



## Groceries Code Adjudicator

9 June 2021

### **Improvement Across the Board in Retailer Behaviour Despite Challenging Year – GCA Survey**

The 13 retailers regulated by the Groceries Code Adjudicator have continued to improve their behaviour towards suppliers in the face of Covid-19 and Brexit, the annual GCA survey has found.

Suppliers have reported the highest level of compliance with the Groceries Supply Code of Practice by UK supermarkets, surpassing even the record results of 2020.

According to the eighth GCA annual survey which takes a comprehensive look at the groceries sector, retailers are performing at a high level. As well as a new record low in the number of suppliers who experienced Code-related issues in the past year (down to 29% compared to 36% in 2020), suppliers reported a fall in all issues covered by the Code with one exception.

When described in supplier language only requests for lump sum payments relating to better to better positioning in a retailer's virtual store (not in relation to a promotion) increased as a concern - by 1%.

Groceries Code Adjudicator Mark White said: "This year suppliers responded in record numbers to the annual survey, making up 2398 of the overall total of 2598. They provided frank answers to my questions and as a result I have an extremely comprehensive view of the sector, how the retailers are performing and suppliers' concerns for the months ahead.

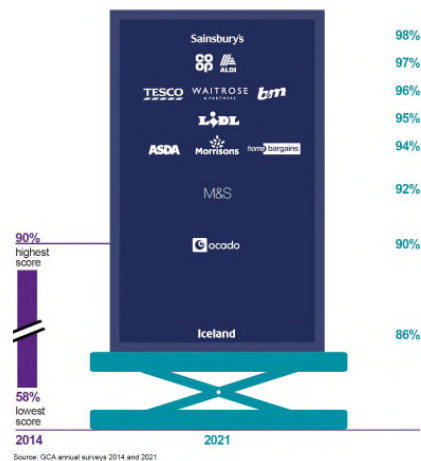
"I believe it is a testimony to the Code's positive influence that we continue to see such significant improvements in a year of massive challenge for the sector."

As in previous years suppliers were asked to give an overall assessment of how they believe each retailer complies with the Code to provide a clear measure for benchmarking progress.

Mr White said: "Every year since 2014, when the percentage range for mostly or consistently complying with the Code was between 58% and 90%, the survey has shown marked improvement.

"In 2021 suppliers see more retailers performing at high levels. It really is now extremely tight at the top with more than half the retailers scoring 95% or more (compared with one

in 2020). Iceland was the sole performer below 90% but on the positive side the retailer has risen 5% in the year to 86%.



“For the first time in the history of the survey there is a new name at the top of the table. Congratulations to Sainsbury’s which scored an all-time high of 98%, but close behind were Co-op and Aldi on 97%.”

Aldi, which has been the top-ranked retailer for the past seven years, did rank highest when suppliers were asked whether the retailers conducted trading relationships fairly, in good faith and without duress.

This year suppliers were asked some new questions to allow the GCA to monitor performance in two areas where there have been recent developments

- Whether they had experienced Brexit-related retrospective or unilateral changes to supply agreements - which was reported by 8% of suppliers (placing it joint 6<sup>th</sup>) and
- Whether they had experienced difficulty in securing appropriate Electronic Point of Sale/warehouse data to validate timely payment from the retailer - which was reported by 6% of suppliers (placing it joint 11<sup>th</sup>)

They were also asked to comment on what they thought would be the main issues in the next six to twelve months. The overwhelming response to this question was Brexit – of 958 suppliers who provided a comment, it was mentioned by 400. Other strongly-identified issues were Covid-19 (mentioned by 255) and price (mentioned by 143), followed by range reviews, forecasting and de-listing.

Mr White said: “My message to suppliers is that clearly we are in a period of great change and they should be prepared to engage with retailers at pace as well as let me know if they are experiencing any issues. I will be monitoring any Code-related issues closely”

“A final pleasing result was to see suppliers responding to the message that the GCA can be trusted to treat information in confidence. This year there was an increase of 12% in the number of suppliers saying they would raise an issue with the GCA and 78% told me they knew the GCA operates confidentially.

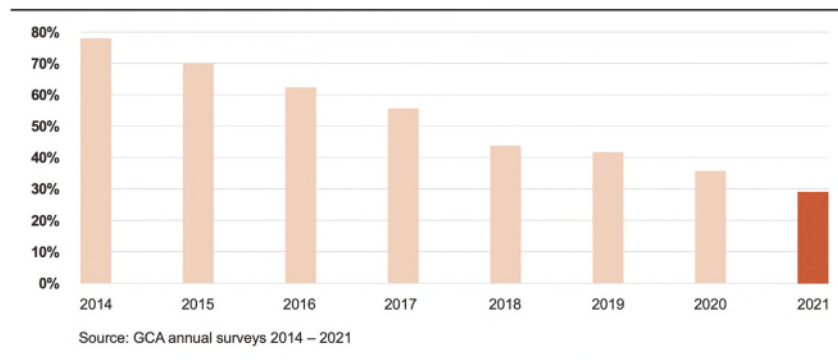
“Building trust has been an important focus for me in my early days in the role and I have taken action such as establishing a platform hosted by a third party – Tell the GCA - so suppliers can provide information to me confidentially if they wish to.”

Each retailer will now receive company-specific analysis of the survey broken down by Code issue to help them identify and understand areas for further improvement.

Notes to editors:

- The survey was carried out between 11 January and 21 February 2021 by independent polling company YouGov.
- This is the eighth annual GCA and each year has shown a fall in the number of suppliers reporting experiencing a Code-related issue as the figure below shows:

### Suppliers that experienced any Code-related issue in the past year



- Suppliers who wish to report a Code-related issue confidentially to the GCA can do so via a platform hosted by a third party – [www.telltheGCA.co.uk](http://www.telltheGCA.co.uk)

