



# Retailers' GSCOP<sup>1</sup> reports for 2019-20

A review of retailers' published reports on compliance

UK grocery retailers regulated under the Groceries Market Investigation Order are required to publish summaries of their annual GSCOP compliance reports that they provide to the Competition and Markets Authority (CMA) and copy to the Groceries Code Adjudicator (GCA). This document is the Group's tenth review of these published summaries.

Retailers are required to give an overview of alleged or actual breaches and disputes. While there is no obligation to report on the number of instances in each of these three categories, it is regrettable and disappointing that none of the twelve designated retailers chose to do so. Morrisons' summary can be singled out for not giving any quantified information on the number of breaches or disputes experienced during the year.

Tesco has the highest level of alleged breaches (45), mostly related to de-listings, followed by Asda (29). The reports indicate that most of the instances of potential breaches are resolved within the year in which concerns were raised. It is notable that, in the case of disputes, four retailers are reticent to report on these, despite it being a reporting requirement.

It is clear that the outgoing GCA has spoken to designated retailers on their reporting. We see more information from most retailers on alleged breaches and a number are being quite specific on the steps, and the investment, they are making to ensure they are compliant. We therefore see continuing improvement in terms of detail in these reports, and consequently their value. Any changes to reporting methodology may make year-by-year comparisons problematic.

The summary reports give some transparency to the performance of the Code, though only from the perspective of the designated retailers. A further perspective, from suppliers, can be obtained from the GCA's annual supplier survey, the 2020 edition of which can be found at [this link](#). This shows the number of suppliers stating they have had issues under the Code decline from 41% last year to 36% this year.

## 1 Background

This is the Group's tenth report on grocery retailers' published compliance with the Groceries Supply Code of Practice (GSCOP). The others are available on our [website](#). The report relates

---

<sup>1</sup> GSCOP: Groceries Supply Code of Practice.

to the twelve grocery retailers designated under The GSCOP Order<sup>2</sup>. The Order requires designated retailers to publish an annual summary of their compliance for each complete financial year during which the Order is in force. The summary must be published in their annual company report if they have one or “clearly and prominently” on their website if not. The summary must contain an overview of instances of breaches or alleged breaches, steps taken to ensure compliance (including training) and disputes with suppliers, along with their outcome.

- 2 There are two retailers included in this report for the first time, B&M and Ocado, both designated in November 2018. TJ Morris was designated in September 2019 so its first compliance report is due next year.

### 3 Reporting

All relevant designated retailers published reports either in their annual reports or on their websites, or both in the case of Marks & Spencer. Iceland declared that its full compliance report was still being drafted, though it published a summary. A copy of each report is given at the end of this document, while the table below summarises each of the areas on which retailers are required to report (see section 10 (5) of the [GSCOP Order 2009](#)).

	Alleged breaches	Actual breaches	Disputes	Outcome	Training
Aldi	3 (all resolved)	ND	1 old 1 new	To arbitration Resolved	✓
Asda	29 (28 resolved)	ND	0	N/A	✓
B&M	2 (all resolved)	ND	0	N/A	✓
Co-op	27 (5 outstanding)	ND	ND	Unknown	✓
Iceland	9 (1 outstanding)	ND	ND	Unknown	✓
Lidl	8 (7 resolved)	ND	0	N/A	✓
M&S	7 (6 resolved)	ND	0	N/A	✓
Morrisons	ND (2 outstanding)	ND	ND	Unknown	✓
Ocado	1 (resolved)	ND	ND	Unknown	✓
J Sainsbury	13 (all resolved)	ND	0	N/A	ND
Tesco	45 (5 outstanding)	ND	2	Both resolved	✓
Waitrose	11 (10 resolved)	ND	0	N/A	✓
	ND = Not disclosed				

- 4 Retailers are required to summarise information relating to alleged breaches or actual breaches and disputes, along with their outcomes. As can be seen from the table above, no

<sup>2</sup> [The Groceries \(Supply Chain Practices\) Market Investigation Order 2009](#), paragraph 10(5).

retailer gives information on all three. We take it as read that retailers will know when they have breached the Code and it is perhaps understandable that they will not wish to disclose actual breaches. However Aldi, Asda, the Co-op and Iceland have publicly reported on actual disputes in the past, even if it is to report none. It is an important area of reporting which has the scope to be more transparent.

- 5 Morrisons is the outlier in not giving quantified information on alleged breaches, actual breaches or disputes. It does however report that suppliers have expressed concerns over goods and invoice receipting, de-listing and contractual terms and that two complaints remained unresolved. This lack of quantified reporting would seem at odds with the obligations under the Order.

6 **Alleged breaches**

As can be seen in the above summary, all of the retailers (with the exception of Morrisons) are forthcoming on alleged breaches. This is a welcome development on previous years when some retailers were somewhat opaque on this.

- 7 Once again Tesco reports the highest level of alleged breaches at 45, up from 40 last year. One of these relates to Booker while no complaints were raised in relation to One Stop. Booker as a wholesaler falls outside GSCOP regulation though Tesco has undertaken, voluntarily, that it will comply and this specific reporting in its summary report is welcome. Tesco also helpfully breaks down the areas to which complaints relate, 39 being related to de-listings and 6 to payment delays.

- 8 Lidl is the most transparent in how it addresses supplier concerns. It describes four levels of escalation (ranging from Level 1 for concerns raised with the business but not the Code Compliance Officer to Level 4 for arbitrations), giving the number of cases raised by Level and at which Level they were resolved.

9 **Actual breaches**

As stated above (paragraph 4), it is disappointing that no retailer is willing to be forthcoming on the number of actual breaches identified in the reporting year.

10 **Disputes**

A dispute arises when a supplier notifies a retailer's Code Compliance Officer that it believes the retailer has not fulfilled its functions under the Code and wishes to instigate the dispute resolution procedure (paragraph 11(2)).

- 11 It is notable that the Co-op, Iceland, Morrisons and Ocado do not report on disputes. It may be that there have not been any, though other retailers (Asda, B&M, Lidl, M&S and Sainsbury) state explicitly when this is the case.

12 **Steps taken to ensure compliance**

All retailers report on the training they give to existing and new staff, with the exception of J Sainsbury. Training is mentioned in its summary report but with no detail given on what has been delivered to new members of the team or the refresher training that must be given to existing staff. Contrast its scarcity of information with the summary report from Lidl which gives the dates of all the training delivered, to whom and the numbers trained.

- 13 It is worth highlighting that some retailers, notably Aldi, Asda, the Co-op, Iceland, Lidl, M&S and Waitrose, outline in some detail the organisational, process, reporting and other improvements they have made during the year to ensure compliance. This level of transparency is strongly welcomed as it indicates to all retailers the steps that can be taken to ensure that trading relationships with suppliers are fair and lawful.
- 14 A number of summary reports refer to steps being taken within the wider organisation of the retailer to ensure GSCOP compliance, indicating that positive and active steps are being taken to build an internal culture of compliance, a goal of the outgoing GCA, Christine Tacon.
- 15 **Other observations**  
Despite going backwards in a couple of areas (such as the total reluctance to declare the number of actual breaches), the summary reports continue to develop into a meaningful record of what retailers are doing in relation to compliance. Tesco in its report refers to the GCA sending all designated retailers feedback on reporting and that may account for the improvements we are seeing. While there are still some instances of relatively minimal reporting to meet the obligations, these are now the minority.

J A Noble

19<sup>th</sup> November 2020

# GSCOP

Retailers' published summaries of their reports to the CMA

Retailer	Document	Statement
Aldi	<a href="#">Corporate website</a>	<p><b>General Information</b></p> <p>The Groceries Supply Code of Practice (GSCOP) came into force on 4 February 2010. It applies to all Grocery Retailers with grocery sales over £1 billion and requires them to submit an annual report to the Competition and Markets Authority and the Groceries Code Adjudicator (GCA).</p> <p>Our last annual report was submitted in April 2020 covering the period 1 January 2019 to 31 December 2019.</p> <p><b>Code-related Developments During 2019</b></p> <p>The GCA Annual Survey 2019 revealed that Aldi continued to be ranked top by Suppliers in terms of overall compliance with the Code, <b>now for the 6th year in a row!</b> Overall, 97% of Aldi Suppliers surveyed said Aldi complied with the Code 'Consistently or Mostly Well'. Of these, 55% rated us at 'Consistently Well', 15% better than the next placed Grocery Retailer.</p> <p>We are incredibly proud of these results and appreciate the feedback of all of our Suppliers who took part. Equally though, we recognise we can't afford to become complacent. Trading conditions have been challenging for retailers and Suppliers alike, competition is intense and uncertainty over Brexit during the majority of 2019 added further pressures.</p> <p>We have therefore continued to invest more focus on how we can continue to improve on what we do, and how we do it, to promote the long-term mutually beneficial supply relationships that we value.</p> <p>During 2019, we have:</p> <ul style="list-style-type: none"> <li>• Reviewed and refreshed the GSCOP training our Primary and Senior buyers receive on joining our Buying Teams, and on which they are refreshed on annually</li> <li>• Introduced some specific GSCOP training for our Finance colleagues</li> <li>• Trained a record number of 310 colleagues using these materials</li> <li>• Undertaken our own Internal Assurance review of ALDI's compliance with the Code, implementing a number of internal control improvements as a result</li> <li>• Taken the opportunity to make some process improvements utilising lessons learned from an ongoing dispute</li> <li>• Issued a twice yearly GSCOP Supplier newsletter; highlighting important developments under the Code, the work of the GCA and the</li> </ul>

		<p>importance of Suppliers' understanding the protections the Code provides them</p> <ul style="list-style-type: none"> <li>Continued regular meetings and dialogue with the GCA</li> </ul> <p>The collaborative approach the GCA adopts is welcomed by ALDI as a means to support continuous improvement utilising best practice from across the sector and we look forward to working with the new GCA at the conclusion of Christine Tacon's term of office.</p> <p><b>Supplier Disputes</b></p> <p>ALDI fully supports the requirements of GSCOP, as these are aligned with the ALDI core values of Consistency, Simplicity and Responsibility. We pride ourselves on building long-term and mutually beneficial relationships with our Suppliers, and compliance with GSCOP firmly underpins this.</p> <p>However, disputes can occur in any commercial relationship from time to time. Where these occur, we would encourage Suppliers to discuss any issues directly with their Buying Team in the first instance, so we have an opportunity to resolve them as quickly as possible. Where an issue can't be resolved, Suppliers have the right to contact the ALDI Code Compliance Officer on any Code-related issue, raising a formal dispute under the Code if they so choose. Having carefully considered the circumstances, we will always seek to agree fair and reasonable resolutions to issues that our Suppliers have raised with us.</p> <p>During 2019, one formal dispute was carried over from 2018 and one new formal dispute was raised by a Supplier in respect of an alleged breach of the Code. The new dispute was resolved during the reporting period whilst the one carried over from 2018 remained open at the end of the year, the Supplier having exercised their prerogative to request an independent arbitration by the GCA. This represents the first time ALDI has been involved in the GSCOP arbitration process.</p> <p>Three other issues raised by Suppliers were handled informally, and in all three instances, a mutually acceptable resolution was agreed with the Supplier during 2019.</p>
--	--	--

Asda	<a href="#">Asda website – Notes and policies</a>	<p><b>Summary of GSCOP Annual Compliance Report for 2019</b></p> <p>The Groceries (Supply Chain Practices) Market Investigation Order 2009 (the “Order”) has been in force since 4 February 2010.</p> <p>The Order implemented the Groceries Supply Code of Practice (the “Code”) which applies to certain grocery retailers, including Asda, and governs our dealings with grocery supplier partners.</p> <p>Every year we submit an annual compliance report to the Competition and Markets Authority (the “CMA”) and the Groceries Code Adjudicator (the “GCA”) to detail our compliance with the Code, any alleged breaches of the Code and any disputes with suppliers.</p> <p>We delivered our ninth report, covering the period from 1 January 2019 to 31 December 2019, to the CMA and the GCA on 30 April 2020.</p> <p>We were encouraged by the results of the GCA’s 2019 Annual Supplier Survey. Supplier partners placed us second amongst the twelve retailers covered by the Code for conducting trading relationships fairly, in good faith and without duress, and fifth in the overall assessment of retailer compliance with the Code.</p> <p>During 2019 we have taken a number of additional steps to promote Code compliance. We appointed our Chief Ethics and Compliance Officer, Tim Belser, as Asda’s Code Compliance Officer (“CCO”). Tim leads a team dedicated to ensuring the right compliance framework is in place to oversee ongoing adherence with the Code. Further steps we have introduced include:</p> <ul style="list-style-type: none"> <li>• Increased transparency of GSCOP related metrics at the most senior levels of the organisation. This helps ensure that the message and overall strategy from Asda Senior Leadership is consistent with GSCOP principles.</li> <li>• Improvements to Asda’s forecasting processes, including updates to the forecasting critical path in order to drive efficiencies in the planning for orders process, a ways of working framework to support a consistent approach to arriving at a forecasting decision and monitoring tools to improve accuracy and analysis.</li> <li>• New guidance to support collaborative supplier engagement before formally communicating a delist decision. This has been supplemented by additional monitoring controls.</li> <li>• Enhanced controls around the management of disputed post-payment audit claims, to promote closer supplier engagement and the amicable resolution of these claims.</li> </ul> <p>To support our aspirations for continuous improvement, we rolled out a suite of new training modules designed to support a number of our business areas.</p> <p>A total of 579 colleagues received GSCOP training in 2019. This included the launch of a new and improved e-learning module specifically designed for our buyers, which has been updated to reflect current internal processes. We also delivered an instructor-led training module to buying colleagues, which addressed the highest risk issues highlighted by category from the results of</p>
------	---	--

		<p>the 2019 Supplier Survey. Additionally, we have provided a series of bespoke instructor-led training sessions to non-buying colleagues; including to the Supply, Logistics, Quality and Technical, Merchandising and Finance teams.</p> <p>We received twenty-nine alleged breaches in 2019. Of these, twenty-seven have been successfully resolved within the reporting period. Of the remaining two, one has been successfully resolved in early 2020. Asda is working collaboratively with the supplier to reach a mutually agreeable resolution for the only ongoing issue raised in 2019.</p> <p>We did not see any issues raised as disputes, as defined by the Order, during 2019.</p> <p>We value the inter-dependent relationship that we have established with our supplier partners. Our Code Compliance Officer encourages open and honest feedback with respect to how we are adhering to the Code.</p>
--	--	---

B&M	<a href="#">Annual Report &amp; Accounts 2020</a>	<p><b>The Groceries Code of Practice (the “Groceries Code”) and The Groceries (Supply Chain Practices) Market Investigation Order 2009 (the “Order)</b></p> <p>The Groceries Code and the Order regulate certain aspects of the relationships of B&amp;M and Heron Foods in the UK with their grocery suppliers. Under the Groceries Code retailers are required to deal with their suppliers fairly and lawfully at all times.</p> <p>In the UK, B&amp;M and Heron Foods have established compliance procedures under the Groceries Code. Those businesses have materially complied with the Groceries Code throughout the year under review.</p> <p>B&amp;M and heron Foods became designated retailers under the Order, and thereby subject to the Groceries Code, on 01 November 2018. That designation commenced part way through the previous financial year 2018/19 and applied for 5 months of that period only. A deferral was agreed with the Competition and Markets Authority (the “CMA”) for B&amp;M and Heron Foods to file their first annual compliance report with the CMA and Groceries Code Adjudicator for the period from the designation on 1 November 2018 to 31 March 2020.</p> <p>In relation to that report, there were no formal disputes under the Groceries Code. There were two Groceries Code related issues raised by suppliers with B&amp;M and none with Heron Foods of potential non-compliance with the Groceries Code. Each of those issues were fully resolved with those suppliers and none of them remain outstanding.</p> <p>The report was submitted to our Audit &amp; Risk Committee members in May 2020 and it was approved by them for submitting to the CMA and GCA.</p> <p>In the year under review B&amp;M and Heron Foods have carried out training and guidance programmes with colleagues on the Groceries Code. Training has been provided by external consultants to existing staff. There is a new joiner guidance document and also external training packs for new colleagues joining the buying teams in each of those Group businesses. During the year under review buying colleagues who deal with grocery suppliers have also completed declarations confirming their compliance with the Groceries Code, and, that all instances of any complaints received under the Groceries Code have been reported to either the Buying Office Manager or Code Compliance Officer.</p> <p>See principal risk number 2 and 5 on page 26 and 27.</p>
-----	---	--

<p>The Co-operative</p>	<p><a href="#">Annual Report &amp; Accounts 2019</a></p>	<p><b>Other activities - Groceries Supply Code of Practice (GSCOP) (p 95)</b></p> <p>During 2019 our Co-op continued to engage positively with the Groceries Code Adjudicator, who acknowledged that significant changes have been made following their investigation. The GCA Annual Survey 2019 also concluded that our Co-op was the most improved retailer over the past 12 months. The Committee has kept under review how our Food business is improving its levels of compliance and improving supplier engagement through our GSCOP Compliance Programme. This included updates from the Code Compliance Officer and the Supplier Relationship programme and our review of the Supplier Engagement Compliance dashboard. Our governance arrangements in this area have also been independently reviewed by KPMG. The Committee approves the Annual Compliance Report for submission to the Competition and Markets Authority as required by the Groceries (Supply Chain Practices) Market Investigation Order 2009. A summary of progress in the year is on page 127.</p> <p><b>Compliance with Groceries Supply Code of Practice (p 127)</b></p> <p>On 25 March 2019, the Groceries Code Adjudicator (the GCA) completed her investigation and published her report into Co-op. The GCA set down five recommendations for Co-op to follow:</p> <ol style="list-style-type: none"> <li>1. Co-op must have adequate governance to oversee and manage its compliance with the Code;</li> <li>2. Legal, compliance and audit functions must have sufficient co-ordinated oversight of Co-op systems to ensure Code compliance;</li> <li>3. Co-op IT systems must support Code compliance;</li> <li>4. Co-op must adequately train on the Code all employees who make decisions which affect a supplier's commercial arrangements with it; and</li> <li>5. Co-op must in any potential de-listing situation communicate with affected suppliers to enable the retailer to decide what is a significant reduction in volume and reasonable notice.</li> </ol> <p>We have continued to improve and sustain the big changes we started to make in 2018 and we are pleased that the GCA recognises the significant work that the Co-op has undertaken. In January 2020 she published her view on the progress made by the Co-op towards following the recommendations set out in her investigation report. We note that she said that our detailed implementation plan had met her requirements, that our approach to following her recommendations was appropriate, and that future monitoring would continue on the basis of business as usual.</p> <p>In 2019, with direction from the GCA we also developed a suite of dashboards that demonstrate at all levels within our organisation how we ensure compliance with the Code. These are reviewed and monitored by various governance fora including the Co-op's Risk and Audit Committee.</p> <p>We are committed to delivering long term, sustained behavioural change, and the focus of the Supplier Engagement team as it moves into 2020 will increasingly be about supporting colleagues to embed and sustain this culture of self-sufficiency and self-regulation.</p>
-------------------------	--	---

		<p>We value the positive engagement with the GCA. She attended our annual supplier conference. We shared our whole organisation approach to compliance at her meeting with the compliance officers from the other designated retailers. Our Code Compliance Officer (CCO) actively and visibly encourages suppliers to share their experiences of dealing with the Co-op and to report any Code related concerns. The Code Compliance Officer reports regularly to the Risk and Audit Committee on the programme of compliance activity.</p> <p>In 2019 we trained 1,093 colleagues across Buying, Finance, Supply Chain and other functions. Our training is a mixture of face to face training as well as online learning.</p> <p>During 2019, suppliers formally raised 27 Code related complaints with us. This includes one issue raised by a supplier where information was requested by Co-op but nothing further was provided. We have therefore considered this issue withdrawn by the supplier. We resolved the other concerns through discussion with suppliers, Buying, Finance, Supply Chain and other relevant functions, sometimes with the involvement of the CCO. Five issues were still under review at the end of the reporting period.</p>
--	--	--

<p>Iceland (Company no. 01107406)</p>	<p>Financial statements Iceland Food Ltd For the 52 week period ended 27 March 2020</p> <p>Available free from <a href="#">Companies House</a>.</p>	<p><b>Suppliers (p 5)</b></p> <p>Maintaining good relationships with our supplier partners remains critical to our own business performance, and we have robust procedures in place to ensure our compliance with the Groceries Supply Code of Practice ("GSCOP"), on which we report on pages 14-15. Our policies on the treatment of supplier income are set out in Note 4.13 on page 26, and in Note 3 Significant judgements and estimates on page 23. We are grateful to all our food and packaging suppliers for their very positive response to our continuing initiative to remove single-use plastic packaging from our own label product range by the end of 2023.</p> <p><b>GSCOP summary of annual compliance 2019-2020 (p 14)</b></p> <p><b>Annual Compliance Report</b></p> <p>An annual compliance report, as required by the Groceries (Supply Chain Practices) Market Investigation Order 2009 (the "Order"), for the financial year 2019/20 (which ran from 30 March 2019 to 27 March 2020), is currently being drafted and will be submitted to, and approved by, Iceland's Audit Committee on completion.</p> <p><b>Report Matters</b></p> <p>The report contains all complaints that have been received from suppliers which, if not resolved by the Buyers, are escalated to the Category Managers, Trading Directors and occasionally, if required, the Code Compliance Officer. The report confirmed that we had nine reported breaches, potential breaches, or formal complaints, made against the business within the reporting period, under the Groceries Supply Code of Practice ("GSCOP").</p> <p>All of the matters were reported to the GCA as part of our quarterly progress meeting reports. With the exception of one of the matters, all were closed within the reporting period, and we anticipate that the one outstanding matter will be finalised within the current financial year. Whenever we receive a complaint, we promptly work with suppliers to investigate and resolve the matter to the satisfaction of both parties. Full details of the matters are reported annually to the CMA (Competition and Markets Authority) and the GCA (Groceries Code Adjudicator).</p> <p><b>Training</b></p> <p>We continue to be committed to ensuring full compliance with GSCOP. All members of our Buying Team have been issued with a copy of GSCOP and receive annual fresher training. All new members of the Buying Team receive a copy of GSCOP and training as part of their induction. All relevant teams, which have contact with suppliers, have received training, as part of our annual training programme. Our training is updated to reflect key issues that have arisen in compliance with GSCOP, and any feedback we have received from suppliers. This year, we have introduced interactive GSCOP e-learning training which will be continually updated and undertaken twice annually.</p>
---	---	--

		<p><b>Internal Compliance</b></p> <p>In our efforts to improve internal compliance, we appreciate all feedback from suppliers, whether made directly or through the GCA, which helps us to improve our understanding of any issues which the suppliers may have. All matters which have been raised with Iceland have been shared with the relevant senior teams, and we have taken on board this feedback, and aim to continue to improve our long-term relationships with suppliers.</p> <p>We have introduced into the business a new steering group to ensure all supplier-facing departments communicate to each other any concerns which have been raised, and discuss any projects which might involve GSCOP compliance.</p> <p>We continue to work on our supplier database, however other projects including depot delivery system payments and credits (for late deliveries and late unloading respectively) are currently on hold due to COVID-19.</p> <p>We have noted the results of the GCA's 2020 Annual Survey and we are focused to investigate those areas of the business which have scored lower than the others in relation to Code compliance. Our sole red-flagged issue in the 2020 survey related to forecasting; we are currently investing several million pounds in a new forecasting system to improve this area of the business.</p> <p>We have undertaken our annual internal audit to assess our colleagues' understanding of GSCOP and to ensure ongoing compliance. This is part of the annual compliance report and will be disclosed in accordance with GSCOP.</p> <p><b>Actions</b></p> <p>In response to supplier feedback regarding our compliance with GSCOP, and through our own plans to invest in the way we work with suppliers, we have focused our attention on several key projects within the reporting period. These include:</p> <ul style="list-style-type: none"> <li>• a new forecasting system;</li> <li>• a supplier database to improve access to our terms and conditions, financial agreements, and policies which together form our supply agreement;</li> <li>• an ongoing commitment to entering into longer term agreements with our key suppliers, to building long term partnerships with those suppliers; and</li> <li>• an emphasis on improving Goods-In efficiency into our depots.</li> </ul>
--	--	--

Lidl	<a href="#">Corporate website</a>	<p><b>GSCOP ANNUAL COMPLIANCE REPORT 2019-2020</b></p> <p>This report details the actions taken by Lidl Great Britain Limited to ensure ongoing compliance with the Groceries Supply Code of Practice (GSCOP), which came into force on 4th February 2010.</p> <p>This document also gives account, for the Company's last full financial year (FY 19/20), of any allegations or Disputes that were raised by Suppliers, the level at which they were raised and resolved.</p> <p>Actions undertaken prior to commencement of GCSOP:</p> <p>In conjunction with external solicitors:</p> <ul style="list-style-type: none"> <li>• All existing Terms and Conditions checked for compliance with the Code.</li> <li>• Reference to GSCOP made in relation to all existing contracts.</li> </ul> <p>Review of 2019-20</p> <p><b>In-house compliance measures:</b></p> <p>Grocery Code Adjudicator (GCA) Visit 26.03.20:</p> <p>Lidl GB invited the GCA again this year to speak privately with Lidl's Chief Executive Officer, Chief Financial Officer and Chief Commercial Officer, and to present to Lidl GB's senior buyers and key stakeholders from other supplier-facing departments. The visit was conducted remotely via video conference due to the Covid-19 outbreak. The meeting and presentation were well received and ensured Code compliance continues to have a high profile at Lidl GB.</p> <p><b>Training:</b></p> <p>Since July 2019, the Code Compliance Officer has changed our GSCOP training set up and has been offering face-to-face training sessions every two months to give employees access to GSCOP training throughout the year and further raise GSCOP awareness.</p> <p>Since the last annual compliance report, GSCOP Training has been carried out across 8 dates on 20.06.19, 30.07.19, 13.09.19, 26.09.19, 29.11.19, 07.04.20, 30.04.20 and 19.05.20 (a January training session needed to be cancelled). As part of Lidl GB's whole organisation approach to Code compliance, we also scheduled exclusive training sessions for Regional Supply Chain teams on 20.06.19 and for Finance teams (Merchant Ledger and Accounts) on 30.07.19.</p> <p>A total of 137 Lidl GB employees were trained in FY 2019-20 (01.03.19 – 29.02.2020).</p> <p><b>Internal Review of Policies:</b></p> <p>Over the past year, Lidl GB has undertaken the following actions:</p> <ul style="list-style-type: none"> <li>• Formally integrated GSCOP into its risk assessments and developed a comprehensive GSCOP audit programme as part of its whole organisation approach to Code compliance.</li> </ul>
------	-----------------------------------	---

		<ul style="list-style-type: none"> <li>• Developed a new on-boarding package with relevant GSCOP information that is sent to all direct suppliers ahead of the supply relationship, and improved the process by which GSCOP information is provided to suppliers that are negotiated by Lidl's International HQ on behalf of Lidl GB.</li> <li>• Initiated a comprehensive payment process review following GCA survey and supplier feedback. Many process improvements have already been made following this review, such as a focus on the proactive elimination of price differences through regular meetings and reports. It is expected that this will increase the number of auto-matched invoices, leading to a more speedy resolution of disputed invoices for suppliers.</li> <li>• Implemented an IT tool to better track and monitor invoice queries from suppliers.</li> <li>• Continued monitoring of Lidl GB's quarterly payment performance (this process was first started in March 2018).</li> <li>• Started the development of a GSCOP e-learning to facilitate the training of new starters in Buying and train a wider pool of Lidl GB employees to ensure GSCOP awareness throughout the business. This e-learning is planned to launch in summer 2020.</li> </ul> <p><b>Disputes:</b></p> <p>No disputes have been raised to the CCO under Articles 11(2) or 11(3) of the Groceries (Supply Chain Practices) Market Investigation Order 2009.</p> <p>Listed below are the instances in which a supplier has escalated a concern that is within the scope of the Code or the Order:</p> <ul style="list-style-type: none"> <li>• Two supplier concerns were raised at level 2 (direct contact with the CCO, but no dispute raised), but fell outside the scope of the Code/ Order.</li> <li>• In one instance, a supplier concern was raised at level 1 and resolved at level 1 (concern raised with any other party in the business, typically the Buying team).</li> <li>• In three instances, a supplier concern was raised at level 2 and resolved at level 1.</li> <li>• In three instances, a supplier concern was raised at level 2 and resolved at level 2.</li> <li>• One incident is reported as ongoing.</li> </ul> <p>No Disputes have been escalated to level 3 (direct contact with CCO, formal dispute raised).</p> <p>No Disputes have been escalated to level 4 (arbitration by GCA or other).</p>
--	--	--

M&S	<a href="#">Annual report and financial statements 2019</a>	<p><b>GROCERIES SUPPLY CODE OF PRACTICE</b></p> <p>The Groceries (Supply Chain Practices) Market Investigation Order 2009 (the “Order”) and The Groceries Supply Code of Practice (the “Code”) impose obligations on M&amp;S regarding its relationships with its suppliers of groceries. Under the Order and Code, M&amp;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”).</p> <p>M&amp;S submitted its report, covering the period from 31 March 2019 to 28 March 2020, to the Audit Committee on 14 May 2020.</p> <p>In accordance with the Order, a summary of that compliance report is set out below.</p> <p>M&amp;S believes that it has materially complied with the Code and the Order during the relevant period. No formal disputes under the Code have arisen during the reporting period. There have been seven instances during the reporting period in which suppliers have either alleged a breach or made a reference to potential non-compliance with the Code. M&amp;S has worked with the suppliers to address the issues raised and six of them have been resolved or closed. One additional Code reference made by a supplier before 31 March 2019 was also resolved during the reporting period.</p> <p>A detailed summary of the compliance report is available on our website.</p>
	<a href="#">M&amp;S Website</a>	<p><b>SUMMARY OF M&amp;S GSCOP COMPLIANCE REPORT 2019/20</b> Pursuant to Article 10(5) of The Groceries (Supply Chain Practices) Market Investigation Order 2009</p> <p><b>LONGER VERSION BUILDING ON SHORT SUMMARY IN THE ANNUAL REPORT AND ACCOUNTS 19/20</b></p> <p><u>Background</u></p> <p>The Groceries (Supply Chain Practices) Market Investigation Order 2009 (the “Order”) and The Groceries Supply Code of Practice (the “Code”) impose obligations on M&amp;S regarding its relationships with its suppliers of groceries. Under the Order and Code, M&amp;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”).</p> <p><u>Compliance Report</u></p> <p>M&amp;S submitted its report, covering the period from 31 March 2019 to 28 March 2020 to the Audit Committee on 14 May 2020.</p> <p><u>Working with the GCA</u></p> <p>M&amp;S works closely with the GCA, Christine Tacon, and her team to ensure that it complies with the Code and treats suppliers fairly. During 2019/20, the GCA met with our Audit Chair, Food Commercial Director and held several meetings with our Code Compliance Officer, Head of Risk and Internal Audit and Legal team to discuss overall compliance and progress. We consider the GCA to be an effective regulator, who works in a transparent manner and is very clear on the actions she expects designated retailers to take.</p>

Training

At M&S we train relevant colleagues across our Food business as well as and other functions that have a relationship with our food suppliers, such as finance and supply chain, on their obligations under the Code. In 2019/20 the M&S annual GSCOP training program included a combination of mandatory e-learning and focused face-to-face sessions spaced throughout the year. In addition, colleagues completed an e-learning module on supplier income this financial year, which, although more widely focussed, included Code related content.

Other actions taken to enhance compliance

As a result of feedback from 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:

- **Good faith receipting (“GFR”):** From October to December 2019, we rolled out GFR to all our chilled suppliers. This initiative was instigated following feedback from suppliers about M&S goods receipting practices. GFR is a step change in how we do business, resulting in a more efficient payment process for suppliers which has delivered code compliant outcomes.
- **Return to Manufacturer charges:** Following feedback from the GCA and suppliers, we developed a change plan which, from April 2020 resulted in the automatic nature of Store generated RTM’s being switched off and a controlled, centralised process being implemented. We are confident that this approach will ensure that suppliers are only charged where they are genuinely at fault for material issues, and after they have had an opportunity to challenge or discuss with our central team.
- **GSCOP Monitoring Dashboard:** During the reporting period, we introduced a GSCOP dashboard to monitor Code compliance across the business. These metrics feed into our overall Code governance framework and are reviewed and discussed monthly at Food Board meetings and senior buyer leadership meeting.

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 have arisen 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 6 were closed or resolved at the end of the reporting period. An additional Code issue which arose before the reporting period was also resolved.

<p>Morrisons plc</p>	<p><a href="#">Annual Report and Financial Statements 2019/20</a></p>	<p><b>The Groceries Supply Code of Practice (GSCOP)</b></p> <p>GSCOP applies to designated grocery retailers in the UK, adding specific regulations into the trading relationships between retailers and their suppliers. We take our responsibilities to suppliers seriously and have established ways of working that enable us to build strong collaborative relationships. For more details see <a href="http://www.morrisons-corporate.com/suppliers/supplier-information/">www.morrisons-corporate.com/suppliers/supplier-information/</a></p> <p>We listen closely to ideas on how we can improve and, in response to supplier feedback, have continued to invest in our supply chain and commercial systems and processes. Over the last year we made further improvement to our promotional execution in stores, invested in a new improved Morrisons Supplier Database and provided further enhancements to our Supplier Portal.</p> <p>We actively engage with the relevant regulatory bodies, the Groceries Code Adjudicator (GCA) and the Competition and Markets Authority (CMA), to build best practice. We meet regularly with the GCA and provide updates on our activity and details on specific areas of interest to the Adjudicator. As in previous years, our Code Compliance Officer (CCO) has provided support to the GCA to help familiarise new retailers designated to operate under the Code.</p> <p>Effective compliance risk management is critical to delivering on our commitments to all our stakeholders. We have well established governance structures to support GSCOP compliance, which we discussed in detail with the GCA during the course of the year. This includes a group consisting of senior leadership team members from all relevant functions. Routine updates are also provided to our Executive Committee and to our Corporate Compliance and Responsibility Committee including developments about the operation of the Code. We formally report details of activity over the year as well as specific concerns raised with our CCO to the GCA and to the CMA at the financial year end.</p> <p>Our Legal, Compliance and Internal Audit teams work closely together to provide colleagues across the business with the tools needed to comply with the Code. Using a range of formats, we provide training, guidance and support to all colleagues in our trading teams, together with bespoke training for relevant colleagues in our supply chain and finance teams. Throughout the year, we review and update all of our training activities and materials taking account of any new learnings, building in current real-life examples and reflecting additional guidance from the GCA.</p> <p>The 2019 GSCOP supplier survey conducted by YouGov on behalf of the GCA placed Morrisons sixth overall and the fourth most improved of the 12 designated retailers. Suppliers rated Morrisons as complying with the Groceries Code 'mostly' or 'consistently well' with a score of 92%. Working with the GCA, we encouraged suppliers to complete the anonymous survey, and this led to more of our suppliers taking part than those of any other designated retailer.</p> <p>GSCOP-related enquiries are dealt with in accordance with the regulations. Any matter not resolved directly with a buyer is escalated to the relevant</p>
----------------------	---	--

		<p>Category Director and, if requested, to our CCO. During 2019/20 we were contacted by suppliers to review concerns including in the following areas:</p> <ul style="list-style-type: none"> <li>• queries relating to goods and invoice receipting processes;</li> <li>• requesting review of supplier de-listing decisions; and</li> <li>• asking for clarification of contractual terms.</li> </ul> <p>At all stages, we try to resolve the concern by talking to the supplier openly and honestly and this approach is generally successful in reaching a swift resolution. As at the end of the financial year there were two direct Code related complaints which were yet to be resolved. Contact details and up-to-date information can be found at <a href="http://www.morrisons-corporate.com/suppliers/meet-our-buyers/">www.morrisons-corporate.com/suppliers/meet-our-buyers/</a></p>
	<p>Morrisons – Regulation section</p>	<p><b>Description</b></p> <p>The Group operates in an environment governed by numerous regulations including GSCOP (Groceries Supply Code of Practice), competition, employment, health and safety and regulations over the Group’s products. The Board takes its responsibilities very seriously and recognises that breach of regulation can lead to reputational damage and financial damages to the Group. Consideration is also given to any potential changes to regulations.</p> <p><b>Mitigation</b></p> <ul style="list-style-type: none"> <li>• We have a GSCOP compliance framework in place including training for relevant colleagues and processes to monitor compliance;</li> <li>• We have a senior level working group in place to review and improve GSCOP compliance activity;</li> <li>• We have an independent whistleblowing line for suppliers to provide feedback to the Group and a Code Compliance Officer so that action can be taken as necessary;</li> <li>• The Group monitors for potential regulatory change and the impact on contractual arrangements;</li> <li>• We have training, policies and legal guidance in place to support compliance with Competition Law and other regulations; and</li> <li>• We actively engage with government and regulatory bodies on policy changes which could impact our colleagues and our customers.</li> </ul>

<p>Ocado Retail</p>	<p><a href="http://Ocadogroup.com">Ocadogroup.com</a></p>	<p><b>Summary of GSCOP Annual Compliance Report</b></p> <p><b>Ocado Group Plc (Ocado Group) and Ocado Retail Limited (ORL) year ending 1<sup>st</sup> December 2019</b></p> <p>The Groceries (Supply Chain Practices) Market Investigation Order 2009 (the "Order") and The Groceries Supply Code of Practice (the "Code") have been in effect since 4th February 2010. They apply to grocery retailers with a turnover above £1 billion and impose obligations governing their relationships with suppliers. This includes submitting an annual compliance report to the Competition and Markets Authority (CMA) and the Groceries Code Adjudicator (GCA).</p> <p>Ocado Group reached the relevant threshold (£1bn) and was designated in November 2018. As this was one month from year end, the CMA agreed for the first submission of the annual report to be at the end of the next financial year and cover the 13 month period from November 2018 to 1 December 2019.</p> <p><b>Background</b></p> <p>Following the creation of the new joint venture with Marks and Spencer plc on 5 August 2019, Ocado Group applied to the CMA to have its designation revoked and for ORL to be designated in its place. On 16 October 2019, the CMA confirmed that ORL had been designated under the Order. At the same time, the CMA launched the process for de-designating Ocado Group plc, which concluded in January 2020. Ocado Group and ORL would like to thank the GCA and the CMA for their support and advice during this process.</p> <p>This annual compliance report will therefore report on the activity of both Ocado Group and ORL.</p> <p><b>Compliance and Supplier feedback</b></p> <p>In April 2019 the GCA annual supplier survey, showed Ocado with a score of 90% compliant with the code (based on suppliers scoring), This was the joint highest entry level score of all the retailers.</p> <p>This was a positive outcome and we chose to focus on two areas; on invoice dispute resolution and the requirement for suppliers to fund promotional activity. By trialling an alternative payment mechanism we have been able to demonstrate a reduction in quantity disputes and a speed up of supplier payments and resolutions. This is due to roll out as a longer term proposition in 2020.</p> <p>Training was introduced across Ocado and mandatory face to face training was completed with all of our supplier facing roles, specifically focusing on working with smaller suppliers. Four issues were raised during the period, all resolved within the period. Three of the instances were found not to fall under the code and the other was resolved quickly and adjustments made to internal procedures to ensure the issue was not repeated.</p> <p>During the joint venture set up Ocado experienced issues during migration of one of its systems. This was dealt with promptly and professionally by our</p>
-------------------------	---	---

		<p>payables and buying teams, ensuring suppliers concerns were dealt with efficiently. There were no escalations concerning this matter.</p> <p><b>GSCOP progress</b></p> <p>Ocado has made significant progress across the company in this period, rolling out new de-list policies, processes and a new revised supplier manual. ORL has also developed a new supplier platform to enhance communication with its suppliers. This is due to begin roll out March 2020 to new suppliers.</p> <p><b>Joint Venture and looking forward</b></p> <p>Though GSCOP does not directly apply to Ocado Group plc, as a supplier of logistics and customised technology services Ocado Group is fully committed to supporting ORL in delivering its obligations and compliance with the Code.</p> <p>Embarking on the Joint Venture at Ocado in 2020 will be an exciting year, with ORL committed to keeping compliance with the code at the heart of its relationships with suppliers.</p>
--	--	--

<p>J Sainsbury plc</p>	<p><a href="#">Annual report and financial statements 2020</a></p>	<p>In 2010, GSCOP was implemented following the recommendation of the Competition Commission. Each grocery retailer to which it applies has to appoint a Code Compliance Officer (CCO) whose duties include hearing disputes between suppliers and the retailer. Sainsbury's has appointed the Director of Internal Audit as its CCO.</p> <p>GSCOP requires that the business delivers an annual compliance report to the Groceries Code Adjudicator (GCA), as approved by the Chairman of the Committee, and a summary must be included in the Annual Report and Financial Statements. This is set out below.</p> <p><b>Summary Annual Compliance Report</b></p> <p>Sainsbury's compliance with the Code is based on clear policies and procedures, mandatory training and regular monitoring of compliance. Sainsbury's has specific internal resource who provide all relevant colleagues with day-to-day advice and guidance. We have an established compliance monitoring programme which is embedded within the business. Compliance results, including performance against KPIs, are reported to the Commercial Leadership Team quarterly. Additional assurance is provided, as required, by Internal Audit.</p> <p>During the year, we reviewed the GSCOP governance risk assurance framework and formalised meetings between the CCO, Legal, Internal Audit and the Commercial team who monitor Code Compliance in key risk areas. This helps ensure emerging Code-related matters are identified promptly.</p> <p>We review our processes to ensure our ways of working take into consideration the GCA's feedback, Code clarifications and internal review processes. Relevant policies and GSCOP training are reviewed and updated on at least an annual basis to ensure they remain current.</p> <p>17 potential breaches of GSCOP were investigated in the year. Although four allegations were found not to relate to GCSOP, all were resolved either within our Trading Division using standard escalation procedures, or through discussions between the CCO and the supplier. None were pursued as formal disputes with the CCO and none required referral to the GCA for arbitration. Group Legal, the Compliance team, and the CCO review the root causes of alleged breaches to identify areas for improvement and to agree actions with the business.</p> <p>The CCO and the Committee Chair meet with the GCA on a regular basis. Senior employees of the Trading Division also meet the GCA to facilitate collaboration.</p> <p>During the year, we continued to improve our processes and in particular, implemented a new supplier portal to make it easier for suppliers to find the information they need and simplify interactions between us.</p>
<p>TJ Morris</p>		<p>Designated on 03.09.19. First report due in 2021.</p>

Tesco plc	<a href="#">Annual report and Financial Statements 2020</a>	<p><b>Compliance with the Groceries (Supply Chain Practices) Market Investigation Order 2009 and the Groceries Supply Code of Practice (the Code).</b></p> <p>The Code regulates aspects of the commercial relationship between 13 designated grocery retailers in the UK and their suppliers of grocery products. The aim of the Code is to establish and embed the overarching principles of fairness and lawfulness within retailer and supplier relationships. Specific supplier protections under the Code include: the obligation for agreements to be in writing and copies retained; reasonable notice to be given of changes to the supply chain or reduction in the volume of purchases; and a number of provisions relating to payments by suppliers, including obligations for retailers to pay suppliers in full and without delay.</p> <p>Retailer compliance with the Code is overseen by the Groceries Code Adjudicator (GCA). In 2019/20 we continued to engage constructively and positively with the GCA and her office around new areas of interest: crates and trays; buying alliances; and our approach to the Code compliance risk management, in addition to longstanding topics such as delays in payment.</p> <p>We have an established Code compliance programme at Tesco, One Stop and Booker which is embedded throughout our business. We train relevant colleagues across our Product and other functions in the UK and in Bengaluru on their obligations under the Code. In this financial year, we trained 114 new starters and 953 colleagues completed our annual refresher training. Where required, face-to-face training sessions were also completed. At the date of reporting, 7,248 UK-based office colleagues have completed their annual Code of Business Conduct declaration, and those colleagues who work with grocery suppliers have also completed a declaration to confirm they have complied with the Code during 2019/20.</p> <p>We continued to strengthen and transform the way we work with suppliers through our product change programme, simplifying how we do business and improving our supplier relationships. We have implemented various new and/or improved supplier-facing systems to improve transparency with our suppliers. These developments are having a positive impact on our supplier relationships. In the GCA's annual supplier survey for 2019, 94% of our suppliers recognised that we comply 'consistently well' or 'mostly well' with the Code. In our own Supplier Viewpoint survey for the second half of 2019/20, we are pleased that the results continue to reflect the progress we have made with suppliers. Both our total Group and UK &amp; ROI score for suppliers rating their satisfaction with Tesco as either 'extremely satisfied' or 'very satisfied' were our highest score to date of 77.8% and 80.2% respectively. In relation to the areas discussed to this response, our strongest score in Viewpoint continues to be 'Tesco pays promptly (within policy terms)' at 89.7%. In addition, 'Main Tesco contact communicates well and is available when needed' and 'Tesco values our cooperation and treats us with respect' saw 82.3% and 80.4% of our suppliers as either 'extremely satisfied' or 'very satisfied' respectively.</p> <p>This year, 45 Code-related issues (44 Tesco and one Booker) were raised by suppliers, of which 39 related to de-listing and six to no delay in payment, in</p>
-----------	---	--

		<p>addition to five issues carried over from 2018/19. There were no issues raised by One Stop suppliers in 2019/20. We received two formal Disputes (as defined by Part 5, Article 11 of the Order); both matters were resolved between Tesco and the supplier without the need for arbitration.</p> <p>In line with feedback sent by the GCA to all designated retailers, we have updated our internal reporting framework to capture all Code-related issues raised by suppliers with any member of staff. Therefore, the scope of issues captured has widened for reporting purposes. As at the end of the reporting period, we had resolved 45 of the concerns following further discussion between the buying team and the relevant supplier, or between our Code Compliance Officer and the supplier. Of the five remaining complaints to be resolved, we continue our discussions with these suppliers, with a view to resolving these matters in the near future.</p>
--	--	---

Waitrose	<a href="#">John Lewis Partnership Ltd Annual Report and Accounts 2020</a>	<p>GROCERIES (SUPPLY CHAIN PRACTICES) MARKET INVESTIGATION ORDER 2009 (THE ORDER) AND THE GROCERIES SUPPLY CODE OF PRACTICE (GSCOP)</p> <p>Waitrose is subject to the Groceries (Supply Chain Practices) Market Investigation Order 2009 (the Order) and the Groceries Supply Code of Practice ('GSCoP' also referred to as the 'Code'). Both regulate our trading relationships with grocery suppliers, including training requirements for buyers and the content of supplier contracts. Our approach to Code compliance reflects our long-term commitment to treating our suppliers fairly, as set out in the John Lewis Partnership's Constitution (Principle 6 and Rule 96). This approach is supported by clear processes and procedures which enable us to review and monitor our compliance with the Code.</p> <p>As required by the Order and the GSCoP, the Waitrose Code Compliance Officer ('CCO') is obliged to present a report detailing the business' compliance to GSCoP to the Partnership's Audit &amp; Risk Committee, for onwards submission to the Competition and Markets Authority ('CMA'). The reporting period covered is 27 January 2019 to 25 January 2020.</p> <p>The CCO presented the report to the Committee on 7 April 2020 and reported a slight increase in the number of suppliers raising GSCoP queries in the trading period. 11 suppliers either alleged a breach or used Code language in their concerns (10 allegations last year). Several of these involved the CCO. In each case we worked with the suppliers involved to understand their concerns and seek a resolution in a timely manner. One query was still in progress at the end of the reporting period. There were no formal disputes raised during the year.</p> <p>The Committee reviewed and approved the Annual Report and also noted the work being undertaken to strengthen governance and provide more self-regulation. They welcomed the activity undertaken to enhance training and the support for the buyers. They supported the approach and plan for ensuring ongoing GSCoP compliance.</p> <p><b>WORK WITH GCA</b></p> <p>We have a positive working relationship with the Groceries Code Adjudicator ('GCA') and her team and welcome discussions and advice on how we can enhance our supplier relationships. We hosted a visit by the GCA to our offices in May where she was able to discuss ongoing matters with a number of Directors. Overall, meetings are constructive and cover a range of topics. The feedback from both the GCA Annual Survey and the regular meetings were helpful in identifying any suppliers' concerns.</p> <p>We are very supportive of the GCA's move towards retailers adopting a self-governance approach to Code compliance and have worked hard to improve reporting in order to identify underlying issues and trends. A quarterly dashboard of KPIs has been created and is used as part of routine reports sent to the GCA.</p> <p>The Chair of the Committee, Andy Martin, attended a meeting with the GCA in the autumn to discuss the approach to self-governance and reporting.</p>
----------	--	--

## WORK WITH SUPPLIERS

For suppliers we provide information about the Code on Waitrose Engage, an online resource for all of our suppliers which includes Code-related content. Our ongoing work to develop systems and processes has been carried out in conjunction with regular feedback from suppliers and we have continued to improve the usability of Waitrose Engage. This has included specific feedback sessions from suppliers.

Following the restructure in our Commercial Directorate, we have centralised a number of processes into a new Supplier Administration Hub which has led to a more consistent experience for suppliers. We have also worked hard to improve any concerns related to delays in payment, providing suppliers with access to a dedicated team in our accounts department whose remit is to help resolve any finance-related queries or issues that they may have.

We have followed up all the concerns raised by suppliers relating to the Code during their reporting period, which covered a range of issues, and continue to welcome suppliers' feedback on how we can make further improvements.

## INTERNAL WORK

Day-to-day advice, online guidance and support is available to buyers with more specialist advice offered by the CCO's team and the John Lewis Partnership's Legal Department. We have an online site for Commercial Partners (employees) which includes advice, templates and details of where to get further support. We have a dedicated GSCoP advisor who sits within the Commercial team and collaborative advice and guidance is issued to the business on a regular basis by the above parties, to respond to supplier queries and emerging trends.

All new buying Partners are trained on the Code as part of their induction and all supplier-facing Partners in our Commercial Directorate complete online training and a test which requires a score of 100% to pass. As part of the annual training there are regular briefings before key events and this year there was an in-depth briefing on De-listing which was delivered by the Compliance and Legal teams and included an introductory video from Christine Tacon.

Compliance to the Code is reviewed and monitored by a cross-Directorate senior group of Partners who review Code-related activities on a monthly basis and provide oversight of our day-to-day compliance, escalating issues for further investigation and resolution as appropriate. Examples of topics covered by this group include:

- Regular updates and review of the GCA's latest activity;
- Regular reviews of current supplier queries; and
- Upcoming changes to systems and supplier-facing processes to ensure they do not adversely affect our compliance to the Code.

In addition, the group has looked at:

- The work of our Forensic Auditors following a review by Internal Audit, with the aim of improving our internal processes and oversight of how they are processing claims in our name to ensure suppliers are being treated fairly;
- Our approach to IFCO trays to ensure the process operates for the benefit of all parties involved;

		<ul style="list-style-type: none"><li>- The manner in which we have introduced a new Supplier Delivery Scheduling system for suppliers, to ensure they have had plenty of notice and awareness of this changed way of working and the benefits it will bring;</li><li>- Supplier compliance to delivery standards as part of the ongoing work on improving efficiency in our supply chain, with a more in-depth review of our standards to follow;</li><li>- Preparing suppliers for forthcoming changes to our Master Data Management and Merchandise Operations systems; and</li><li>- The potential Code implications of the closer working relationship with the John Lewis brand.</li></ul> <p><b>SUMMARY</b></p> <p>Each supplier query is taken seriously to understand their concerns, seek a quick resolution to it and identify whether further guidance or changes to our processes are required. We welcome queries and feedback from suppliers and, to that end, invite any suppliers reading this report who may have had issues or have any suggested improvements to our Code-related ways of working, to please contact their buyer in the first instance or our CCO, Matt Wilson.</p>
--	--	---