

## SUPPLIER RELATIONSHIP CHARTER

### Purpose

The two Foodstuffs Co-operatives; Foodstuffs North Island Limited and Foodstuffs South Island Limited (**Foodstuffs**), as leading, successful, and well established New Zealand businesses, must ensure we hold the trust and respect of all our employees, suppliers, customers and the wider community.

The purpose of this Charter is to affirm to all Foodstuffs' stakeholders the importance of good working relationships and that we aim to operate within reasonable, ethical and sound commercial guidelines.

To achieve mutually beneficial conduct and performance, we see this Charter applying to all our subsidiary companies, employees and members, as well as our external business partners.

The Foodstuffs businesses value strong and positive supplier relationships and consider all suppliers to be important business partners.

We believe that it is important to acknowledge and respect this partnership and commit to conducting ourselves in a courteous and fair manner.

Our supply partners are crucial to our commercial performance, the quality of our products and are essential in fulfilling the following business principles.

### Our Business Principles

1. Our fundamental role as an integrated retail organisation is to provide our communities with ready access to their everyday purchasing needs.
2. As a proudly 100% New Zealand owned and operated business, we work hard to support local businesses and the New Zealand economy by selling New Zealand made products. All other things being equal, it is Foodstuffs preference to source locally produced products when available.
3. We want our supplier partnerships to be based on working together in a values based environment of goodwill and trust with the aim of providing our customers with ready access to the best possible products to meet their everyday purchasing needs.
4. We are committed to obtaining the best possible value for our customers and will work with supplies to achieve this goal.

### Our Expectations

We expect our supply partners to meet all applicable statutory and regulatory requirements and follow sound commercial practices. We expect our supply partners will:

- Act with honesty and integrity in all dealings with us.
- Work with us in good faith to build sustainable businesses.
- Identify opportunities for joint business development.
- Address mutual business challenges with common sense.
- Face future competitive challenges with a focus on continuous improvement and innovation.
- Deliver products or services to Foodstuffs as agreed.
- Raise disputes with us promptly and through the appropriate channels.

## Our Commitments

### 1. Our dealings with supply partners

- At all times during our relationship, we will:
  - Act ethically and in good faith in all our dealings with supply partners.
  - Act with honesty, fairness, integrity and courtesy in all our dealings with supply partners.
  - Work with suppliers to build long term sustainable business relationships where mutual benefits exist.
  - Use best efforts to identify opportunities for joint business development.
  - Honour payment terms and timeframes.
  - Base our business decisions on evidence and sound economic criteria, but also take into account genuine social and environmental considerations.
  - Prohibit any agreements or situations that might lead to or suggest a conflict of interest between personal activities and the business.
  - Respect freedom of association between our supply partners.
  - Respect suppliers' intellectual property rights in their branding, packaging and advertising.
  - Ensure that any confidential information which is disclosed is adequately protected.
  - Make relevant employees aware of these commitments.

### 2. Conditions of Supply & Terms of Trade

- Conditions of Supply & Terms of Trade are available in writing at the request of the supply partner and detailed on the Foodstuffs National Suppliers website.
- Reasonable notice of any variation in the Conditions of Supply & Terms of Trade will be given within a reasonable timeframe.

### 3. Promotional Notification

- As promotions play a significant part of the business relationship, we will provide reasonable notice of a proposed promotion to the relevant supply partner.

### 4. Supply Chain

- Foodstuffs will work together with supply partners to identify opportunities for cost reduction, improve efficiency and maximise total supply chain effectiveness, including its Primary Freight service.

## 5. Communication

- Foodstuffs will communicate this Charter to relevant employees and all members and will expect compliance with it.
- Additionally, this Charter will be hosted on the Foodstuffs Suppliers National website.
- We will maintain good communication with suppliers on all aspects affecting their businesses.
- We will give reasonable notice of changes to our business requirements.

## 6. Product ranging and requirements

- We will keep suppliers informed about:
  - o Our product ranging strategy and brand segmentation that informs decision making (to the extent that it does not breach any confidentiality obligations),
  - o The product specifications we require,
  - o Any packaging, labelling and preparation requirements that we expect, and inform you if these requirements change.

## Conflict and Dispute Resolution

We commit to resolving any disputes promptly by working together with suppliers in good faith.

We give our assurance of confidentiality, and commit to treating the issue fairly, appropriately and will work to achieve a positive outcome for those involved.

### How to make a complaint

In the first instance suppliers should try to resolve any issues with their relevant Category Manager, Business Category Manager or their usual contact.

When you make a complaint, you must provide us with enough information to investigate properly. Details should include:

- Summary of events.
- Copies of relevant documents.
- Description of loss you have suffered.
- Details of the resolution sought.

Where resolution has not been reached through the Business Category Manager complaints or disputes may then be escalated to the General Manager of Merchandise.

After following escalation procedures above, if you still feel that your complaint or dispute is unresolved we welcome the referral of the complaint to the Chief Executive of the relevant Foodstuffs Company.

Foodstuffs North Island	Chris Quin	<a href="mailto:chris.quin@foodstuffs.co.nz">chris.quin@foodstuffs.co.nz</a>
Foodstuffs South Island	Steve Anderson	<a href="mailto:steve.anderson@foodstuffs-si.co.nz">steve.anderson@foodstuffs-si.co.nz</a>
Foodstuffs (NZ)	Steve Anderson	<a href="mailto:steve.anderson@foodstuffs-si.co.nz">steve.anderson@foodstuffs-si.co.nz</a>

Foodstuffs Own Brands	Steve Anderson Chris Quin	<a href="mailto:steve.anderson@foodstuffs-si.co.nz">steve.anderson@foodstuffs-si.co.nz</a> <a href="mailto:chris.quin@foodstuffs.co.nz">chris.quin@foodstuffs.co.nz</a>
-----------------------	------------------------------	--

We will use our best efforts to resolve a dispute or complaint. If we are unable to resolve the dispute, suppliers may refer their dispute to mediation or arbitration.