



Welcome from the Groceries Code Adjudicator



I am delighted that the analysis of the GCA 2021 survey is now complete and I can report on the detailed findings which tell a very positive story. As I revealed in my last newsletter the response to the survey was tremendous – up 60% on last year’s record high 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.

The top-level message is that suppliers are continuing to experience real progress in the behaviour of the retailers I regulate. As well as a further fall in the numbers who experienced Code-related issues in the past year, suppliers reported more retailers had improved their Code-related behaviour overall in the year with suppliers reporting eight out of 13 having positive net improvement scores (performing better minus performing worse) compared to six in 2020. Only three retailers – Asda, Iceland and Ocado – received net negative improvement scores.

Each year suppliers have also given an overall assessment of how they believe each retailer complies with the Code. This provides a clear measure for the GCA to benchmark progress. 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%. I believe it is a testimony to the Code’s positive influence that we have seen such results in a year of massive challenge for the sector.

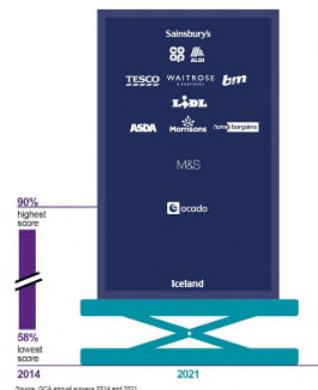
New top retailer

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%. This graphic shows the 2021 overall compliance ranking of retailers by suppliers. 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.

The story of improvement also ran through other elements of the survey. In terms of issues in supplier language, the percentage reporting having experienced the issue reduced in all cases except one - requests for lump sum payments relating to better positioning in a retailer’s virtual store (not in relation to a promotion) – which rose by 1%.

This year I was keen to see how retailers were performing in two areas where there have been recent developments. I asked suppliers two new questions:

- whether they had experienced Brexit-related retrospective or unilateral changes to supply agreements - which was reported by 8% of suppliers (placing it joint 6th) and



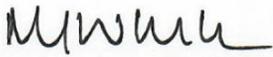
- whether they had experienced difficulty in securing appropriate Electronic Point of Sale/warehouse data to validate timely payment from the retailer - which was reported by 6% of suppliers (placing it joint 11th).

Looking ahead to the new challenges

I also asked suppliers 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, 400 mentioned Brexit. Other strongly-identified issues were Covid-19 (mentioned by 255) and price (mentioned by 143), followed by range reviews, forecasting and de-listing. 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 there are any issues which they would like to discuss. 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. As a reminder I have established a platform hosted by a third party – Tell the GCA - so suppliers can provide information to me confidentially if they wish to.

Work on the survey continues. Each of the retailers will be receiving individual packs highlighting those areas where they need to do more work and I will be discussing the findings with the Code Compliance Officers and the Chairs of the retailers' Audit Committees. YouGov has also begun to carry out a number of deep dive interviews with several suppliers to explore some topics in more detail. Many thanks to suppliers who responded to the survey agreeing to further contact. You may hear from YouGov shortly.



Mark White

Save the Date – Meet the GCA

Mark White will be attending the Food and Drink Expo at the NEC Birmingham on 6 and 7 July. He will be touring the exhibits to meet suppliers as well as taking part in a session with The Grocer Editor Adam Leyland at 3pm on 6 July at The Grocer Talking Shop Live focusing on the Groceries Supply Code of Practice in the Post-Covid-19 World.



On 7 July, Mark will be speaking at a breakfast for suppliers at the Expo. Join him at 9.15am for coffee and croissants also at The Grocer Talking Shop Live to hear how the Code can benefit your business and ways to be Code confident as well as the latest developments in the sector.

As Covid-19 restrictions begin to lift the Adjudicator intends to meet as many suppliers as possible. Check out the GCA [website](https://www.groceriescode.gov.uk) for announcements of upcoming events.

If you would like to get in touch with the GCA and his team to tell him about your experiences, please email Enquiries@GroceriesCode.gov.uk or call 020 7215 6537. You can also report issues via the confidential third-party platform www.telltheGCA.co.uk

