

Note: The attached document is not an official version of the Grocery Supply Code 2023 or the Grocery Supply Code 2025 and is being provided solely to highlight differences between these two codes.

The following document is a tracked changed copy of the Grocery Supply Code 2023 showing the differences between that code and the Grocery Supply Code 2025 made on 16 October 2025.

- Red text signifies new text in the Code.
- Green text signifies text that has been moved within the Code.

The Grocery Supply Code 2025 will come into force (replacing the Grocery Supply Code 2023) on the later of:

- 1 May 2026; or
- when either or both of regulations 9 and 10 of the Grocery Industry Competition Regulations 2023, which prescribe the level of penalties applying to contraventions of the Code, are first revoked or amended. The Ministry of Business Innovation and Employment (MBIE) will lead this process which is necessary to operationalise the new Code. .

Grocery ~~s~~Supply ~~c~~Code 2023-2025

This code is made by the Commerce Commission under section 12(1)(a) of the Grocery Industry Competition Act 2023 after—

(a) considering the purpose of the code set out in section 16 of that Act; and

(b) following the process set out in section 13 of that Act.

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Part 1 Preliminary

1 Title

This code is the ~~g~~Grocery ~~s~~Supply ~~e~~Code ~~2023-2025~~.

2 Purpose of code

See section 16 of the Act for the purpose of this code.

2A Commencement

~~This code comes into force on the later of—~~

- (a) ~~the date on which regulation 9 or 10 of the Grocery Industry Competition Regulations 2023 is revoked or amended; or~~
- (b) ~~1 May 2026.~~

3 Interpretation

- (1) In this code, unless the context otherwise requires,—

Act means the Grocery Industry Competition Act 2023

code means ~~the this Grocery Supply eCode set out in this schedule 2025~~

delists has the meaning given by clause ~~18(2)~~ 19(2)

groceries has the same meaning as in section 5(1) of the Act

grocery supply agreement has the same meaning that **supply agreement** has in section 17 of the Act

group means a group consisting of—

- (a) a person (**A**) referred to in section 8(a) to (d) of the Act; and
- (b) each person that is any of the following:
 - (i) an interconnected body corporate of A;
 - (ii) a franchisee of A or of an interconnected body corporate of A;
 - (iii) a transacting shareholder of A or of an interconnected body corporate of A

private label product has the same meaning as in section 5(1) of the Act

promotion means—

- (a) any offer for sale ~~of groceries~~ (whether or not accompanied by some other benefit to a customer)—
 - (i) at an introductory or reduced price, or involving non-standard sales activity; and
 - (ii) as agreed between a retailer and a supplier; and

- (iii) that is intended to last only for a specified period; or
- (b) any advertising or other in-store or online marketing activity (including a giveaway or an in-store product placement or promotional display)—
 - (i) as agreed between a retailer and a supplier; and
 - (ii) that is intended to last only for a specified period

regulated grocery retailer has the same meaning as in section 8 of the Act

retailer means a regulated grocery retailer

retaliates has the meaning given by clause 30

shrinkage means a loss of ~~grocery products~~ ~~groceries~~ that—

- (a) occurs after a retailer has taken possession of them; and
- (b) arises from theft, other loss, or accounting error

supplier means a person carrying on (or actively seeking to carry on) a business of supplying groceries for sale by another person (whether or not that other person is the person supplied)

wastage means groceries that are unfit for sale.

- (2) Any term or expression that is defined in the Act and used, but not defined, in this code has the same meaning as in the Act.

4 ~~When-Who~~ this code applies to

- (1) This code applies to every regulated grocery retailer.
- (2) This code also applies to a person (**P**) that is a franchisee or transacting shareholder of an interconnected body corporate of a regulated grocery retailer (**A**) as if P were a franchisee or transacting shareholder of A.

5 Obligation to offer to vary existing agreements so that they are consistent with code

- (1) This clause applies to—
 - ~~(a) an existing agreement within the meaning of clause 1(3)(a) of Schedule 1 of the Act;~~
 - ~~or~~
 - ~~(b) a grocery supply agreement.~~

to the extent that it is inconsistent with the requirements of this code.
- (2) Within ~~6-1~~ months after this ~~clause-code~~ comes into force, the retailer must offer in writing variations to the agreement that would, if accepted by the supplier, make the agreement consistent with the requirements of this code.
- ~~(3) Until 1 month after this code comes into force, the retailer will not be in breach of this code as a result of having an agreement that is inconsistent with the requirements of this code, provided the retailer is otherwise acting in accordance with the requirements of this code.~~
- ~~(4) From 1 month after this code comes into force, the retailer will not be in breach of this code as a result of having an agreement that is inconsistent with the requirements of this code where—~~
 - ~~(c) the text of an agreement is inconsistent with the requirements of this code; and~~

- (d) ~~the retailer complied with subclause (2); and~~
 - (e) ~~the offer required by subclause (2) was a reasonable offer; and~~
 - (f) ~~the supplier has not accepted that offer; and~~
 - (g) ~~the retailer is otherwise acting in accordance with the requirements of this code.~~
- ~~(3) See also Schedule 1 of these regulations (which apply the code after 6 months irrespective of whether the existing agreement is varied).~~

Part 2 Good faith

6 Obligation to deal with suppliers in good faith

- (1) ~~A~~ retailer must at all times deal with suppliers in good faith.
- (2) ~~A~~ retailer must ensure that their grocery supply agreements do not contain a provision that limits or excludes the obligation to act in good faith but, if it does, the provision does not limit that obligation.
- (3) In determining whether ~~a~~ retailer has acted in good faith in dealing with a supplier, the following may be taken into account:
 - (a) whether the retailer has acted honestly:
 - (b) whether the retailer has co-operated to achieve the purposes of the relevant grocery supply agreement (including being responsive and communicative with the supplier):
 - (c) whether the retailer has not acted arbitrarily, capriciously, unreasonably, recklessly, or with ulterior motives:
 - (d) whether the retailer has not ~~acted in a way that constitutes retaliation-retaliated~~ against the supplier ~~for past complaints and disputes:~~
 - (e) whether the retailer's trading relationship with the supplier has been conducted without duress:
 - (f) whether the retailer's trading relationship with the supplier has been conducted in recognition of the need for—
 - (i) certainty regarding the risks and costs of trading, particularly in relation to production, delivery and payment; and
 - (ii) provision of information to the supplier in a timely manner:
 - (g) whether the retailer has observed any confidentiality requirements relating to information disclosed or obtained in dealing with or resolving a complaint or dispute with the supplier:
 - (h) whether the retailer has avoided unreasonable discrimination or distinction between suppliers:
 - (i) whether, in dealing with the retailer, the supplier has acted in good faith.
- (4) Subclause (3) does not limit subclause (1).

Part 3 Grocery supply agreements

7 Grocery supply agreement must be in writing and retained

- (1) The retailer must ensure that—
 - (a) their grocery supply agreements are written in plain language; and
 - (b) a copy has been provided to the supplier.
- (2) The retailer must keep the original or a copy of each grocery supply agreement to which the retailer is a party while this code applies (including any document comprising the agreement, and any document made from time to time under the agreement that forms part of the agreement)—
 - (a) during the term of the agreement; and
 - (b) for 7 years after the agreement ends.

8 Matters to be covered by agreement

The retailer must ensure that their grocery supply agreements specify all of the following:

- (a) any requirements the retailer has in respect of the delivery of groceries:
- (b) any circumstances in which the retailer may reject the groceries:
- (c) the period within which the retailer must pay the supplier for the groceries and the circumstances in which any payment, or part of a payment, may be withheld or delayed:
- (d) the term of the agreement (whether fixed or indefinite):
- (e) in clear terms, any quantity and quality requirements relating to the groceries:
- (f) if the agreement provides for cancellation by 1 or more parties to it, the circumstances in which it may be cancelled:
- (g) any terms that apply if the retailer decides to delist the groceries.

9 Unilateral variation of agreement

- (1) The retailer must not vary a grocery supply agreement without the consent of the supplier concerned
- (2) Subclause (1) does not apply if—
 - (a) the agreement—
 - (i) provides expressly for the retailer to make the variation; and
 - (ii) sets out clearly the changed circumstances in which the variation can be made; and
 - (iii) sets out the basis or methodology for calculating the adjustment, when the variation involves a quantitative adjustment to the terms of supply; and
 - (b) the variation is made in accordance with the agreement; and
 - (c) the variation is reasonable in the circumstances; and
 - (d) the supplier is given reasonable notice, in writing, of—
 - (i) the variation; and
 - (ii) the terms of the variation; and
 - (iii) the retailer's reasons for making the variation.

- (3) In determining whether the variation is reasonable in the circumstances, regard must be had to the benefits, costs, and risks (if any) for the supplier and retailer.
- (4) Subclause (3) does not limit subclause (2)(c).
- (5) The retailer's notice under subclause (2)(d)(iii) must include a clear and full written explanation as to why the retailer considers that—
 - (a) the variation is reasonable in the circumstances; and
 - (b) the other matters in subclause (2) are satisfied.
- (6) A retailer that relies on subclause (2) must do all of the following:
 - (a) keep records for each variation setting out how the matters in that subclause are satisfied:
 - (b) make the records available to the Commission on request:
 - (c) keep such records for at least 7 years.
- (7) The Commission's power under subclause (6)(b) is additional to and distinct from any other statutory power of the Commission.

10 Retrospective variation of agreement

The retailer must not vary a grocery supply agreement with retrospective effect.

Part 4 Conduct generally

~~Subpart 1—Transport or logistics services~~

11 Transport or logistics services

- (1) The retailer must not directly or indirectly—
 - (a) require a supplier to use a particular transport or logistics service; or
 - (b) impose unreasonable service standards in respect of transport or logistics.
- (2) Subclause (1) does not prevent a retailer imposing reasonable service standards in respect of transport or logistics.

~~Subpart 2—Paying suppliers~~

12 Payment to suppliers

- (1) The retailer must pay a supplier for all ~~grocery products~~ groceries delivered and accepted in accordance with a grocery supply agreement—
 - (a) within the time frame set out in the agreement; and
 - (b) in any case, within a reasonable time after receiving the supplier's invoice for the products.
- (2) The retailer must not—
 - (a) set off any amount against a supplier's invoice or remittance unless the supplier has consented in writing to the set-off of the amount; or
 - (b) the set-off is reasonable in the circumstances.
- (3) Subclause (2) does not apply if—

- (a) the grocery supply agreement provides for the amount to be set off; and
 - (b) the set-off is reasonable in the circumstances.
- (4) A retailer that relies on subclause (3) must, after receiving a written request from the supplier, give a clear and full written explanation to the supplier as to—
- (a) how the set-off was calculated; and
 - (b) why the retailer considers that the set-off is reasonable in the circumstances; and
 - (c) why the retailer considers that the other matters in subclause (3) are satisfied.

~~Subpart 3—Requiring payments from suppliers~~

13 Payments for shrinkage

- (1) The retailer must not ~~—directly or indirectly require a supplier to make any payment as compensation for shrinkage.~~
- ~~(a) —directly or indirectly require a supplier to make any payment as compensation for shrinkage; or~~
 - ~~(b) —have a grocery supply agreement under which a supplier is required to make such payments.~~
- (2) Subclause (1) does not prevent the retailer from raising, discussing, or agreeing with a supplier proposals and procedures to mitigate the risk and occurrence of shrinkage.
- (3) In this clause, **payment** includes payment in kind.

14 Payments for wastage

- (1) The retailer must not directly or indirectly require a supplier to make any payment to cover any wastage of groceries incurred while the groceries are under the effective control of—
- (a) the retailer; or
 - (b) a contractor or agent of the retailer; or
 - (c) any other entity that is a retailer.
- ~~(2) —Subclause (1) does not apply if—~~
- ~~(a) —the relevant grocery supply agreement sets out expressly and unambiguously the circumstances, which could include negligence by the supplier, in which the supplier will be required to make payments to cover wastage of the supplier's groceries incurred while the groceries are under the effective control of a person or entity referred to in subclause (1); and~~
 - ~~(b) —the wastage occurs in such circumstances; and~~
 - ~~(c) —the wastage was mainly the result of actions or omissions by the supplier; and~~
 - ~~(d) —the basis of the payment is set out in the grocery supply agreement; and~~
 - ~~(e) —the payment is reasonable having regard to the retailer's costs incurred by the wastage; and~~
 - ~~(f) —the retailer takes reasonable steps to mitigate those costs; and~~
 - ~~(g) —the retailer's claim for payment by the supplier is made no later than 6 months after the goods were received by the person or entity referred to in subclause (1).~~

- ~~(3) A retailer that relies on subclause (2) must give a clear and full written explanation to the supplier as to why the retailer considers that—~~
- ~~(a) the payment is reasonable in the circumstances; and~~
 - ~~(b) the other matters in subclause (2) are satisfied.~~
- ~~(4) Subclause (5) applies if—~~
- ~~(a) the relevant grocery supply agreement provides for the supplier to make payments to cover wastage of the supplier's groceries; and~~
 - ~~(b) the supplier seeks to negotiate a variation of the agreement relating to payments of that kind.~~
- ~~(5) The retailer must not, in the course of the negotiations or as a precondition to entering into the negotiations, seek to negotiate other variations of the agreement unrelated to payments of that kind.~~
- ~~(6)(2)~~ In this clause, **payment** includes payment in kind.
- ~~(7)(3) For the avoidance of doubt, unfitness for sale of groceries discovered or determined while under the effective control of any party listed in subclause (1) but incurred earlier is not wastage to which this clause applies.~~

15 Payments as condition of being supplier

- (1) The retailer must not require a supplier to make any payment as a condition of stocking or listing ~~grocery products~~ **groceries**.
- (2) Subclause (1) does not apply in relation to the retailer if—
- (a) the payment is made in relation to a promotion; or
 - (b) the payment—
 - (i) is required under the relevant grocery supply agreement; and
 - (ii) is made in respect of groceries that have not been stocked, displayed, or listed by the retailer during the preceding 365 days in 25% or more of its stores; and
 - (iii) is reasonable, having regard to the costs and risks to the retailer in stocking, displaying, or listing the ~~grocery products~~ **groceries**.
- (3) Subclause (2)(a) has effect subject to clause 17 (funding promotions).
- (4) A retailer that relies on subclause (2) must do all of the following:
- (a) keep records for each required payment setting out how the matters in subclause (2) are satisfied:
 - (b) make the records available to the Commission on request:
 - (c) keep the records for at least 7 years:
 - (d) give a clear and full written explanation to the supplier as to why the retailer considers that the matters in subclause (2) are satisfied.
- (5) The Commission's power under subclause (4)(b) is additional to and distinct from any other statutory power of the Commission.
- ~~(5)(6)~~ In this clause, ~~unless the context otherwise requires,~~—

25% or more of its stores, in the case of a retailer that is part of a group, means 25% or more of the retail stores owned or operated by the group

payment includes payment in kind.

16 Payments for retailer's business activities

(1) The retailer must not directly or indirectly require a supplier to make any payment towards the costs of ~~a any activity (the retailer's business activity) that is undertaken by the retailer in the ordinary course of carrying on a business as a retailer.~~

~~(2) The retailer's business activity includes the following:~~

~~(a) a buyer's visit to the supplier:~~

~~(b) artwork or packaging design:~~

~~(c) consumer or market research:~~

~~(d) the opening or refurbishing of a store:~~

~~(e) hospitality for the retailer's staff:~~

~~(f) merchandising (for example, stocking shelves and setting up displays):~~

~~(g) the transport of goods within a retailer's business, which may include transport between distribution centres and retail stores.~~

~~(3)~~(2) Subclause (1) does not apply if—

(a) the relevant grocery supply agreement provides for the payment; and

(b) the payment is reasonable in the circumstances.

~~(4)~~(3) In determining whether the payment is reasonable in the circumstances, regard must be had to the following:

(a) the likely benefits to the supplier from the retailer's business activity:

(b) the likely benefits to the retailer from the retailer's business activity:

(c) the costs borne, or contributions made, by the retailer for the retailer's business activity.

~~(3) Subclause (2) does not limit subclause (1).~~

(4) Subclause (3) does not limit subclause (2)(b).

(5) A retailer that relies on subclause (2) must give a clear and full written explanation to the supplier as to why the retailer considers that—

(a) the payment is reasonable in the circumstances; and

(b) the other matter in subclause (2) is satisfied.

(6) In this clause,—

payment includes payment in kind

retailer's business activity means any activity that is undertaken by the retailer in the ordinary course of carrying on a business as a retailer and includes, without limitation, the following:

(a) a buyer's visit to the supplier:

(b) artwork or packaging design:

- (c) consumer or market research:
- (d) the opening or refurbishing of a store:
- (e) hospitality for the retailer's staff:
- (f) merchandising (for example, stocking shelves and setting up displays
- (g) the transport of goods within a retailer's business, which may include transport between distribution centres and retail stores.

17 Funding promotions

- (1) The retailer must not directly or indirectly require a supplier to fund part or all of the costs of a promotion.
- (2) Subclause (1) does not apply if—
 - (a) the relevant grocery supply agreement provides for the funding; and
 - (b) the funding is reasonable in the circumstances.
- (3) In determining whether the funding is reasonable in the circumstances, regard must be had to the following:
 - (a) the likely benefits to the supplier from the promotion; and
 - (b) the likely benefits to the retailer from the promotion; and
 - (c) the costs borne, or contributions made, by the retailer for the promotion.
- (4) Subclause (3) does not limit subclause (2)(b).
- (5) A retailer that relies on subclause (2) must ~~—, after receiving a written request from the supplier, give a clear and full written explanation to the supplier as to why the retailer considers that—~~
 - ~~(a) the funding is reasonable in the circumstances; and~~
 - ~~(a) keep records for each required payment setting out how the matters in that subclause are satisfied; and~~
 - ~~(b) make those records available to the Commission on request; and~~
 - ~~(c) keep the records for at least 7 years; and~~
 - ~~(d) after receiving a written request from the supplier, give a clear and full written explanation to the supplier as to why the retailer considers that the other matters in that subclause (2) is are satisfied.~~
- (6) ~~The Commission's power under subclause (5)(b) is additional to and distinct from any other statutory power of the Commission.~~
- (7) ~~In relation to a request under subclause (5)(d), a retailer must provide the explanation no later than 20 working days after the request.~~
- ~~(6)(8)~~ In this clause, **fund** includes payment in kind.

18 ~~Delisting products~~

- ~~(1) The retailer may only delist a supplier's grocery product—~~
 - ~~(a) in accordance with the terms of the relevant grocery supply agreement (if any); and~~
 - ~~(b) for genuine commercial reasons.~~

- (2) ~~—The retailer **delists** a supplier's grocery product if either of the following apply:~~
- ~~(a) —the retailer removes the product from the range of grocery products sold by the group to which the retailer belongs; or~~
 - ~~(b) —the retailer makes a decision of either of the following types that has, or is likely to have, a material effect on the supplier:~~
 - ~~(i) —a decision to remove the product from the range of grocery products at 1 or more retail stores:~~
 - ~~(ii) —a decision to reduce the distribution of the product at 1 or more retail stores:~~
-

Example 1

The parent company (**A**) of a regulated grocery retailer group decides to stop selling a type of beans across all group stores. A is the entity that delists and that must comply with regulation 19.

Example 2

A franchisee of A (**F**) operates one retail store and has a supply agreement with a local supplier for the supply of beans (**B**). F decides to stop selling B's beans in its store. That decision is likely to have a material effect on B because B currently sells all its beans to F. F is the entity that delists and that must comply with regulation 19.

- (3) ~~—For the purpose of subclause (1), **genuine commercial reasons** for delisting a product include the following:~~
- ~~(a) —failure of the supplier to meet reasonable quality or quantity requirements as agreed with the supplier in respect to the product:~~
 - ~~(b) —failure of the supplier's product to meet the retailer's reasonable commercial sales or profitability targets as notified to the supplier in, or in accordance with, the grocery supply agreement:~~
 - ~~(c) —persistent failure to meet the retailer's reasonable delivery requirements as notified to the supplier from time to time in accordance with the grocery supply agreement:~~
- (4) ~~—Subclause (3) does not limit subclause (1):~~
- (5) ~~—Delisting as a punishment for a complaint, concern, or dispute raised by a supplier is not a genuine commercial reason:~~
- (6) ~~—A decision by the retailer not to extend the agreement, or enter into a new grocery supply agreement, following the expiry of a fixed term grocery supply agreement is not a decision to delist a product:~~

2018 Funded promotions

- (1) If a supplier agrees to make a payment in support of the promotion of a product (the **funded promotion**), the retailer must give the supplier reasonable written notice before holding the promotion.
- (2) If the retailer orders a ~~grocery product~~ **groceries** from a supplier in connection with the funded promotion at a promotional price (whether calculated by way of discount, rebate, credit, allowance, or otherwise), the retailer must—
 - (a) ensure that the basis on which the quantity of the order is calculated is transparent; and
 - (b) ~~if the retailer sells groceries that are part of a funded promotion at a non-promotional price, repay the supplier the portion of the promotional funding relating to those groceries~~ **supplier (in writing) on what happens to stock supplied at a promotional price but which remains unsold at the end of the promotional period.**
- (3) If the retailer has placed an order for a ~~grocery product~~ **groceries** with a supplier in connection with the funded promotion, the retailer must not do either of the following without the supplier's written consent:
 - (a) cancel the order; or
 - (b) reduce the volume of the order by more than 10%.
- (4) Subclause (3) does not apply if—
 - (a) the retailer gives the supplier reasonable written notice of the cancellation or reduction; or
 - (b) the retailer compensates the supplier for any net resulting costs, losses, or expenses incurred or suffered by the supplier as a direct result of the retailer failing to give reasonable notice of the cancellation or reduction.

1819 Delisting ~~products~~ **groceries**

- (1) The retailer may only delist a supplier's ~~grocery product~~ **groceries**—
 - (a) in accordance with the terms of the relevant grocery supply agreement (if any); and
 - (b) for genuine commercial reasons.
- (2) The retailer **delists** a supplier's ~~grocery product~~ **groceries** ~~if— either of the following apply:~~
 - (a) the retailer removes the product from the range of ~~grocery products~~ **groceries** sold by the group to which the retailer belongs; or
 - (b) the retailer makes a decision of either of the following types that has, or is likely to have, a material effect on the supplier:
 - (i) a decision to remove the product from the range of ~~grocery products~~ **groceries** at 1 or more retail stores;
 - (ii) a decision to reduce the distribution of the ~~product~~ **groceries** at 1 or more retail stores.

Example 1

The parent company (A) of a regulated grocery retailer group decides to stop selling a type of beans across all group stores. A is the entity that delists and that must comply with **clause 20**.

Example 2

A franchisee of A (F) operates one retail store and has a supply agreement with a local supplier (B) for the supply of beans (B). F decides to stop selling B's beans in its store. That decision is likely to have a material effect on B because B currently sells all its beans to F. F is the entity that delists and that must comply with **clause 20**.

- (3) For the purpose of subclause (1), **genuine commercial reasons** for delisting a product include the following:
 - (a) failure of the supplier to meet reasonable quality or quantity requirements as agreed with the supplier in respect to the product;
 - (b) failure of the supplier's product to meet the retailer's reasonable commercial sales or profitability targets as notified to the supplier in, or in accordance with, the grocery supply agreement;
 - (c) persistent failure to meet the retailer's reasonable delivery requirements as notified to the supplier from time to time in accordance with the grocery supply agreement.
- (4) Subclause (3) does not limit subclause (1).
- ~~(5) Delisting as a punishment for a complaint, concern, or dispute raised by a supplier is not a genuine commercial reason.~~
- ~~(6)~~(5) A decision by the retailer not to extend the agreement, or enter into a new grocery supply agreement, following the expiry of a fixed term grocery supply agreement is not a decision to delist ~~a product groceries~~.

1920 Process requirements relating to delisting

- (1) Before delisting a supplier's ~~grocery product groceries~~, the retailer must provide reasonable written notice to the supplier of ~~the retailer's decision to delist the product. The notice must—~~
 - ~~(a) the retailer's decision to delist; and~~
 - ~~(a)(b) include~~ the genuine commercial reasons for delisting ~~the product~~; and
 - ~~(b)(c) inform the supplier of~~ the supplier's right to have the decision to delist ~~the product~~ reviewed by the retailer.
- (2) Subclause (1) does not apply if—
 - (a) time is of the essence (including for product recalls, withdrawals, or safety issues); or
 - (b) there are persistent issues with supply that have resulted in the retailer being out of stock or stocked at significantly reduced levels.

- (3) ~~Whether or not the retailer complied (or was required to comply) with subclause (1), t~~The retailer must promptly comply, in writing, with any written request from the supplier for—
- (a) a statement of the retailer's genuine commercial reasons for the delisting; or
 - (b) information (or additional information) relating to the delisting. ~~This subclause applies whether or not the retailer complied (or was required to comply) with subclause (1).~~
- (4) The retailer must, after receiving a written request from the supplier, promptly review any decisions regarding delisting made by the retailer and provide the supplier with written notice of the outcome of that review, including the basis for the retailer's decision.
- (5) A retailer that relies on subclause (2) must give a clear and full written explanation to the supplier as to why the retailer considers that the matters in that subclause are satisfied.

20 — Funded promotions

- ~~(1) — If a supplier agrees to make a payment in support of the promotion of a product (the funded promotion), the retailer must give the supplier reasonable written notice before holding the promotion.~~
- ~~(2) — If the retailer orders a grocery product from a supplier in connection with the funded promotion at a promotional price (whether calculated by way of discount, rebate, credit, allowance, or otherwise), the retailer must—~~
- ~~(a) — ensure that the basis on which the quantity of the order is calculated is transparent; and~~
 - ~~(b) — agree with the supplier (in writing) on what happens to stock supplied at a promotional price but which remains unsold at the end of the promotional period.~~
- ~~(3) — If the retailer has placed an order for a grocery product with a supplier in connection with the funded promotion, the retailer must not do either of the following without the supplier's written consent:~~
- ~~(a) — cancel the order; or~~
 - ~~(b) — reduce the volume of the order by more than 10%.~~
- ~~(4) — Subclause (3) does not apply if—~~
- ~~(a) — the retailer gives the supplier reasonable written notice of the cancellation or reduction; or~~
 - ~~(b) — the retailer compensates the supplier for any net resulting costs, losses, or expenses incurred or suffered by the supplier as a direct result of the retailer failing to give reasonable notice of the cancellation or reduction.~~

21 Fresh produce standards and quality specifications

- (1) This clause applies only in relation to fresh produce.
- (2) The retailer must ensure that any relevant fresh produce standards or quality specifications—
- (a) are reasonable; and
 - (b) are provided to the supplier in clear, unambiguous, and concise written terms.
- (3) The retailer must accept all fresh produce delivered in accordance with relevant fresh produce standards and quality specifications.

- (4) The retailer must not reject fresh produce unless all ~~of~~ the following conditions are satisfied:
 - (a) the produce fails to meet relevant fresh produce standards or quality specifications;~~and:~~
 - (b) the retailer rejects the produce within 24 hours after the produce is delivered to the retailer;~~and:~~
 - (c) the retailer does not reject the produce after the retailer has accepted the produce.
- (5) If the retailer rejects fresh produce because it does not meet relevant fresh produce standards or quality specifications, the retailer must provide written reasons for the rejection to the supplier within 48 hours.
- (6) The retailer must communicate any labelling, packaging, or preparation requirements for ~~a grocery product~~ fresh produce to a supplier in clear, unambiguous, and concise written terms.
- (7) The retailer must provide a supplier with reasonable written notice of any required changes to packaging, labelling, or preparation standards (unless the change is required immediately by law) taking into consideration existing stock held by suppliers (where known) and any agreement as to stock coverage in the relevant grocery supply agreement.
- (8) The retailer must make any claim for damaged ~~grocery products~~ fresh produce or shortfalls, or any similar claims, within a reasonable time of, and in any event no later than 30 days after, delivery of the ~~groceries~~ fresh produce to the retailer (or the retailer's nominee).

22 Unduly hindering or obstructing supply ~~to competitors~~

The retailer must not engage in any conduct that has the purpose, effect, or likely effect of unduly hindering or obstructing a supplier from supplying groceries to any other party.

23 Business disruption

The retailer must not threaten a supplier with business disruption or termination of a grocery supply agreement without reasonable grounds.

24 Intellectual property rights

- (1) The retailer must respect the intellectual property held by suppliers in relation to ~~grocery products~~ groceries, including intellectual property rights in branding, packaging, and advertising.
- (2) Subclause (1) does not create, confer, or extend any intellectual property rights in or of the supplier.
- (3) In developing or producing private label products, the retailer must not infringe the intellectual property rights held by a supplier ~~in relation to grocery products~~, including rights relating to branding, packaging designs, or advertising.
- (4) In any dispute relating to a breach of this clause, any relevant actions of the supplier in relation to the intellectual property rights of the retailer must be taken into account.

25 ~~Confidential information~~

- (1) ~~This clause applies if a supplier discloses confidential information to the retailer in connection with the supply of grocery products, including confidential information relating to product development, proposed promotions, or pricing.~~
- (2) ~~The retailer must not use that information other than for a purpose for which it was disclosed and may only disclose it or make it available or accessible to employees or agents of the retailer who need to have that information in connection with that purpose.~~
- (3) ~~The retailer must establish and monitor systems to ensure compliance with subclause (2).~~
- (4) ~~Information is not confidential information for the purposes of this clause if the information—~~
 - (a) ~~is publicly available; or~~
 - (b) ~~comes into the possession or knowledge of the retailer—~~
 - (i) ~~independently of the supplier; and~~
 - (ii) ~~without any breach of subclause (2) on the part of the retailer.~~

~~26~~ Product ranging, shelf space allocation, and range reviews

- (1) ~~The retailer must publish or provide to all suppliers with whom the retailer has grocery supply agreements:~~
 - (a) ~~the retailer's product ranging principles; and~~
 - (b) ~~the retailer's shelf space allocation principles.~~
- (2) ~~The retailer must act in accordance with the retailer's principles and keep them up to date.~~
- (3) ~~Within a reasonable time before conducting a range review, the retailer must provide suppliers who might be affected by any outcome of the review with clearly expressed written notice of—~~
 - (a) ~~the purpose of the range review; and~~
 - (b) ~~the key criteria governing ranging decisions.~~
- (4) ~~Following the range review, the retailer must provide affected suppliers with a reasonable period of time to discuss the outcomes of the review, including the basis for the retailer's final decisions.~~
- (5) ~~The retailer must apply the retailer's produce ranging principles, and the retailer's shelf space allocation principles, without discrimination (including without discrimination in favour of the retailer's private label products).~~
- (6) ~~This clause does not limit clause 19.~~

2725 Transfer of intellectual property rights

- (1) The retailer must not directly or indirectly require a supplier to transfer or exclusively license any intellectual property right held by the supplier in relation to **a grocery product groceries** as a condition or term of supply of an equivalent private label product ~~of the retailer~~.
- (2) Subclause (1) does not prevent the retailer from—
 - (a) holding an intellectual property right in a private label product ~~of the retailer~~; or

- (b) having an exclusive right to the retail sale of a private label product ~~of the retailer~~; or
- (c) making the holding of a right referred to in paragraph (a) or (b) by the retailer a condition or term of supply by the supplier of a private label product ~~of the retailer~~, to the extent that the product, recipe, or formulation of the product—
 - (i) was developed or formulated by or for the retailer; or
 - (ii) is customised by or for the retailer.

2526 Confidential information

- (1) This clause applies if a supplier discloses confidential information to the retailer in connection with the supply of ~~grocery products~~ ~~groceries~~, including confidential information relating to product development, proposed promotions, or pricing.
- (2) The retailer must not use that information other than for a purpose for which it was disclosed and may only disclose it or make it available or accessible to employees or agents of the retailer who need to have that information in connection with that purpose.
- (3) The retailer must establish and monitor systems to ensure compliance with subclause (2).
- (4) Information is not confidential information for the purposes of this clause if the information—
 - (a) is publicly available; or
 - (b) comes into the possession or knowledge of the retailer—
 - (i) independently of the supplier; and
 - (ii) without any breach of subclause (2) on the part of the retailer.

2627 Product ranging, shelf space allocation, and range reviews

- (1) The retailer must publish or provide to all suppliers with whom the retailer has grocery supply agreements—
 - (a) the retailer's product ranging principles; and
 - (b) the retailer's shelf space allocation principles.
- (2) The retailer must act in accordance with the retailer's principles and keep them up to date.
- (3) Within a reasonable time before conducting a range review, the retailer must provide suppliers who might be affected by any outcome of the review with clearly expressed written notice of—
 - (a) the purpose of the range review; and
 - (b) the key criteria governing ranging decisions.
- (4) Following the range review, the retailer must provide affected suppliers with a reasonable period of time to discuss the outcomes of the review, including the basis for the retailer's final decisions.
- (5) The retailer must apply the retailer's produce ranging principles, and the retailer's shelf space allocation principles, without discrimination (including without discrimination in favour of the retailer's private label products).

- (6) This clause does not limit clause ~~1920~~.

~~27~~ **Transfer of intellectual property rights**

- ~~(3) The retailer must not directly or indirectly require a supplier to transfer or exclusively license any intellectual property right held by the supplier in relation to a grocery product as a condition or term of supply of an equivalent private label product of the retailer.~~
- ~~(4) Subclause (1) does not prevent the retailer from—~~
- ~~(a) holding an intellectual property right in a private label product of the retailer; or~~
 - ~~(b) having an exclusive right to the retail sale of a private label product of the retailer; or~~
 - ~~(c) making the holding of a right referred to in paragraph (a) or (b) by the retailer a condition or term of supply by the supplier of a private label product of the retailer; to the extent that the product, recipe, or formulation of the product—~~
 - ~~(iii) was developed or formulated by or for the retailer; or~~
 - ~~(iv) is customised by or for the retailer.~~

28 Price increases

- (1) This clause applies if—
- (a) the retailer has a grocery supply agreement with a supplier for the supply of groceries; and
 - (b) the supplier informs the retailer, in writing, of an increase in the price (the **price increase**) of ~~those~~ groceries ~~supplied under the agreement~~; and
 - (c) if the price increase is in respect of fresh produce ~~that is supplied under the agreement~~ and the agreement includes a mechanism to negotiate ~~its price~~ on a regular basis ~~the price of that fresh produce~~, any negotiations ~~about the price increase~~ are not concluded within 5 working days after the supplier informs the retailer of the price increase; and
 - (d) if the price increase is in respect of ~~a product~~ ~~groceries~~ other than fresh produce, the supplier has not informed the retailer of the same price increase in respect of ~~the product~~ ~~those groceries~~ within the last 6 months.
- (2) Within 30 days of being informed by the supplier of the price increase, the retailer must, in writing, notify the supplier whether the retailer—
- (a) accepts the price increase; or
 - (b) accepts an increase in the price of the groceries ~~supplied under the agreement~~ but does not accept the amount of the price increase; or
 - (c) does not accept the price increase.
- (3) If the retailer needs further information from the supplier in order ~~for the retailer~~ to make an informed decision under subclause (2),—
- (a) the 30-day notice period in subclause (2) does not start running until the supplier has provided that information to the retailer; and
 - (b) the retailer must request the further information within a reasonable time frame, in good faith, and must not make the request as a tactic to delay decisions regarding price increases.

- (4) If the supplier is notified of a matter referred to in subclause (2)(b) or (c), the supplier may request the retailer to enter into negotiations about an increase in the price for the groceries.
- (5) A retailer that enters into such negotiations must engage in the negotiations in good faith and take all reasonable steps to conclude its position on the negotiations without delay.
- (6) The retailer must not require the supplier to disclose commercially sensitive information in relation to the following:
 - (a) the price increase:
 - (b) negotiations about an increase in the price for the groceries.

29 Freedom of association

- (1) The retailer must not provide an inducement to prevent a supplier from—
 - (a) forming an association of suppliers; or
 - (b) associating with other suppliers for a lawful purpose.
- (2) The retailer must not discriminate, or take any other action, against a supplier for—
 - (a) forming an association of suppliers; or
 - (b) associating with other suppliers for a lawful purpose.

30 Retaliation

- (1) A retailer must not retaliate against a supplier.
- (2) Subject to subclause (3), a retailer retaliates if—
 - (a) it takes an action against a supplier that has exercised, or indicated that it will or may exercise, a right against the retailer; and
 - (b) the action causes, or would cause, detriment to the supplier.
- (3) Without limiting subclause (2), an action includes the following:
 - (a) delisting the supplier's groceries:
 - (b) requiring the supplier to make excessive contributions towards promotional or marketing costs for the supplier's groceries:
 - (c) rejecting groceries from the supplier:
 - (d) changing the location of the supplier's groceries in store or online:
 - (e) delaying restocking the supplier's groceries in store or online:
 - (f) reducing the volume of stock ordered from the supplier:
 - (g) cancelling an order to the supplier:
 - (h) varying, terminating, or electing not to renew a grocery supply agreement with the supplier.
- (4) An action is not retaliation if it—
 - (a) is not taken as punishment or a response to a matter described in subclause (2)(a); and
 - (b) is taken for genuine commercial reasons.

- (5) A retailer relying on subclause (4) bears the evidential burden in relation to the matters in that subclause.
- (6) In this clause,—
action includes—
(a) inaction; and
(b) threatened action
right against the retailer includes the following:
(a) a right under this code:
(b) a right under a grocery supply agreement:
(c) engagement with the Commerce Commission on any matter:
(d) engagement with the dispute resolution scheme referred to in section 151(2) of the Act.