

Dear Mr Ruskell,

Thank you for writing to Dave Lewis regarding the support supermarkets are providing to supply chains during the Covid-19 outbreak. He has asked that I respond on his behalf.

Covid-19 is bringing huge changes to the way the whole country shops, lives and works and as a result, we are working tirelessly with our suppliers to ensure the food supply chain continues to run as smoothly as possible.

As we continue to work through our response to the Covid-19 outbreak we are taking measures which hopefully address the concerns you have raised.

Commitment to pay suppliers upon delivery: We are committed to working together with our suppliers to serve our customers and recognise this is a particularly challenging time for our smaller suppliers, that's why;

- We have shortened their payment terms from 14 days to five days with immediate effect. We will be initiating payment of invoices immediately and funds should be cleared within five working days.
- We're putting this in place for around 500 smaller suppliers across our business at a time when they need it most, and hope this will be a real help at a challenging time for some of them.
- We expect this change to remain in place for three months.

Provide a sale guarantee for farmers: We are committed to long-term, fair and transparent partnerships which help our farmers to plan ahead and invest for the future.

- We are in constant conversation with our farmers, producers and suppliers at this difficult time.
- We have agreed programmes with our suppliers which cover both volumes and prices before crops go in the ground. On broccoli for example, we agree the price and programme before any crops are planted.
- If any of our farmers have any specific concerns, we would encourage them to get in touch with us to ensure they receive the help, reassurance and support they need.
- We thank our suppliers for the hard work and effort they are putting into supplying the nation with us in these challenging times.

Speed up the delivery of sales contracts for the dairy sector: In 2007 we set up the Tesco Sustainable Dairy Group (TSDG), which gives our dairy farmers guaranteed prices and long-term contracts.

- The TSDG is one of the ways we provide support and security to British dairy farmers during periods of economic uncertainty.
- While prices may fluctuate in shops, we pay farmers a market leading price, set for three months at a time, ensuring they have a stable income, no matter what happens in the market.

Work with emergency food providers: We have announced a £30m package of support for vulnerable individuals and the community groups supporting them.

If you have any questions please do let me know. We are regularly updating information our response to CV19 here: <https://www.tescopl.com/covid-19/>

With best wishes,

Tony