

Foodstuffs North Island action plan.

We have committed to an action plan that will deliver better value for customers, improve outcomes for suppliers, and remove competition barriers. We started work immediately to implement our action plan, here is an update.

Deliver value for customers by improving their ability to make informed shopping decisions.

ACTION

- Simplifying our pricing and promotional practices.
- Making terms and conditions of our reward structures and loyalty programme simpler and clearer.
- Clearer information on collection and use of personal data.
- Consistent use of unit pricing.

UPDATE

- ✓ Work underway to reduce the different types of pricing tickets at PAK'nSAVE and New World.
- ✓ Project teams at New World and PAK'nSAVE working towards implementation of simplified pricing.
- ✓ Work underway to amend Clubcard terms and conditions to make them easier to understand.
- ✓ Work underway to amend Privacy Policy to clarify when, and how, FSNI may use customer data.
- ✓ Support for industry standard on unit pricing.
- ✓ Project team working across the business/IT and systems to support anticipated changes to unit pricing.

Improve outcomes for suppliers and customers.

- Working with suppliers and the Government to develop a consumer focused grocery code for the industry.

- ✓ FSNI support for a mandatory code with an independent dispute resolution mechanism confirmed.
- ✓ Increased frequency of supplier forum with suppliers and FSNI leadership team (being held fortnightly through Omicron), with an average of 400 suppliers joining each time.
- ✓ Establishing a small supplier working group to support their engagement with FSNI and improve how FSNI and small suppliers work together.
- ✓ Developing comprehensive supplier guide.
- ✓ Looking across a sample of our stores with the principles of the Australian Code in mind to see how we currently compare.
- ✓ Engaged with the Commission to emphasise the importance of industry participation in the code development process.

Encourage competition and removing barriers for new entry and expansion.

- Making a commitment to end the use of restrictive land covenants and exclusivity provisions in leases, and immediately starting a process to remove all existing such clauses.
- Urging the Government to address appropriate changes to the RMA and OIA to better encourage and facilitate new entry into NZ.

- ✓ Immediately started the process to remove all existing restrictive land covenants and exclusivity provisions in leases. Some already removed, with our lawyers working on the rest of them.
- ✓ Not including or accepting any restrictive covenants or lease exclusivity provisions in respect of new property transactions.
- ✓ Released registered restrictive covenants from approximately 30 titles.
- ✓ Working group progressing removal of all other existing covenants.

* We note new entrants have been confirmed. Circle K planning to open more than 100 New Zealand outlets. Costco expected to be opening early in the first half of 2022 in Auckland, with a second location in Christchurch consented.