



8 March 2018

Co-op response to announcement from the Groceries Code Adjudicator

The Co-op notes the announcement made today by the Groceries Code Adjudicator (GCA) about some of our practices relating to delisting and the introduction of benchmarking and depot quality control charges.

We acknowledge that we have fallen short and have been discussing the two issues raised with the GCA for some months. We have already taken decisive steps in line with our commitment to ensure the fair treatment of all of our suppliers.

The actions we have taken include:

- Steps to strengthen our systems and processes for the future
- Retraining of 450 commercial colleagues in the operation of the Groceries Supply Code of Practice
- Writing to all of our 1500 direct suppliers to seek information on any delisting decisions that they believe may have been taken without appropriate consultation. A small number of suppliers have raised concerns which we are working through with them.
- Reviewing every case where a supplier was charged for benchmarking and quality control. As a result 110 suppliers have been refunded a total of approximately £500,000. We have communicated in detail with suppliers to explain where and when these charges should be applied.

Jo Whitfield, CEO of Co-op Food, said:

“We care deeply about our relationships with our suppliers and we are very sorry that in these two areas we have failed to live up to our usual high standards. We are already addressing the issues with the GCA and our suppliers and we hope the investigation will help bring to light any additional cases so that we can put these right as quickly as possible.”

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