



20 July 2023

Mr Chris Leptos AO

Independent Reviewer - Food and Grocery Code of Conduct

Dear Chris,

## FOOD & GROCERY CODE OF CONDUCT

Thank you for traveling to Sydney to attend our meeting with our Code Arbiter Helen McKenzie, Natalie Davis (Managing Director of Woolworths Supermarkets) and other members of the Woolworths Supermarkets team. We appreciated you sharing insights drawn from your annual supplier survey and communications with our trade partners and our Code Arbiter.

Woolworths remains committed to being our suppliers partner of choice, to listening and learning from our trade partners and to full compliance with the Grocery Code. To do this we need to understand the range of feedback available to us - from you, our Code Arbiter, directly from our trade partners, and from our bi-monthly trade partner survey. This feedback helps us prioritise the actions we can take to address any matters of concern that require our attention.

We have made a number of key changes in the last 12 months based on this feedback to enhance confidence, integrity and transparency in retailer/trade partner relationships:

### **1. Raising awareness about the Code Arbiter**

Following your guidance, we have continued to actively promote and encourage our trade partners to engage with the Code Arbiter for Woolworths, Helen McKenzie, including the ability to raise complaints with Helen informally.

Helen has presented at our Annual Trade Partner of the Year Awards and to our Commercial Teams. We continue to champion her role and to communicate her independence and contact details to trade partners, including in our Mid Year Trade Partner Updates and Trade Partner Communications. We have also widely promoted informal engagement with Helen.

We have seen a marked increase in the engagement with Helen by trade partners. We have also received positive feedback that Helen is approachable, trustworthy and helpful. We continue to encourage our trade partners to meet with Helen to raise any issues of concern.

## **2. Improvement in our Partner Hub Portal**

We have underway an active program of improvement for our Partner Hub Portal, taking action on the feedback we have received. We have improved the functionality and ease of using the portal and we have a pipeline of further improvements over the next 12-18 months.

## **3. Supporting Small Supplier growth**

We continue to focus on working with Small Suppliers to enable them to range and grow their products with Woolworths. In partnership with wiq (our data platform business), we have developed a new report to provide data to our small suppliers to enable better business decisions. We have also recently appointed a specialist team to provide guidance and support to our small suppliers, and continue to look at ways to make it easier for small suppliers to partner with us.

We know how important it is for small suppliers to be paid on time. To support this we continue to invest in our people, systems and processes at our payment centre, based in Tasmania. Over the past two years, we've boosted on-time payments (payment within 14 days) to small business trade partners to 97.2%.

## **4. Deductions off Invoices or remittances**

We are considering further the feedback in relation to unauthorised deductions, provided by 7% of trade partner respondents in the Independent Reviewer Report. Our internal systems prohibit deductions/set offs being made against invoices without trade partners written consent. Further, where an error does occur, our practice is to repay the relevant amount to the trade partner without delay.



## 5. Supplier Complaints Integrity Policy

Natalie Davis and I are both committed to the view that our trade partners must be able to raise and resolve issues with us or with Helen, without any fear of retribution.

To support this, we launched a new Supplier Complaints Integrity Policy on 27 June 2023. Under that policy, Natalie will personally monitor the status of Woolworths commercial relationship (over the following 12 months) with any trade partner who has raised a complaint relating to the Food and Grocery Code of Conduct. This policy will support Woolworths obligation under the Code to deal with suppliers lawfully and in good faith and to provide confidence that we 'walk our talk' consistently across all of our Commercial team.

We are grateful for your continued feedback and work to strengthen compliance with the Food and Grocery Code of Conduct to best practical effect.

Warm regards,

A handwritten signature in black ink, appearing to read "Brad Banducci".

Brad Banducci

CEO, Woolworths Group