CANADA GROCERY CODE | CODE D'ÉPICERIE DU CANADA

# 2025 Grocery Code of Conduct Industry Study

Full Results Presentation

January 2026

AGI Advantage Group International

# Survey Approach

**Key Objective:**

- *Measure grocery sector awareness, readiness, areas in need of additional support, and identify priorities all related to the Grocery Code of Conduct*

**Approach:**

- *Online survey with OGSCC contacts, OGSCC Industry Partner Network, and panel of AGI's grocery sector contacts*
- *Data collection began September 30$^{th}$ and ran until November 25$^{th}$*

# Respondent Overview

**250**

**Total Completes**

## Company Types

| | |
|---|---|
| Large Retailer | 36 |
| Independent Retailer | 23 |
| Large Manuf. | 130 |
| Small/Medium Manuf. | 38 |
| Primary Prod | 10 |
| Non-Affiliated Wholesaler/Distr. | 4 |
| Other | 9 |

## Regional Coverage

| | |
|---|---|
| Western Canada (BC, AB, SK) | 42 |
| Ontario | 48 |
| Quebec | 49 |
| Atlantic (NB, NS, NL, PE) | 21 |
| Territories (YU, NWT, NU) | 9 |
| National | 154 |

*Strong representation across responsibility levels (from executives to associates), and function (e.g., category management, sales, supply chain, etc.)*

*Based upon where companies operate. Multiple selections are allowed.*

# Respondent Overview Continued

**Current respondents also represent a broad cross section of responsibility levels and company functions.**

## Responsibility Level

| | |
|---|---|
| Executive | 59 |
| Senior Leadership | 74 |
| Manager / Associate | 99 |
| Other | 18 |

## Function

| | |
|---|---|
| Category Management | 44 |
| Sales/Procurement | 121 |
| Operations/Corporate | 9 |
| Supply Chain/Logistics | 20 |
| All business Areas | 46 |
| Other | 10 |

*Note: All respondents required to confirm they work in an applicable grocery (food and/or non-food) category to participate*

# Executive Summary

# Executive Summary

**Code awareness is mixed, with lower awareness outside senior leaders**

**Expected efficacy of the Code and benefit to their organization harbors uncertainty – particularly among small/medium manufacturers, independent retailers, and primary producers**

**Code training is found to be of high value from those who have taken it**

- Further awareness of its availability will promote greater adoption

**There are some misconceptions about Code membership in terms of investment required and value it will add**

- Particularly among smaller players in the industry (small/medium manufacturers, independent retailers, and primary producers)

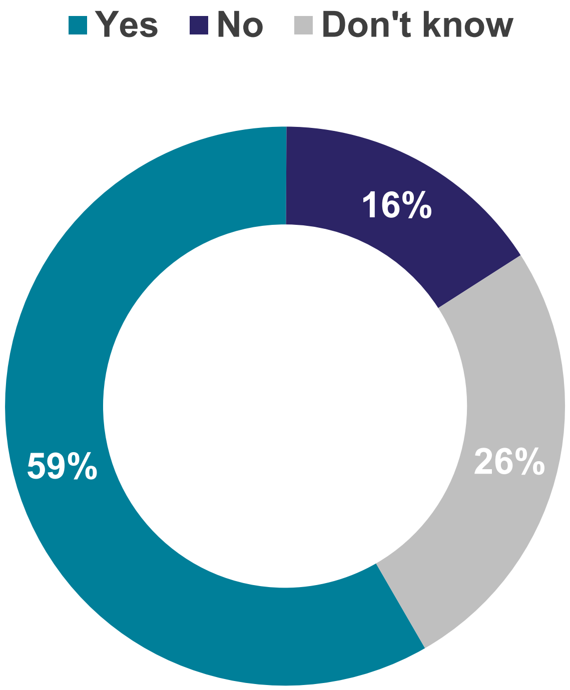
# Perceptions & Expectations

# OGSCC Membership

## Just over half of responding companies are already members of the OGSCC, there is uncertainty among those who are not current members

## Membership is similar across regions and organization types

Is your organization a member of the Office of the Grocery Sector Code of Conduct (OGSCC)?




| | Does your company intend to become a member of the OGSCC? |
|---|---|
| Yes | 23% |
| No | 23% |
| Don't know | 54% |
| *Base size* | ***39*** |

*Asked of those who said 'no' to being members of the OGSCC*

*Primary producers and Independent retailers most likely to say 'no'*

# Not Intending to Become Members

**Feedback from those not intending to become members indicate a lack of awareness (i.e., the perception they are too small or that they are not applicable)**

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|---|---|
| Yes | 23% |
| No | 23% |
| Don't know | 54% |
| *Base size* | *39* |

*Asked of those who said 'no' to being members of the OGSCC*

"Due to the franchisee relationship that we have, we do not have direct service agreements with vendors except for Sobeys Wholesale."

**"No need."**

"Don't **understand the benefits**, and we are **a small company**, not multi millions like the typical CPG, so we don't have extra cash to throw around. We need to feed our families as a small family food manufacturing company competing in this cut throat environment."

**"We are producers."**

**"Too small."**

"We are a **small producer** of apples."

"We are in the early stages of exploring the Food category."

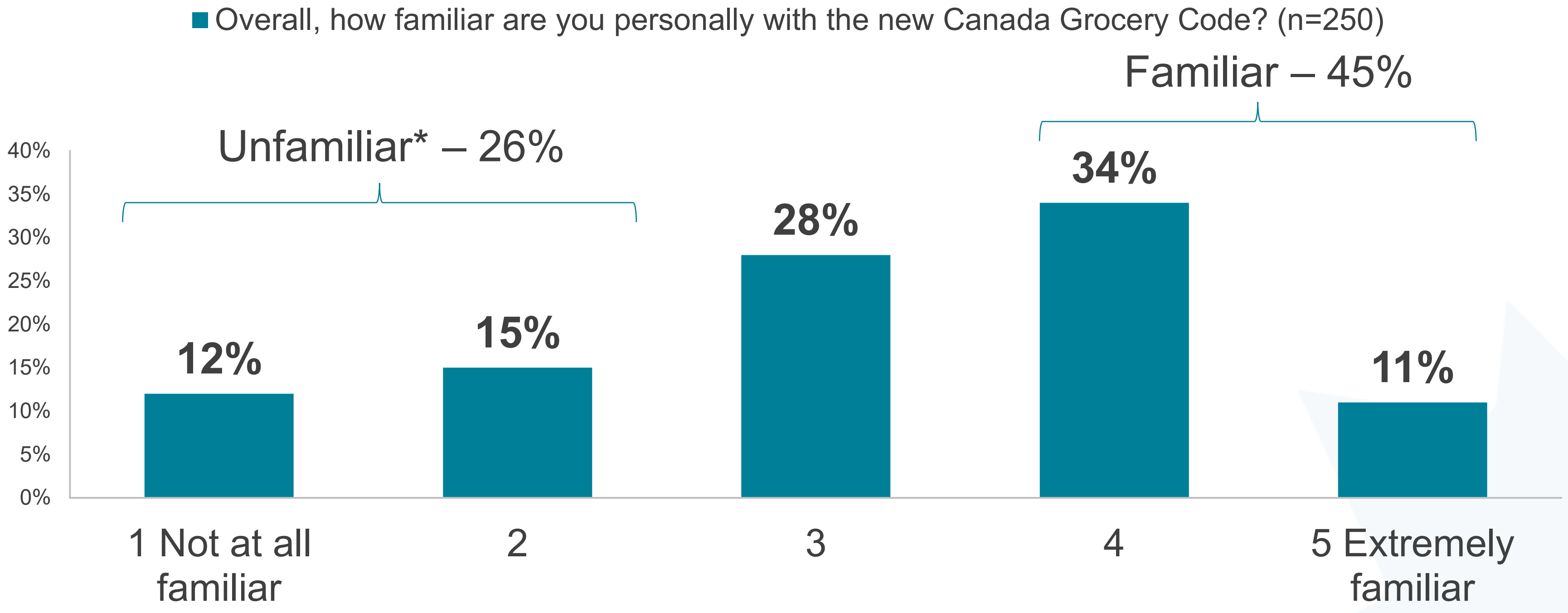
"We have not considered as we sell our product to the processor."

*Q: Why does your company not intend on becoming a member of the OGSCC?*

# Familiarity with Code of Conduct

**Familiarity with the Code of Conduct is mixed overall, though higher among OGSCC members and those who have had training**

**Average**
**3.2**




**Lowest Familiarity Groups (fewest '4'/'5' ratings):**

- *Nonmembers*
- *Those not intending to become members*
- *Primary producers*
- *Manager/Associate level*

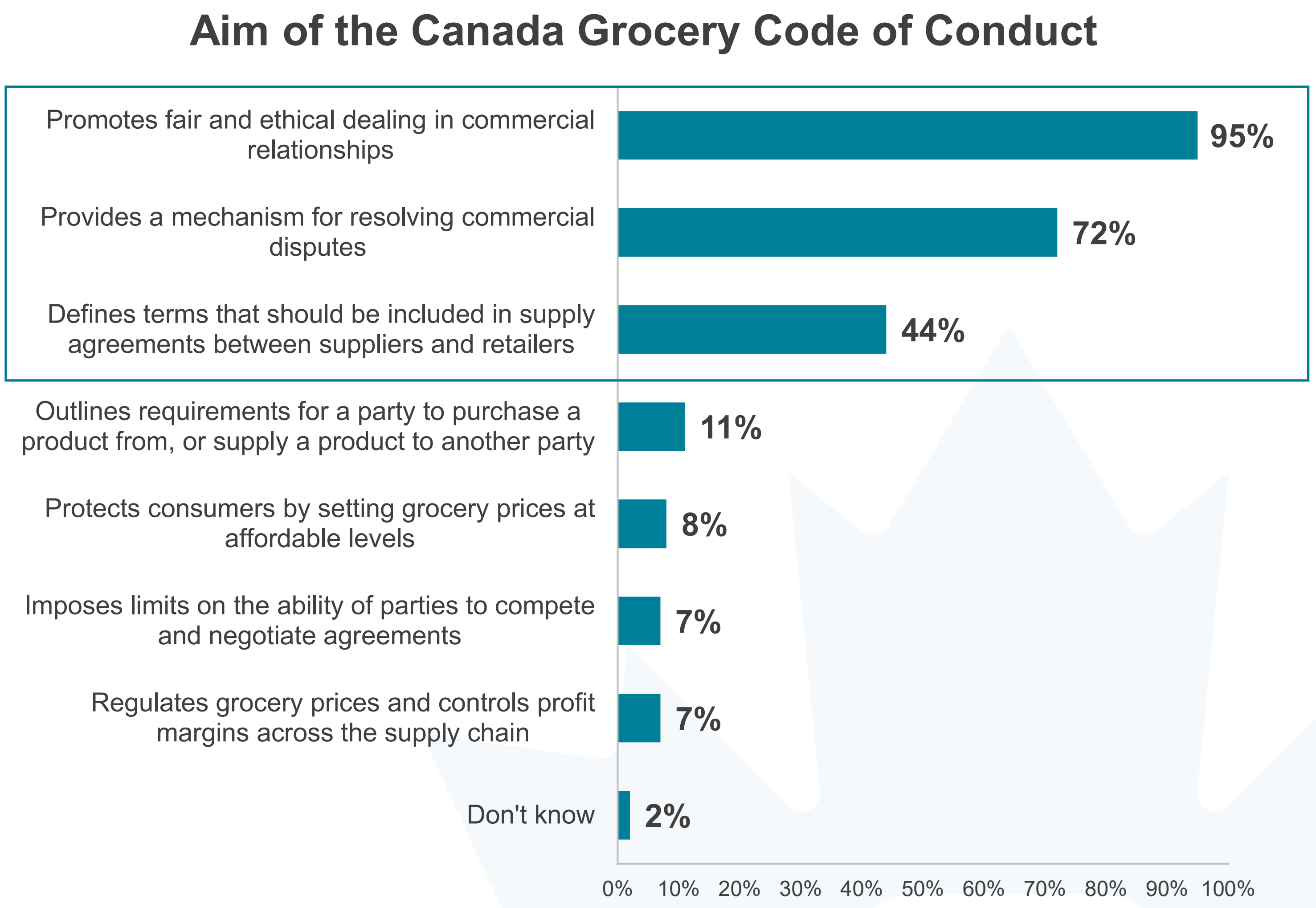
** Due to rounding*

# Aim of the Grocery Code of Conduct

**Among those at least somewhat familiar, the vast majority indicate the code aims to promote fair and ethical dealing**

**Greater awareness can be had towards "Defines terms that should be included in supply agreements**

‘Correct’ answers




*Multiple selections allowed, asked of those at least somewhat familiar with code of conduct (rating of 2+) (n=221)*
*Q: To the best of your knowledge, which of the following statement(s) matches the aim of the Canada Grocery Code of conduct?*

# Provisions Requiring Further Information



**One half or more require further clarity on dispute resolution and contract terms**

**Contract terms and Dispute Resolution most frequently selected by Manufacturers and Non-Affiliated Wholesalers/Distributors, and those in a sales/procurement function**

**Dispute resolution also most selected by Executive level**

| Areas in Need of Further Information | |
|---|---|
| Dispute Resolution | 58% |
| Contract Terms | 52% |
| Code Objectives and Principles | 31% |
| Other (Please Specify) | 10% |
| None | 9% |
| Not Sure | 0% |

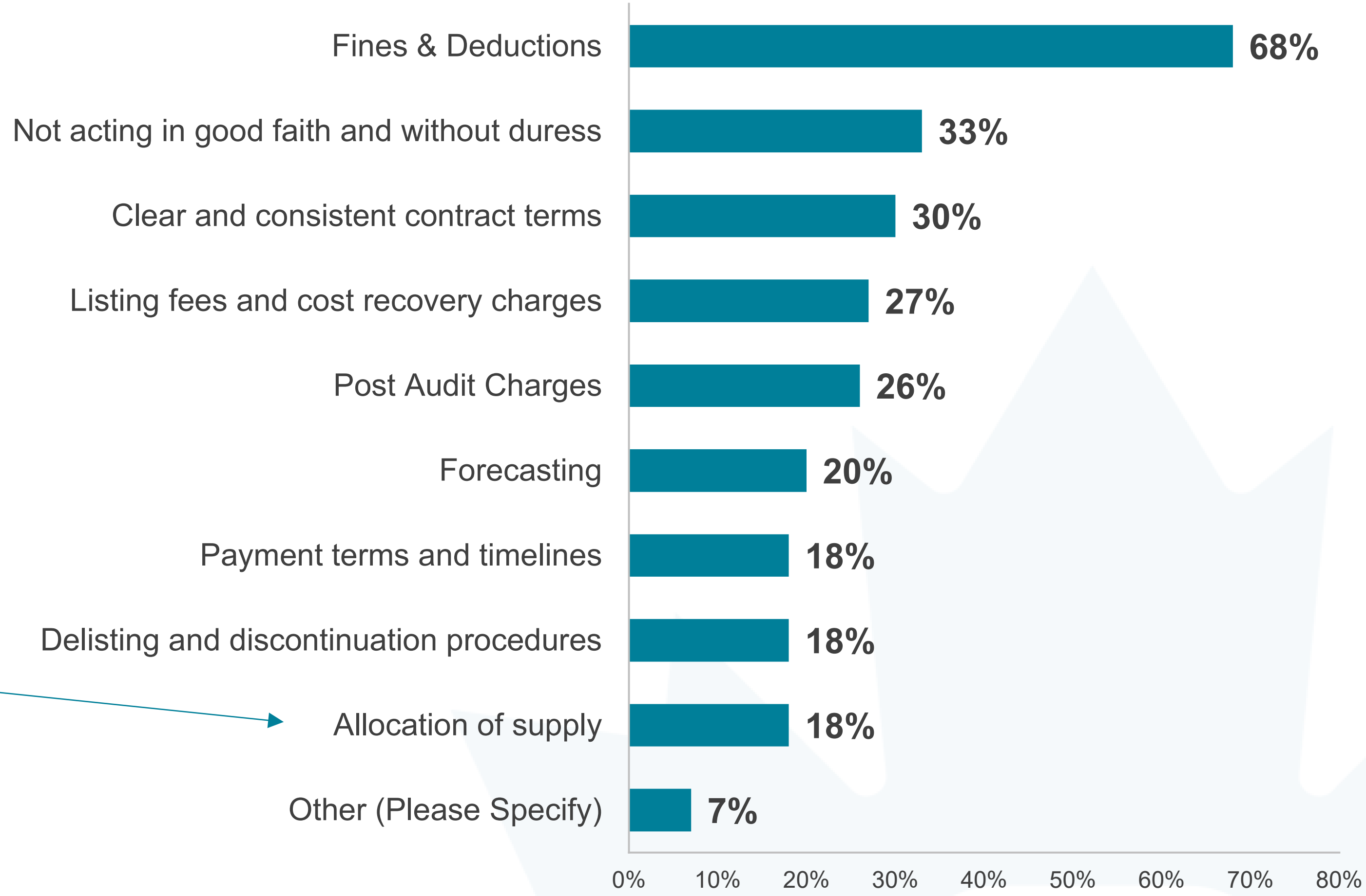
*Not asked of those 'Not at all familiar' with Canada Grocery Code. Multiple selections were possible (n=221)*
*Q: Which provisions, if any relating to the Canada Grocery Code are unclear to you or require further information?*

# Priorities for the Next 5 Years

**Fines and deductions is most selected as a priority area for the next 5 years**

**Retailers put much less importance on Fines and Deductions, with greatest focus on *allocation of supply***

### Code of Conduct Priority Areas for the Next 5 Years




*Multiple selections allowed, asked to all (n=250)*
*Q: Which of the following priorities should the Office of the Grocery Code of Conduct focus on over the next five years?*

# Priorities Differ by Organization Type

**Fines and Deductions are a key focus for most organizations**

**Retailers also place priority on allocation of supply**

### Greatest Identified Priority Area(s) By Organization Type

| Large Retailer | Independent Retailer | Large Manufacturer | Small/Medium Manufacturer | Primary Producer (Farming/Agriculture) | Non-Affiliated Wholesaler / Distributor |
|---|---|---|---|---|---|
| • Not Acting in good faith and without duress (47%)<br>• Allocation of Supply (44%) | • Allocation of supply (74%) | • Fines & Deductions (85%) | • Fines & Deductions (87%) | • Fines & Deductions (50%)<br>• Not acting in good faith and without duress (40%) | • Fines & Deductions (75%)<br>• Listing fees and cost recovery charges (75%) |

*Multiple selections allowed, asked to all (n=250)*
*Q: Which of the following priorities should the Office of the Grocery Code of Conduct focus on over the next five years?*

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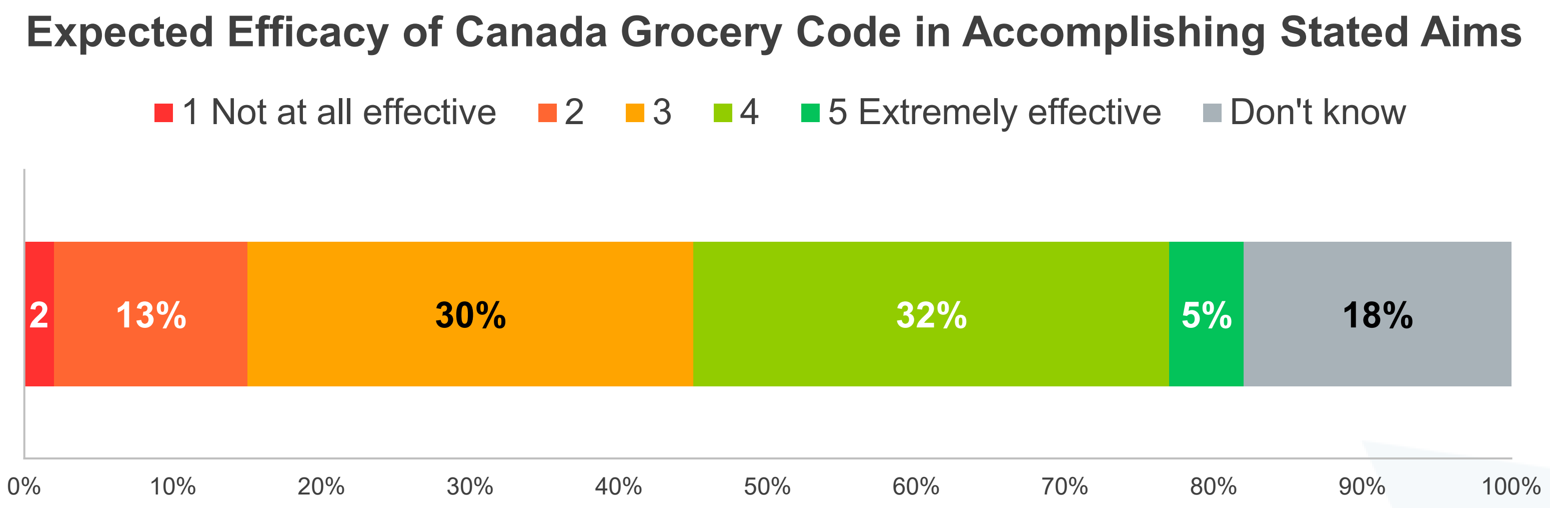
# Expected Efficacy of Grocery Code

**Expected efficacy is mixed, with two in ten uncertain**

**Perceptions vary across organization types and level**

**Average***

**3.3**




*Asked of all (n=250)*

Q: How effective do you think the Canada Grocery Code will be in accomplishing its stated aims: Contributing to a thriving and competitive grocery industry; Promoting reciprocal trust and collaboration amongst grocery value chain partners; Allowing all parties governed by the Code to make informed business decisions; Providing an effective, equitable mechanism for resolving commercial disputes

**Lowest Rating Groups (lowest avg. rating):**

- *Those not intending to become members*
- *Primary producers*
- *Manufacturers (all sizes)*
- *Executives & Senior leadership*

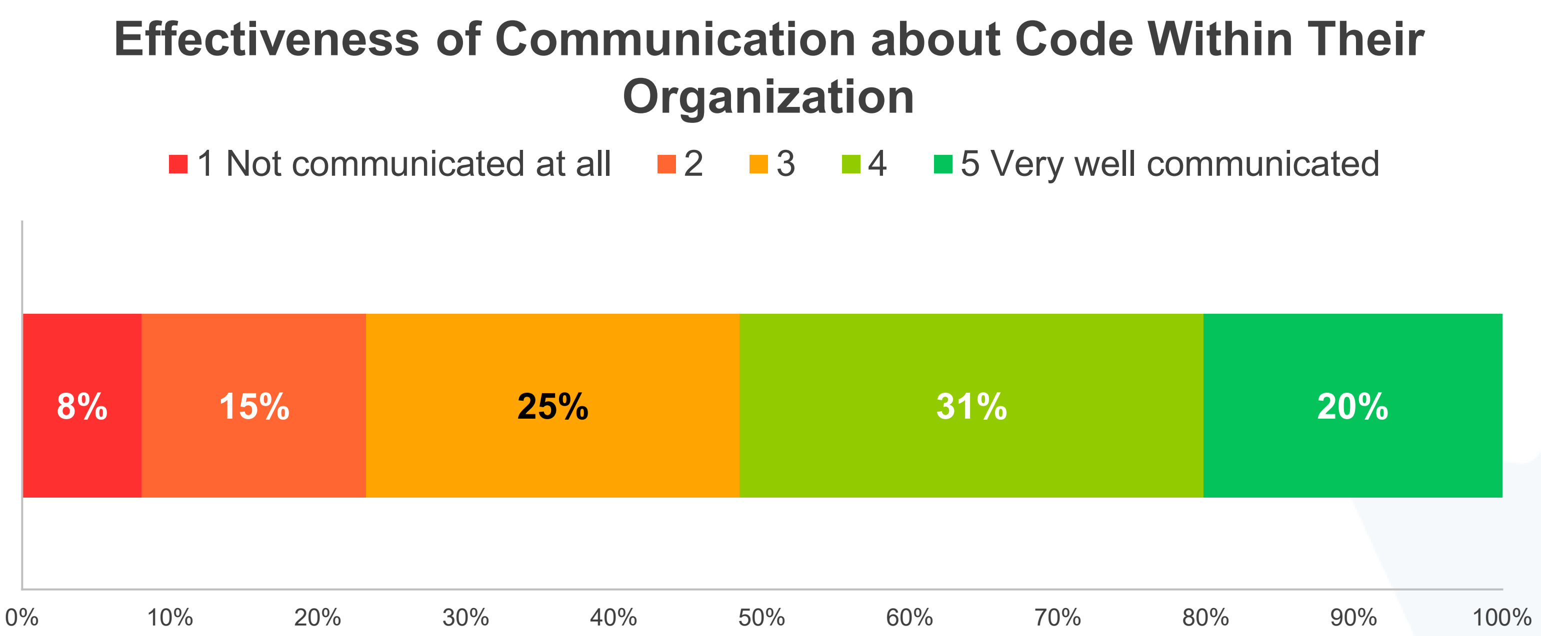
* *Excludes "Don't Know"*

# Training, Education & Internal Communication

# Effectiveness of Internal Communication

**Responding organizations also indicate mixed levels of internal communication, though nine in ten indicate it has been communicated to some extent**

**Average**
**3.4**




### Lowest Rating Groups (lowest avg. rating):

- *Nonmembers*
- *Independent retailers*
- *Small/Medium Manufacturers*
- *Those in operations/corporate functions*

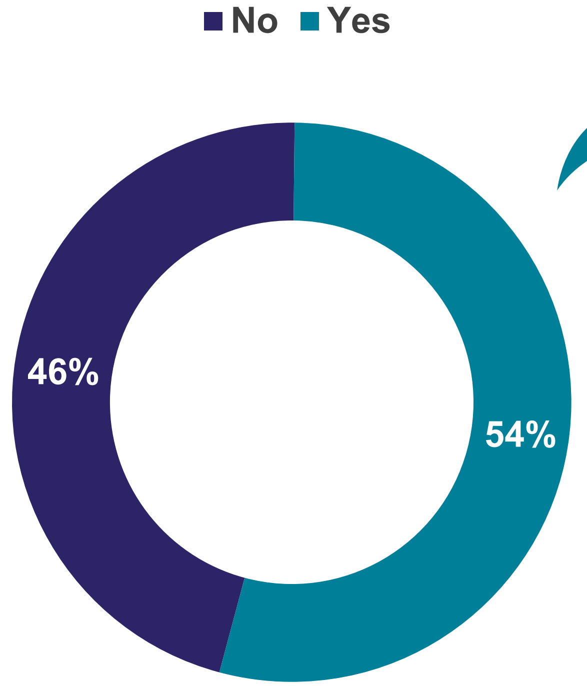
*Asked of those at least somewhat familiar with code of conduct (rating of 2+) (n=221)*
*Q: How effectively has information about the new Canada Grocery Code been communicated within your company?*

# Training

**Just over half of have taken Code training, most often by a 3rd party (Sentinel Management Consultants most frequently mentioned 3rd Party)**

**Training is most prevalent among OGSCC members, while Small/Medium manufacturers and Independent retailers are least likely to have taken training**

Have you taken any training / education on the Canada Grocery Code?




| Who Conducted Training | |
|---|---|
| An internal team at my company | 33% |
| Trade association | 18% |
| Other 3rd Party company (Please Specify) | 50% |
| *Base size* | ***120*** |

Q: Who conducted your training / education on the Canada Grocery Code?

Asked of those at least somewhat familiar with code of conduct (rating of 2+) (n=221)

# Value of Training Received

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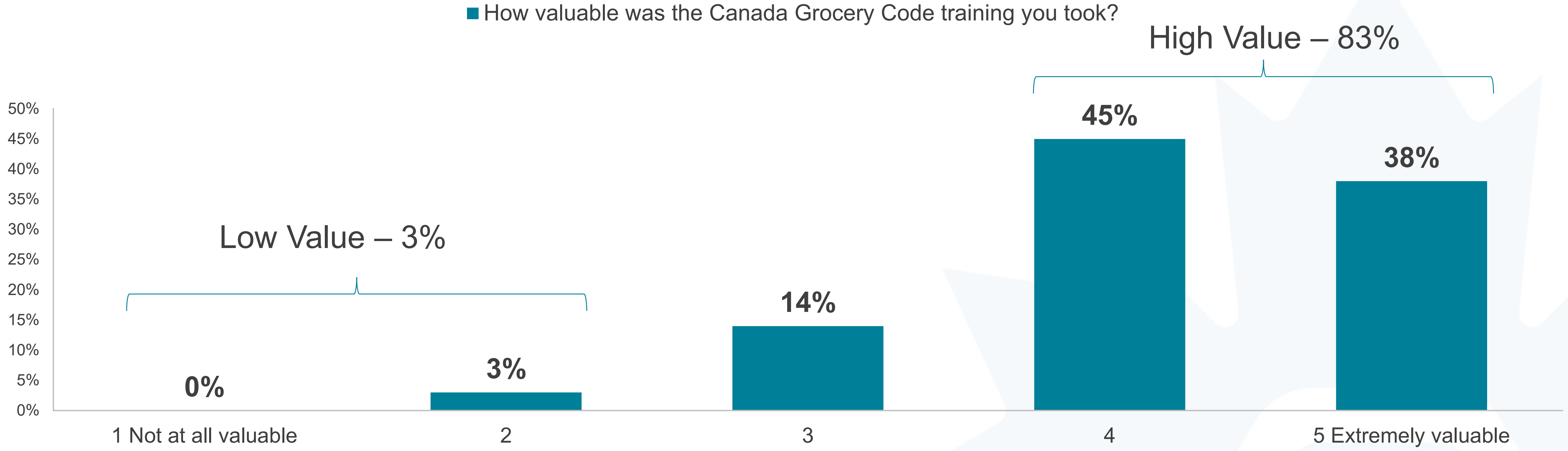
**Positively, training received is felt to be of high value, with few offering a rating below 3**

**Average**
**4.2**




*Asked of those who have taken training (n=120)*

# Training Continued

**Of those who have not taken training, <u>lack of awareness</u> is the key reason - a couple comments also suggest uncertainty of its value**

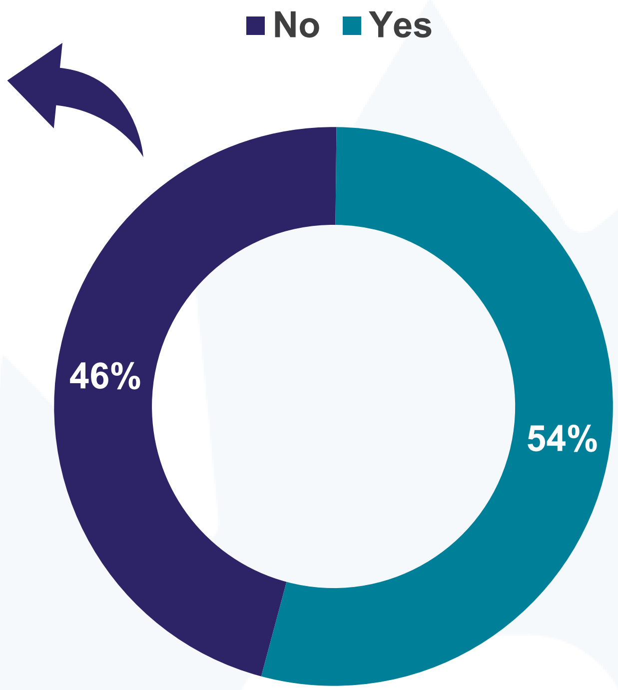
"Skeptical of how much effort to apply to this topic."

"Not sure what training is about or why I should take it?"

| Reason for Not Taking Training | |
|---|---|
| I am interested in training but not aware of any available | 46% |
| Training is scheduled but hasn't happened yet | 13% |
| I am planning to take training but haven't gotten around to it | 9% |
| I am not planning to take training | 6% |
| I would take training if it were offered at my company but I wouldn't otherwise | 17% |
| Other reason (Specify) | 10% |
| *Base size* | ***101*** |

Q: Which of the following best describes why haven't you taken any training / education on the Canada Grocery Code?

Have you taken any training / education on the Canada Grocery Code?




Asked of those at least somewhat familiar with code of conduct (rating of 2+) (n=221)

# Organizational Change & Expectations

# Organizational Preparedness

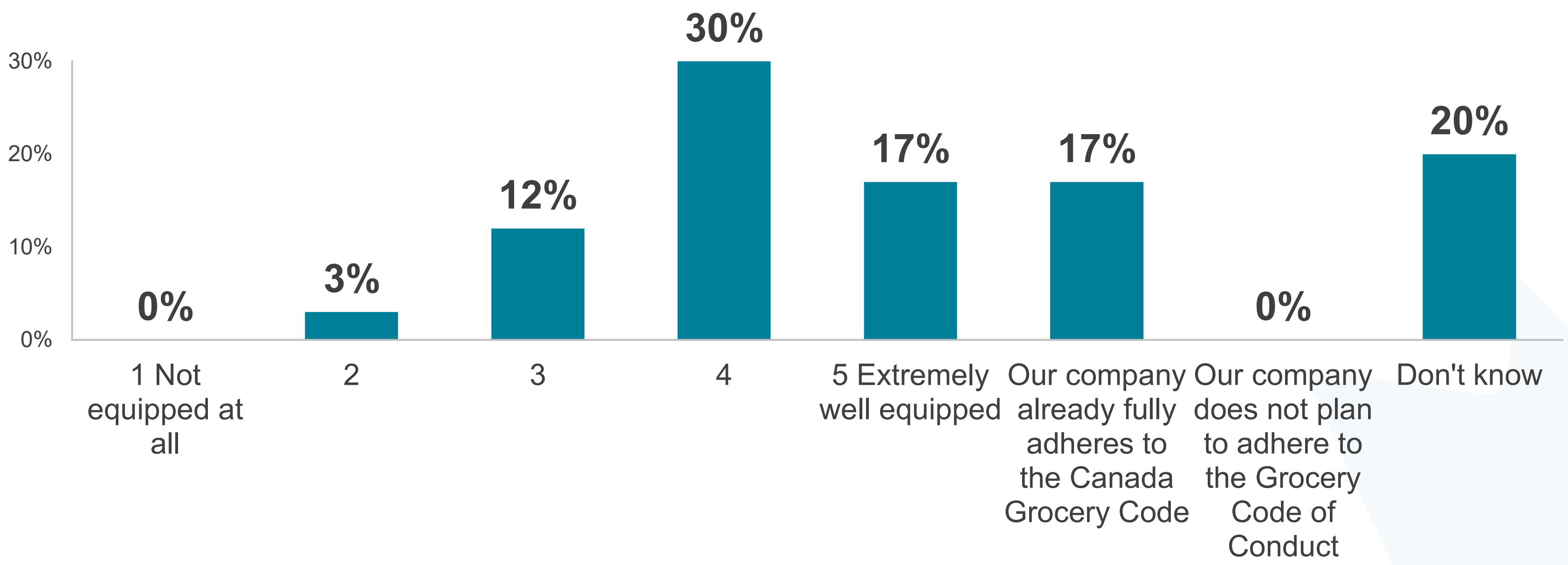
**Companies broadly feel equipped to adhere to the Code, though one-in-five are unsure**

**Perceived preparedness varies across organization types**

**Average***

**4.0**

## How Well-Equipped Company is to Adhere to Canada Grocery Code




**Lowest Rating Groups (lowest avg. rating):**

- *Small/Medium Manufacturers*
- *Primary Producers*
- *Those in operations/corporate functions*

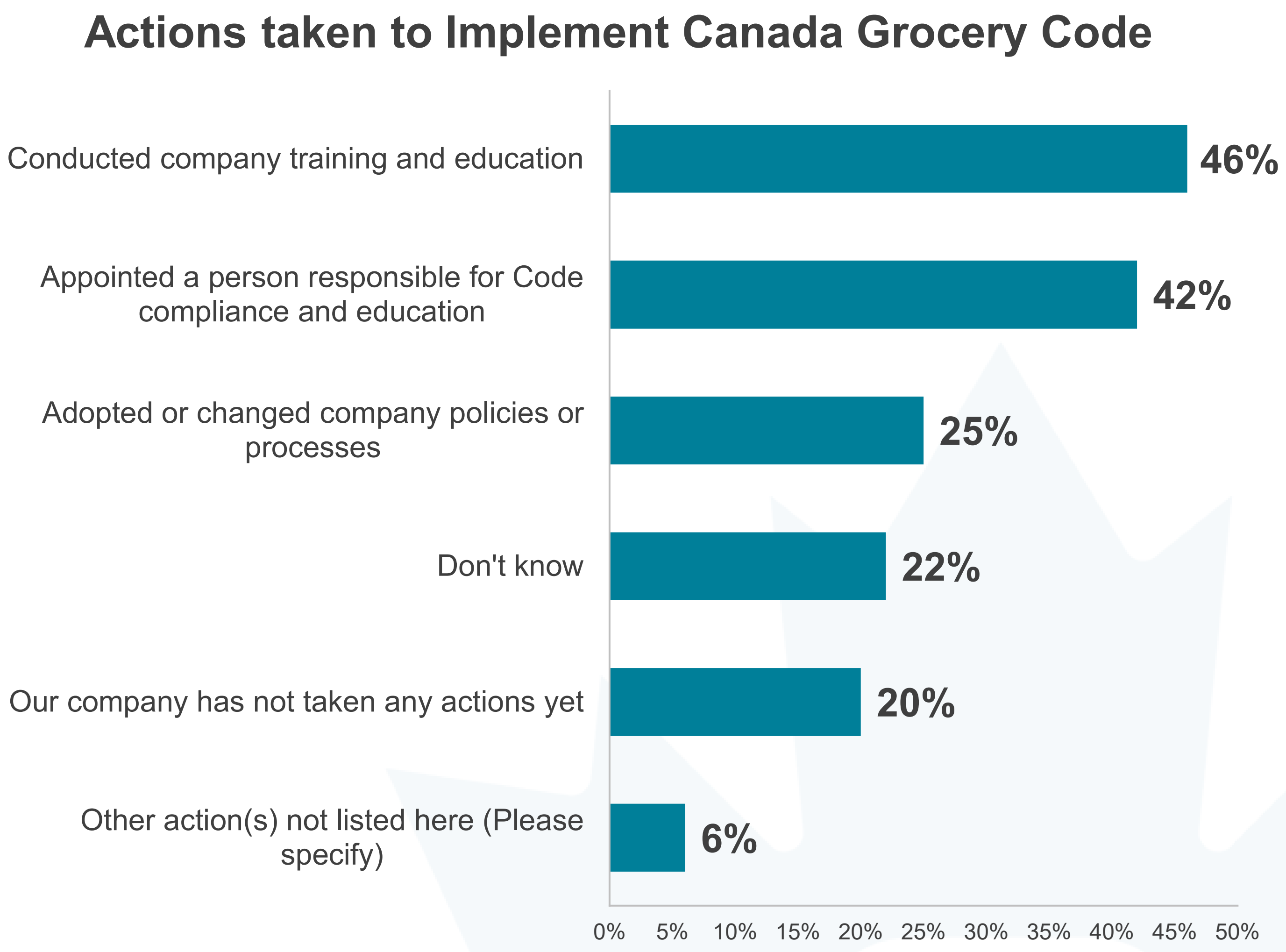
*Asked of all (n=250), *Only calculated based on 1-5 ratings, excludes other answers*
*Q: Overall, how well equipped do you feel your company is to adhere to the Canada Grocery Code practices?*

# Actions Taken to Implement

**Four in ten respondents are either unsure of what actions (if any) have been taken, or indicate none have been taken**

**Of those who have, training and appointing a responsible person are two most prevalent**

**Large retailers and large manufacturers are most likely to have taken at least one action – suggests smaller orgs may need assistance**




*Multiple selections allowed, not asked of those who indicated their organization does not plan to adhere to the code (n=249)*
*Q: To the best of your knowledge which of the following has your company done to implement the Canada Grocery Code?*

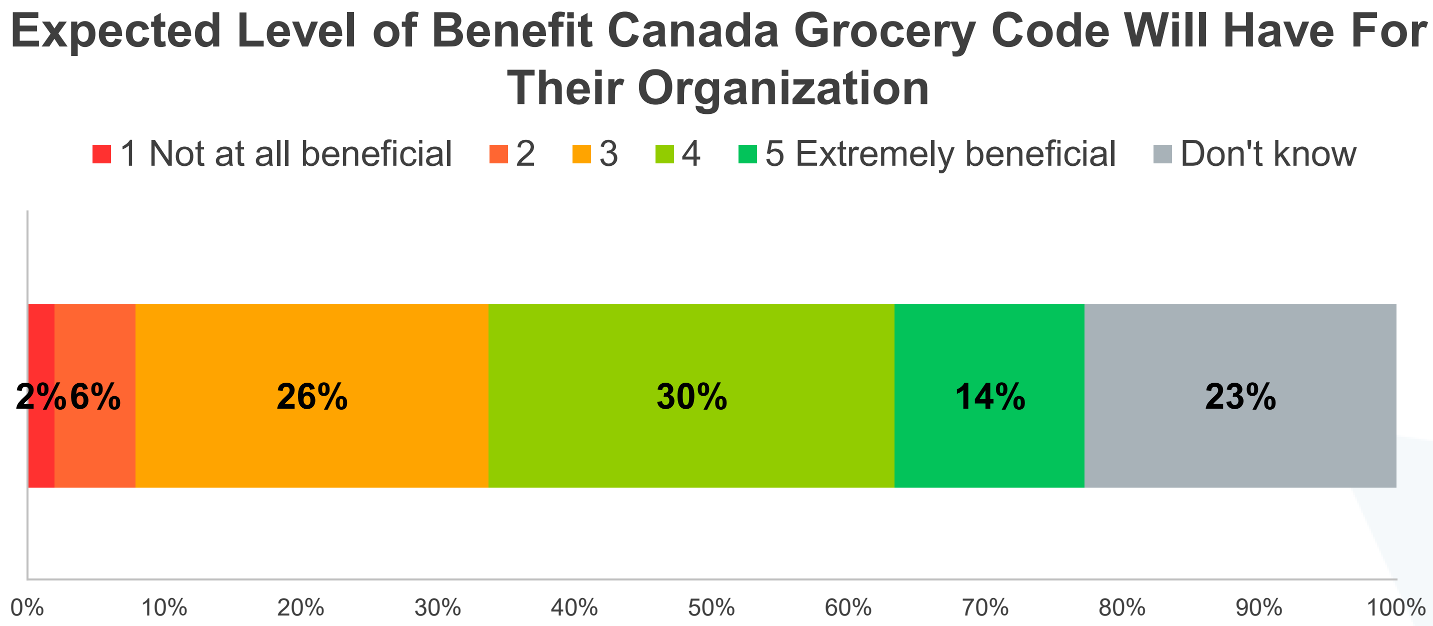
# Anticipated Benefit of Grocery Code

**There is still uncertainty towards the expected benefit, though those providing an answer more commonly expect some benefit**

**Organization types express differing expectations**

**Average***

**3.6**




## Lowest Rating Groups (lowest avg. rating):

- *Nonmembers*
- *Those not intending to become members*
- *Independent retailers*
- *Primary producers*
- *Executives*

*Asked to all (n=250) *Excludes "Don't know"*
*Q: How beneficial do you think the Canada Grocery Code will become for your company over the next 5 years?*

# Resources from OGSCC

**All suggested resources would be of help, particularly case studies and examples**

**Results are similar across respondent types**

“Current arbitration requests/themes.”

“Automated documentation analysis and collation for disputes”

“Arbitration support”

**“Sessions with customers and vendors together”**

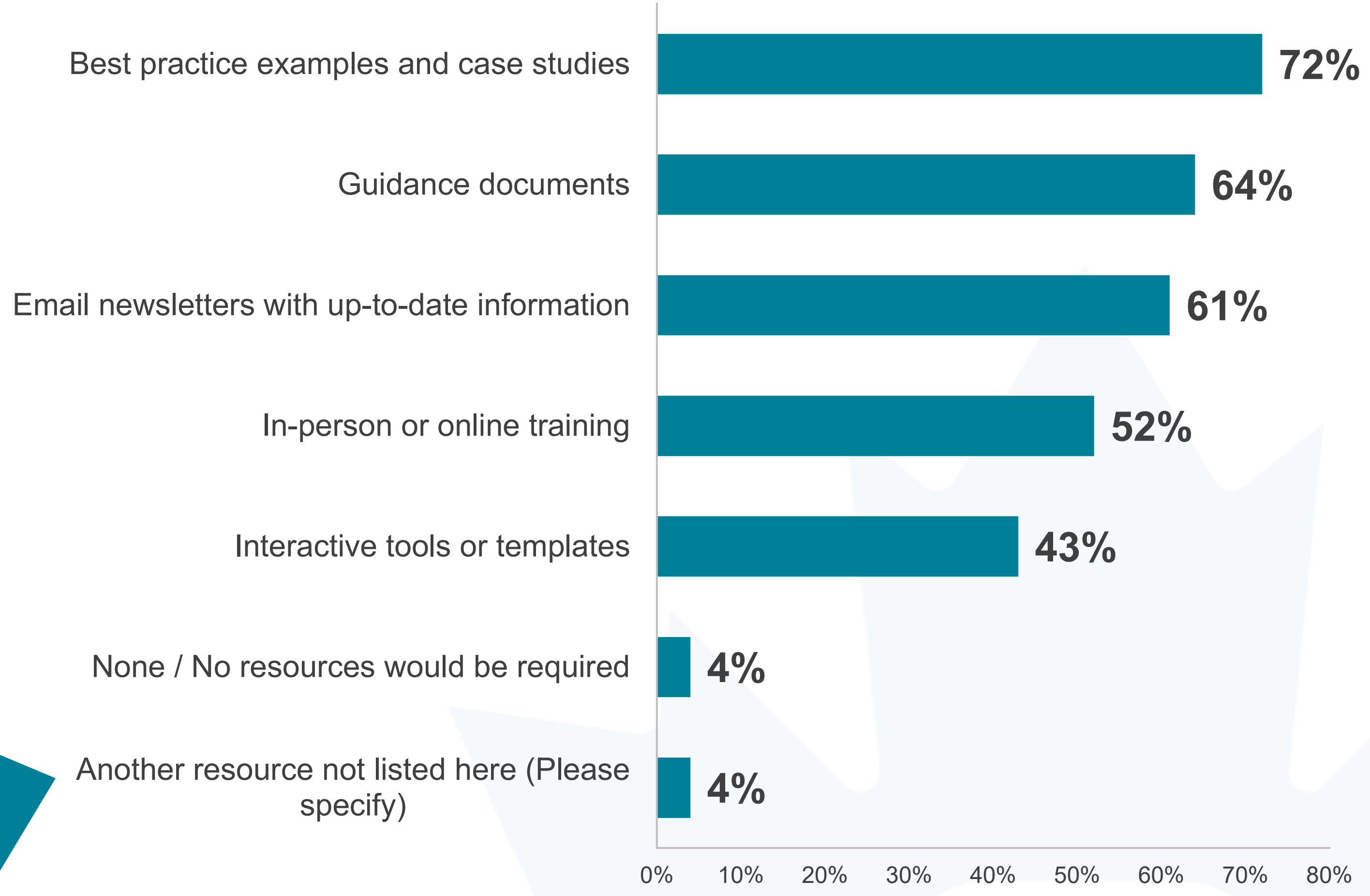
**“Monthly vendor calls where vendors can talk to other vendors about same similar issues with retailers, their successes and failures and connects, contacts etc.”**

“It should be through our internal OGSCC ambassador”

“Making news public in media”

“FAQ's and common industry challenges/questions”

## Resources from OGSCC That Would Help Organizations




*Multiple selections allowed, asked of all (n=250)*

*Q: What if any resources from the Office of the Grocery Sector Code of Conduct would help support your company as the Canada Grocery Code goes into effect?*

# Other Feedback Relating to the Canada Grocery Code

- **Current progress is seen as a good starting point and there is optimism towards what is to come**
- **Would like to see increased cadence on communication**
- **Ensure all are supported (especially smaller/independent players)**

"Looking forward to seeing this shape a stronger relationship and future for the industry."

*Q: Please share any other comments as it relates to the Canada Grocery Code.*