

July 29, 2022

Mr Chris Leptos AO
Independent Reviewer, Food & Grocery Code of Conduct (**FGCC** or **Code**)

Dear Chris

Thank you for your time in our recent meeting to review the results of your annual Food & Grocery Code of Conduct supplier survey, and for the additional context you provided after your own meetings with grocery suppliers.

As a relatively recent signatory to the FGCC, Metcash Food & Grocery (MF&G) has made significant progress in training our buying teams, putting Code compliant trading agreements in place with our suppliers, and updating our policies and procedures to ensure that we act according to the requirements of the Code. We were pleased to see acknowledgement in the survey results of our work in managing cost changes – a key pain point for suppliers in the industry – but we also recognise that we still have work to do to achieve our objective of being a trusted partner, easy to do business with, and delivering the best route to market for every supplier to the network of independent businesses MF&G supplies.

Our aim is always to create an open and constructive environment where suppliers feel safe and empowered to provide us with feedback in the normal course of business. To that end we encourage suppliers to raise concerns with their trading managers or Heads of Trade for their categories and to escalate concerns to Grant Ramage, EGM Merchandise. However, we do understand that not all suppliers feel able to do so. We have discussed this with Martin Shakinovsky, our Code Arbiter, and have agreed to expand his frame of reference to allow him to discuss matters of concern with suppliers on a confidential basis, even if the supplier elects not to make a formal complaint under the Code. It is our hope that this provides another mechanism for suppliers to provide feedback, and an ‘early warning’ for us on any emerging patterns of behaviour or practices that are out of step with the Code so that they can be corrected quickly.

Following your feedback, we will also be updating our supplier portal to increase Martin’s profile with suppliers, making the links to contact him more prominent and expressly noting his expanded frame of reference. We also intend to make a video with Martin, where he discusses his role, and generally raise his profile at supplier events.

MF&G believes that we will succeed by partnering with our suppliers and creating value through the supply chain. We became a signatory to the Code to send a clear message that this is the case, and we are committed to the behaviours that bring the Code to life every day, throughout our team.

I am grateful to you for your time and feedback, and we look forward to continuing to work with you.

A handwritten signature in black ink, appearing to read 'Scott Marshall', written in a cursive style.

Scott Marshall
CEO Metcash Food