

GSCOP summary of annual compliance 2019-2020

Annual Compliance Report

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.

Report Matters

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**”).

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).

Training

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.

Internal Compliance

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.

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.

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.

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.

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.

Actions

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:

- a new forecasting system;
- a supplier database to improve access to our terms and conditions, financial agreements, and policies which together form our supply agreement;
- an ongoing commitment to entering into longer term agreements with our key suppliers, to building long term partnerships with those suppliers; and
- an emphasis on improving Goods-In efficiency into our depots.

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