M&S Pension Scheme website and clicking '**Feedback**' on the right hand side of the webpage.

HOW TO CONTACT US.

✉ M&S Pensions Administration Team,
PO Box 555, Stead House,
Darlington, DL1 9YT

☎ 0345 304 7474

✉ mandspensions@capita.com

Access your pension account by logging in to the M&S Pension Scheme Portal www.hartlinkonline.co.uk/mandspensionscheme

For more information about the Scheme visit www.mandspensionscheme.com

Read the Trustee's Privacy Policy at www.mandspensionscheme.com/privacy-policy