



NEWSLETTER: 4 JULY 2019

Positive News on Merchandiser Issues

Welcome to the middle of the year, and the news that there's been some positive movements on some recent issues.

I'm pleased to get some positive reports that treatment of merchandisers and sales reps in stores is improving (or at least the message has gotten through in the meantime). FGC continues to highlight the need for about positive treatment and it's a good opportunity to remind all employees and contractors to take the opportunity to raise any issues either at store level or with their territory managers. I would like to thank members for updates and we will continue to raise unresolved issues or the most egregious examples with head offices where appropriate.

On the trial by Foodstuffs North Island to look at stores doing merchandise support themselves, we can also report progress. Part of FGC's Industry Relations Group has been engaging with FSNI. Many will be aware that FGC

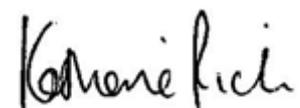


hosted a meeting in Auckland to discuss the issue (FGC Chair Mike Pretty is pictured above addressing the meeting). It's to be commended that FSNI has since offered to run a discussion and briefing for members, with the first being with members of the Sales & Merchandising Agency Group. There is a genuine ambition to work together and do better business. The briefing will be on 23 July in Auckland, and we will keep you posted on details.



Registrations for the annual conference continue to flow in, and we're on track to surpass previous years' attendances. This is members' big chance of the year to hear directly from our two big retailers: the two Foodstuffs' CEOs Steve Anderson and Chris Quin will present their view, and Managing Director Natalie Davis and GM Merchandise Scott Davidson of Woolworths NZ will be a highlight as well. Members will also be keen to hear Greg Davis, Chief Operating Officer of Coles, while Nielsen, IRI and Tim Morris will give updates ranging from retailer performance to market and shopper trends. For further information, and to register, go to the [special website](#). For race-goers we have sorted information about tickets for the Melbourne Cup which is run the day before.

[Check that out here](#). I hope to see you there so don't leave it too late.

A handwritten signature in black ink that reads "Kamari Fitch".

Flushable Wipes Remain an Issue of Concern

At the last meeting between FGC and Woolworths NZ, the issue of flushable wipes came up again. Woolworths (and Foodstuffs) receives letters and emails from consumers and councils from time to time and wants to ensure it responds appropriately. While we are confident that FGC members' flushable wipes are indeed flushable and meet global standards, we believe the issue is that consumers continue to flush a whole bunch of products that are not flushable, for example, femcare, floss, makeup, baby wipes, cleaning cloths. At our meeting with the

Plumbers Association several years ago we were told some people try to flush everything, from coffee grounds to kitty litter. Clearly, the issue is real for water treatment plants and councils, but it would seem that flushable wipes have become the scapegoat. Members may recall that when working with Watercare NZ in Auckland, FGC reviewed more than 100 samples from clogged machinery and not one was a flushable wipe. The main identified culprits were non-flushable hospital wipes, and the suggestion was that the local DHB could do more to remind workers not to flush those wipes. Woolworths has taken the initiative to arrange an industry meeting with the Auckland Council, Watercare, and FGC members to discuss these matters further, and we have agreement that members are able to attend.



Sunscreen Working Group



FGC and Cosmetics NZ are working together to coordinate a sunscreens project to remind Kiwis about the importance of slip-slop-slapping on sunscreen, the current stringent quality standards in place, and the appropriate level of application (most people don't use enough). For the past few years there have been some disappointing stories about sunscreen which have left consumers worried and confused. The meeting to be held this month will talk about testing regimes and a proposed campaign. We have contacted sunscreen marketers but if we've

missed anyone, please get in touch with Katherine Rich.

FGC Establishes Sustainability Working Group

The FGC Board has established a new Sustainability Working Group, and it will be chaired by Nestlé CEO Christian Abboud. Nick Bangs, Managing Director of Unilever is on board, and Lyn Mayes will be adding the provision of the FGC secretariat to her very busy dance card. New member Air NZ has also expressed interest. We would like some additional senior-level leaders as volunteers to be part of this initiative. The group will lead FGC's contribution and focus on sustainability such as packaging and energy use. Please contact Katherine Rich for more information.



Save The Date: Foodstuffs Supply Chain Update

The FGC Industry Relations Working Group has booked in a date for the next Foodstuffs Supply Chain update for members. It will be on 17 September in Auckland. The session will be followed by a speaker session with a leading Australian supply chain company. Further details to follow later.



L'Oréal Staff Gather for Community Good



L'Oréal NZ is the latest FGC member to highlight some of the great work it's doing in the community. Staff recently spent a day of work time volunteering to put together 22,000 wellbeing packages to donate to Auckland City Mission, Salvation Army,

Women's Refuge, Barnardos, Ronald McDonald House and VOYCE Whakarongo Mai to distribute them to people in need. It was all part of the company's annual Citizen Day (the 10th they've held). The packs contain 250,000 units of stock, including shampoo, conditioner, shower gel and moisturiser, along with selected beauty items, altogether with a retail value of more than \$3 million. Auckland Mayor Phil Goff visited them at Auckland's Vodafone Events Centre, which they took over to put the packs together, to thank them for their work. Aurelie de Cremiers, L'Oréal NZ Country Manager, said Citizen Day gives employees the opportunity to show their company's commitment to social responsibility. Last year they donated nearly 20,000 packages.

Note: FGC is publishing this article because L'Oréal told us about it. We also shared it on our LinkedIn channel. If your company has done something you consider newsworthy, then we would like to hear about it. Please drop us a line and help us celebrate your success.

Excellent Woolworths NZ Update

The Woolworths NZ briefing late last month from the Supply Chain team attracted a good crowd. They were treated to insightful presentations. Also discussed were sustainability issues, replenishment, working together, opportunities and truck safety. The message from Woolworths was loud and clear: if you have an issue, "reach out and talk to us". It was very worthwhile. Thanks again to Woolworths and the Industry Relations Working Group.



Manual Handling Online Safety Programme



Members are reminded to have a look at the online manual handling safety programme launched by FGC last month. It's designed to train employees how to avoid injuries by addressing the risks and the consequences of manual handling. It was developed by FGC's Health & Safety Working Group in conjunction with workplace injury prevention trainers Provention and online provider and FGC member Intuto, which will run the training platform. Once



enrolled, employees can access standardised manual handling safety concepts that are relevant to all job roles across the industry. Not only will the programme make them more aware of the risks they face and ways to avoid injury, it will minimise confusion about what is 'best practice' as people move between organisations. It offers the following tools: latest concepts on manual handling and updates; unlimited access to other FGC H&S courses as they become available; full administration training and support; user compliance reporting, encouragement emails, certificate of completion; and company branding. Pricing has been set to reward FGC members while reflecting the resources available to companies of different sizes. [Register here for a free trial](#) or [email Intuto](#).

Reminder: FMCG Business Marketing Summit

The FMCG Business Marketing Summit will be held in Auckland on 21 August, with eight top speakers, including some of Australasia's most experienced marketing experts, discussing ideas aimed at marketing and brand managers. Speakers include: Michele Teague, most recently GM Marketing for Kmart Australia – marketing influence on the customer experience; Cassie Roma, a social media/marketing expert – connecting brands; Regan Grafton, Chief Creative Officer at Ogilvy, NZ – the benefit of brands that disrupt; Lew Bentley, Head of Strategy for shopper marketing agency Energi – 'I don't buy on special'; Laura Maxwell, NZME's Chief Digital Officer – cutting through the hype and creating a balanced media strategy; Vicky Herring, head of Solutions, Innovation and Retail at Iri – New and innovative NPD's in New Zealand FMCG; Matt Grantham, creative director of Onfire Design – brand design and instore. Katherine Rich will speak FMCG marketing around the world. [Register on the summit website](#).



Retail NZ's Inaugural Summit on 23 July



A reminder that Retail NZ is holding its inaugural Summit in Auckland on 23 July. 'Capitalising on Today, Investing in Tomorrow', is designed for retail leaders and influencers from supplier and regulatory communities. It will provide perspectives and analysis on challenges and opportunities that will help shape the retail industry for the future. Details [on the special website](#).

Alternative Protein Conference to Examine Impact for NZ

Members may be interested in an upcoming conference that examines what alternative protein means for New Zealand's primary industries and the opportunities offered by new technologies. ProteinTECH 2019 is aimed at the food production and farming industries, as well as those who have an interest or expertise in emerging food technologies. Speakers from New Zealand and overseas will discuss a wide range of topics, including sustainability of the food system, the future of protein, the protein revolution with science, plant-based proteins and ready-to-eat products, the vegan market, how the red meat sector is transforming to meet market needs, a vision for the food and fibre sector, agriculture in the emerging regulatory environment, New Zealand's point of difference, and what is driving consumers towards plant-based foods. It's on July 30 and 31 at the Novotel Auckland Airport Hotel. [Register on the event page.](#)



What's Next: Packaging Labels for Online Shoppers?



A new grocery labelling venture called Crunch and Flourish is developing a digital tool to help online supermarket shoppers make decisions aligned with their environmental concerns. The first item they are talking to retailers about is the Packaging Star, which is a digital label to be displayed along with product images on supermarket websites. The Packaging Star lets

shoppers know which packaging is made from recycled materials, which can be separated and has higher value, and which brands are committed to improving their packaging. The higher the star, the more likely the packaging will stay in high value use in the economy and out of the environment. There's not a lot of detail yet but obviously this will also rely on information from suppliers. With online grocery shopping increasing at a rate of around 22% a year (according to the latest BNZ Online Retail Sales Index report), it could well have a future. The issue will be if retailers see a benefit and take it on. [Check it out on the website.](#)

Scholarships Designed to Boost H&S Workforce



Applications have opened for scholarships designed to boost New Zealand's specialist health & safety workforce. The Health & Safety Association Scholarship Programme offers successful applicants funds to help pay for tertiary study in health & safety, as well as providing practical experience and support in the form of networking with industry representatives, working on real-life issues, and mentoring from an industry professional. The programme is

funded by organisations that are committed to improving workplace health and safety and is managed by HASANZ. Funding consists of \$5000 each year for up to two years. The scholarships range from General Scholarships (for health & safety reps who want to upskill to a diploma or degree), Postgraduate (for those with degrees who want to specialise in health & safety), Occupational Hygiene (for those wanting to become an occupational hygienist or gain specialist qualifications), Applied Research (for those wanting to do Masters or PhD research in a health and safety-related topic), and Poutama (for Māori H&S practitioners who want to upskill). Applications close on 2 September. Further information is [on the HASANZ website.](#)

Credits, Bills and Claims Headaches



We know members already check all store claims and credits, but it's worthwhile reminding everyone to check, check and check again. More than usual we're hearing reports of charges for displays that didn't happen, credits for stock damaged by store staff, and random credits turning up which are nearly 3 years old. On the issue of damage by store staff, **this is a store cost**.

See the slide from an FSNI presentation below. PAK'nSAVE Mill St seems to have missed this memo. Forcing suppliers to pay for store damage under the threat of deletion must halt immediately because it goes against the MDA principles.

FSNI Damaged Stock Process

Type	Comment	FSNI Credits Policy				
Defective Product	(Minor - Less than THRESHOLD)	Covered by Minor Damage Allowance (MDA)	Store Cost	Covered by MDA	Vendor Credit	Store and Vendor Negotiation
Defective Product	(Major - More than THRESHOLD)	Vendor to Credit Defective Stock				
Damaged in Store by Rep/Merchandiser		Vendor to Credit Damaged Stock				
Damaged in Store by Store Staff		Store Cost				
Damaged in Store by Customer		Covered by Minor Damage Allowance (MDA)				
Expired or Dated Stock	Supplier Ordering	Vendor to Credit Expired Stock				
Expired or Dated Stock	Store Ordering	Store and Vendor Negotiation				
Short Dated Clearance		Store and Vendor Negotiation				
Customer Returns of Defective Product	(Minor - Less than THRESHOLD)	Covered by Minor Damage Allowance (MDA)				
Customer Returns of Defective Product	(Major - More than THRESHOLD)	Vendor to Credit Defective Stock				

DEFINITIONS

Defective Product:
A product which is not suitable for sale by not surviving normal handling. This includes damage to product containers and labelling from movement, liquids or other factors throughout the supply chain.

Damaged Instore by Rep/Merchandiser:
Goods damaged due to accidental or inappropriate actions by vendor staff in store. This includes knife cuts, inappropriate handling of goods, building of displays and poor use of machinery.

Damaged Instore by Store Staff:
Goods damaged due to accidental or inappropriate actions by store staff when handling goods.

Damaged Instore by Customer:
Goods damaged due to accidental or inappropriate actions by customer when handling goods/navigating the store.

Expired/Dated Stock:
Goods which have reached their 'expiry' or 'best before' dates and are unable to be sold.

Customer Returns of Defective Product:
Products that have been sold by the store which a customer wishes to return as they have not survived normal levels of handling or are deemed defective.

Members are encouraged to stay on the alert for these "ghost credits" and keep FGC posted, please. We did not support the principle of MDA so some stores could continue with rampant credit issuing.

Recent Submissions by FGC

- Reduction in minimum alcohol for Tequila – to Food Standards Australia New Zealand
- Minimum protein in follow-on infant formula – to Food Standards Australia New Zealand
- Rebaudioside MD as a steviol glycoside from *Saccharomyces cerevisiae* – to Food Standards Australia New Zealand



Go to the submissions section [on the FGC website](#)

Safer & Healthier TOGETHER



Safely using equipment in stores

We look at some of the wider risks that employees are exposed to when working in stores and how to eliminate or minimise them.

Slips, trips and falls – how are workers and others harmed?

Workers can be harmed by:

- not following safe work procedures
- working on surfaces that are slippery or uneven
- over-exertion
- insufficient training or planning
- using the wrong tool for the job, for example, using a ladder when it's not safe to do so.



So what can you do?

First you must always eliminate risk where you're reasonably able to. Where you're not reasonably able to, you need to consider what you can do to minimise the risk. Here are some examples when using **ladders and stepladders**:

- These should be used for low-risk and short-duration tasks. Users should maintain three points of contact with a ladder or stepladder to reduce the likelihood of slipping and falling.
- Worksafe's '[working at height guidance](#)' has detailed information about working at height, including using ladders and stepladders as a means of access.



Lifting and carrying

Workers are at risk of injury from lifting and carrying particularly when:

- a load is too heavy, it's difficult to grasp, or it's too big
- the physical effort is too strenuous
- they are required to bend and twist when handling heavy loads

When a person reaches for items above shoulder height, their back becomes arched and their arms act as long levers. This makes the load difficult to control and significantly increases the risk of injury.



So, what can you do?

Again, eliminate the risk where you're reasonably able to. If you can't, then you need to consider what you can do to minimise the risk.

Here are some examples:

- use mechanical lifting aids or lifting equipment and ensure they are used properly and maintained in accordance with manufacturer specifications
- ensure store layout/design limits the need to push, pull, or carry equipment or loads (for example, good path design, floor surfaces that allow pallets to be moved directly to storage areas)



- position shelving and racking in storage areas at accessible heights
- ensure service counters and food preparation surfaces are between hip and waist height
- train workers in proper lifting techniques
- order stock in smaller volumes that are easier to store and lift
- ensure workers are not exposed to repetitive or high impact work for long periods of time. Consider job sharing/rotation

You need to select the most effective control measures that are proportionate to the risk, and appropriate to your work situation

Safety knives/box cutters - how are workers and others harmed?

Injuries from knives can happen to workers when:

- positioning the knife towards their body
- leaving the knife unattended in store
- changing the blades

What can you do?

Eliminate the risk but where you can, but if you can't reasonably do so, then consider what you can do to minimise it. Here are some examples:

- always use a retractable safety knife
- train all workers in the safe use and operation of knives
- complete a safety test before using the knife to ensure the blade is correctly installed
- work your knife away from your body
- never leave your knife unattended
- dispose of blades in a 'sharps' container



PCBU's Working Together

Worksafe has rolled out a guidance document for PCBUs (Person Conducting a Business or Undertaking) who are sharing a workplace with other businesses or are working as part of a

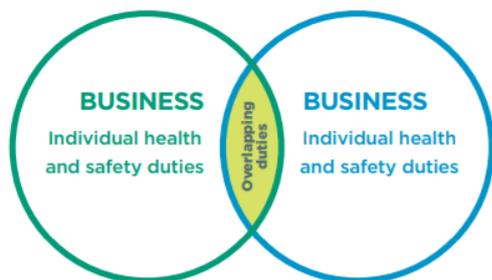


Figure 1: Overlapping duties in a shared workplace

contracting chain. The concept of a PCBU is used throughout the Health & Safety Work Act (HSWA) to describe all types of modern working arrangements commonly referred to as businesses. Most businesses, whether large corporates, sole traders, or self-employed, are classed as PCBUs. The difference between a business and an undertaking is: **businesses** are usually conducted with a view to making a profit and have a degree of organisation, systems, and

continuity, e.g. a retailer or supplier; **undertakings** will have elements of organisation, systems, and possible continuity, but are usually not profit-making or commercial in nature, e.g. a charity. Businesses that work together will likely share health & safety duties in relation to the same matter. These are known as 'overlapping duties'. According to Worksafe, they need to consult, cooperate, and coordinate their activities to meet their health and safety responsibilities to workers and others. An example of this in the FMCG industry would be employees from a retailer and supplier working together in a supermarket. More information is [on the Worksafe website](#).