

Response to interim report of the Food and Grocery Code Review - 8 April 2024

From a Woolworths Group spokesperson

Healthy retailer and supplier relationships are vital to the success and prosperity of the Australian grocery industry - we collectively work to meet the needs of millions of customers every day.

Woolworths is a foundation signatory to the Food and Grocery Code of Conduct, and we support it becoming mandatory for all large retailers and wholesalers of groceries to engender public trust and to level the playing field for retailers and wholesalers alike.

The Code should apply to all major retailers operating in Australia, including global retail giants such as Amazon and Costco, who have global revenues many times the size of Australian supermarkets, as well as to large Australia retailers such as Bunnings and Chemist Warehouse who also compete in grocery categories including everyday needs such as household products (eg cleaning), and personal care.

Customers have more choice than ever, instore and online, to fill their shopping basket. They can and do cross-shop widely. Suppliers also have more channels to market.

We support the recommendation to retain fast and cost effective avenues for dispute resolution, for the benefit of suppliers, especially smaller ones.

Previous changes to the code, particularly the introduction of the informal complaints mechanism, have seen an increase in contact between the Woolworths Independent Code Arbiter and suppliers. This means issues can be promptly surfaced, investigated and addressed, while minimising any concern on the part of suppliers that their commercial relationships may be impacted.

In addition, we have published our Trade Partner Integrity Policy which makes clear Woolworths will not tolerate any reprisal against a Trade Partner for making a complaint under the Grocery Code. This is closely monitored by Woolworths Supermarkets senior management.

We believe the protections of the Code are best directed at supporting smaller suppliers. Large Australian and foreign owned global Consumer Goods Companies supply over 70% of our packaged products by sales and more than 60% of sales across all products. Our largest suppliers are sophisticated global companies, many times larger than Woolworths, and many of which supply "must stock" brands and products.

At the same time, we know smaller, generally local, suppliers can find dealing with a large retailer daunting as pointed out by the Grocery Code Independent Reviewer, Chris Leptos and the Woolworths Code Arbiter, Helen McKenzie. That is why we have established a dedicated team to support small suppliers when they begin working with us, to very positive feedback from a range of smaller businesses.

We will consider the interim report in detail and we remain committed to continuing to engage constructively with Dr Emerson and the Review.