

Working for fairness in the groceries supply chain




Groceries Code
Adjudicator

The Groceries Supply Market

- Very complex
 - Different business models; volumes, geography
 - Not one size fits all
- Legacy of practices to reduce supply costs
- New Challenges
 - Simplicity
 - Efficiency
 - Innovation



The Groceries Supply Code of Practice

COMPETITION  COMMISSION

**THE GROCERIES (SUPPLY CHAIN PRACTICES) MARKET
INVESTIGATION ORDER 2009**

Contents Page

PART 1	3
Citation, commencement and interpretation	3
1. Citation and commencement	3
2. General interpretation, index of defined expressions etc	3
3. Powers of direction	4
PART 2	5
Code of Practice	5
4. Designated Retailer	5
5. Duty to incorporate Code in Supply Agreements	5
6. Duty to provide information to Suppliers	6
PART 3	7
Supply of information to the OFT	7
7. Supply of information to the OFT	7
PART 4	8
Compliance obligations	8
8. Duty to train staff with respect to the Code	8
9. Duty to appoint in-house compliance officer and the role of the compliance officer	8
10. Compliance	8
PART 5	9
Dispute resolution	9
11. Dispute resolution scheme	9
Schedule 1	11
The Groceries Supply Code of Practice	11
PART 1—INTERPRETATION	11
PART 2—FAIR DEALING	12
PART 3—VARIATION	13
PART 4—PRICES AND PAYMENTS	13
PART 5—PROMOTIONS	15
PART 6—OTHER DUTIES	16
Schedule 2	18
Designated Retailers	18
Schedule 3	19
Provision for force majeure	19

For full details go to www.gov.uk/gca

Who is covered by the Code



The **co-operative**



YOUR M&S



Sainsbury's

TESCO

Waitrose



Groceries Code
Adjudicator

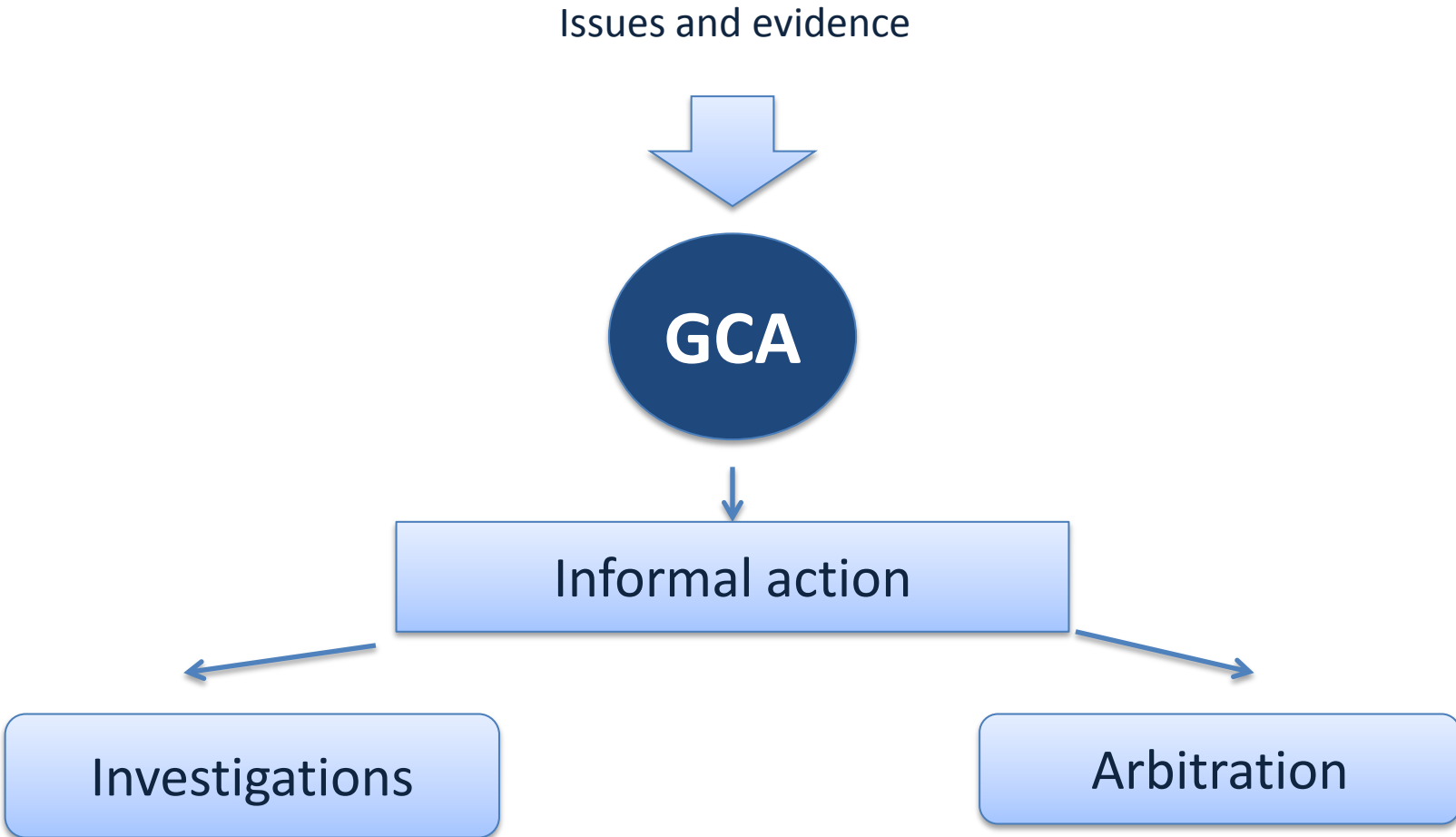
Role of the Groceries Code Adjudicator

- To monitor, ensure compliance and enforce the Groceries Supply Code of Practice
- Help strengthen the supply chain and bring further innovation to the groceries sector benefiting suppliers, retailers and customers



Groceries Code
Adjudicator

Powers of the Adjudicator



Working for success: GCA approach

- Aiming for collaboration
- Will only investigate where informal approach fails
- But tough sanctions if an investigation discovers a breach:
 - Issue **recommendations** against retailer
 - **Require** retailers to publish details of breach
 - **Fine** retailers – expected for severe or repeated breaches only



One year on: Progress and achievements



Key issues



Highlights of year one

100 EVENTS AND MEETINGS ATTENDED BY THE GROCERIES CODE ADJUDICATOR

IN TOTAL MORE THAN **3,000** PEOPLE PRESENT



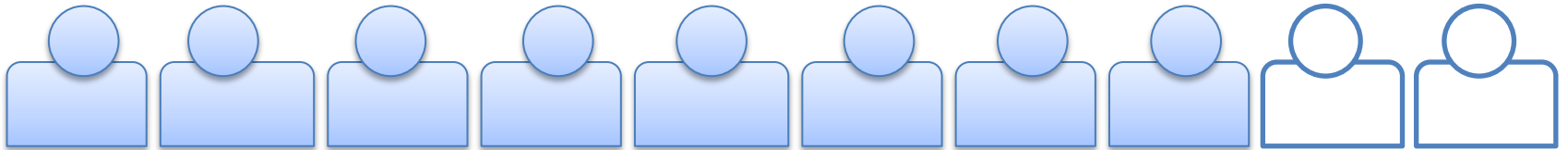
**Year two:
What next?**



Groceries Code
Adjudicator

Acting on GCA survey:

- 8 out of 10 had experienced issues that could be breaches of The Code



payment delays
shrinkage
marketing costs
wastage payments
de-listing
third parties
forecasting errors
customer complaints
varying supply agreements

Acting on GCA survey

- Improving our response rate
- Increasing awareness of our actions
 - New regular newsletter
- Dealing with feedback:
 - Only 38% of direct suppliers said they would consider raising issues with GCA.

58%
feared retribution

41%
thought GCA wouldn't act

Why?

- Considering further guidance



Groceries Code
Adjudicator

Give me the tools and I can do the job

The GCA needs to know of practices and issues which could be in breach of the Code

- Anyone can bring me information
- Confidentiality will be protected



Contacting the GCA

www.gov.uk/gca



Groceries Code
Adjudicator