

GSCOP summary of annual compliance 2020-2021

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 2020/21 (which ran from 30 March 2020 to 27 March 2021), is currently being drafted and will be submitted to, and approved by, Iceland’s Audit Committee upon completion.

Iceland believes that it has materially complied with the Groceries Supply Code of Practice (“**GSCOP**”) during the reporting period, and it has had no formal disputes under the Code, during the reporting period.

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 five reported breaches, potential breaches, or formal complaints, made against the business, or reported within the business as a pre-emptive measure within the reporting period, under **GSCOP**.

All five of these potential breaches were reported where necessary to the GCA as part of our quarterly progress meeting reports and have been resolved and closed. Whenever we receive a complaint, we promptly work with the relevant supplier 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

All members of our Buying Team have been given a copy of GSCOP and receive bi-annual refresher e-learning training, as well as ad-hoc one-to-one training if required. All new members of the Buying Team receive a copy of GSCOP and one to one training as part of their induction. All relevant teams, which have contact with suppliers, have received e-learning training, as part of our bi-annual training programme. Our e-learning training is updated regularly to reflect: (i) key issues that have arisen in compliance with GSCOP; and (ii) any feedback we have received from suppliers. This year, we are in the process of updating the e-learning training to make it more interactive, with breach-based scenarios, to help educate the colleagues on what to do, and what not to do, in their day-to-day roles.

Internal Compliance

In our efforts to improve internal compliance, we appreciate all feedback from suppliers, whether made directly to Iceland or through the GCA, which helps us to improve our understanding of any issues which the suppliers may have. Where the relevant supplier consents, any 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 continue to hold bi-annual steering group meetings to ensure all supplier-facing departments communicate to each other with any concerns which may have been raised, and to 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 continue to work on our forecasting system, which should enable Iceland and the suppliers to communicate forecasts, and changes of these forecasts transparently, and easily, via a new system. We are working hard to finalise this system as soon as we can.

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

Our plans to invest in the way we work with suppliers have focused on several key projects within the reporting period. These include:

- continued work on the new forecasting system;
- continued work on the new supplier database to improve access to our terms and conditions, financial agreements, and policies which together form our supply agreement;
- continued ongoing commitment to entering into longer term agreements with our key suppliers, to build long term partnerships with those suppliers; and
- an emphasis on improving our de-listing process with suppliers, where we need to reduce significantly the volume of goods, or no longer need the goods at all.

Forward Looking

With the unprecedented demands faced by retailers and suppliers over the reporting period, we look forward to a more normal 12 months in working with our suppliers in 2021.