



Retailers' GSCOP¹ reports for 2018-19

A review of retailers' published reports on compliance

UK grocery retailers regulated under the Groceries Market Investigation Order are required to publish summaries of their annual GSCOP compliance reports that they provide to the Competition and Markets Authority (CMA) and copy to the Groceries Code Adjudicator (GCA). This document is the Group's ninth review of these published summaries.

Retailers are required to give an overview of alleged or actual breaches and disputes. It is notable that only Asda gives information on all three. While the majority (but not all) give some information on alleged breaches, only Asda gives information on actual breaches, arguably the more important of the two measures. Three retailers give no information at all on disputes (Iceland, Morrisons and Tesco).

With some 'reading between the lines', there would seem to have been a significant increase in the number of alleged breaches over the previous reporting period. Whether this indicates a decline in compliance and/or an improvement in monitoring performance and/or a willingness to be more open is unclear. If either of the latter two, this is a positive development.

In relation to other aspects of reporting, the summaries are becoming more detailed, informative and valuable (albeit in areas unrelated to alleged or actual breaches). They are also less formulaic, with no report following the format of that retailer's previous year's report. It is notable that Annual Financial Reports from M&S and Morrisons refer to the Code under a number of different headings, potentially indicating an increasingly pervasive approach to compliance within those organisations.

The published reports give some good insights into the steps designated retailers are taking to ensure compliance, though they fall short in allowing a factual comparative analysis of three critical measures of compliance – alleged breaches, actual breaches and disputes. This constrains their value. Another perspective, from suppliers, can be obtained from the Groceries Code Adjudicator's (GCA) annual [supplier survey](#). This shows suppliers reporting a continuing decline in Code-related issues, supporting the view that the increased number of alleged breaches reported in the annual summaries is down to better monitoring and/or more open reporting.

1 Background

This is the Group's ninth report on grocery retailers' publicly stated compliance with the Groceries Supply Code of Practice (GSCOP). The others are available on our [website](#).

¹ GSCOP: Groceries Supply Code of Practice.

The report relates to the ten grocery retailers designated under The GSCOP Order² for the year 2018/19 for which reports are required. The Order requires designated retailers to publish an annual summary of their compliance for each complete financial year during which the Order is in force. The summary must be published in their annual company report if they have one or “clearly and prominently” on their website if not. The summary must contain an overview of instances of breaches or alleged breaches, steps taken to ensure compliance (including training) and disputes with suppliers, along with their outcome.

- 2 Retailers designated on or after 1st November 2018 (B&M, Ocado, TJ Morris) have not yet had a full year of trading under the Order and so a report is not due from those organisation for the period 2018/19.

3 Reporting

All relevant designated retailers published reports either in their annual reports or on their websites, or both in the case of Marks & Spencer. A copy of each report is given at the end of this document, while the table below summarises each of the areas on which retailers are required to report (see section 10 (5) of the [GSCOP Order 2009](#)).

	Alleged breaches	Actual breaches	Disputes	Outcome	Training
Aldi	≥5	ND	2	1 resolved, 1 outstanding	✓
Asda	22	1	0	N/A	✓
Co-op	≥24	ND	24	4 withdrawn, 17 resolved, 3 remain under review	✓
Iceland	11	ND	ND	9 resolved, 2 outstanding	✓
Lidl	ND	ND	0	N/A	✓
M&S	7	ND	0	N/A	✓
Morrisons	Unspecified number	ND	ND	All resolved	✓
J Sainsbury	“A small number”	ND	0	N/A	✓
Tesco	40	ND	ND	34 resolved	✓
Waitrose	10	ND	0	N/A	✓
	ND = Not disclosed				

- 4 While retailers are required to summarise information relating to alleged breaches or actual breaches and disputes, along with their outcomes), only one retailer gives information on all three (Asda). Asda’s report further stands out as giving a helpful breakdown on the areas in which alleged breaches arise (delays in payment; de-listings; supply chain changes; and artwork/design charges).

² [The Groceries \(Supply Chain Practices\) Market Investigation Order 2009](#), paragraph 10(5).

5 **Alleged breaches**

In the summary above, while Aldi and the Co-op do not specify alleged breaches, it is possible from their reports to estimate a number, if only as a minimum.

6 Tesco reports the highest level of alleged breaches (40) but this covers, in addition to Tesco itself, Booker (4) and One Stop (1). It should be noted that Booker, as a wholesaler, falls outside GSCOP regulation though Tesco has undertaken, voluntarily, that Booker will comply. This clarity of reporting reflects that good faith.

7 Morrisons and J Sainsbury are vague in their reporting of alleged breaches and Lidl gives no information on them at all.

8 **Actual breaches**

This could be a much more telling indicator of compliance performance than declared alleged breaches, but every retailer except Asda is silent on this measure. This approach has persisted for several years, with the preferred focus being on the more ambiguous 'alleged breaches'. The absence of information on this important measure reduces transparency on actual compliance.

9 **Disputes**

A dispute arises when a supplier notifies a retailer's Code Compliance Officer that it believes the retailer has not fulfilled its functions under the Code and wishes to instigate the dispute resolution procedure (paragraph 11(2)). This would be the case where discussions between the supplier and the retailer's buying team have fallen down and negotiations have failed. It is therefore another important measure of compliance performance.

10 Most retailers report on the number of disputes but Iceland, Morrisons and Tesco do not. This lack of clear transparency is surprising. If there have been no disputes, why not say so? If there have been disputes, then the Order requires these to be declared.

11 **Steps taken to ensure compliance**

All retailers report on the training they give to existing and new staff. Again, retailers are required under the Order to summarise the steps they take to ensure compliance and most seize this opportunity to promote the measures they have taken, often in some detail. It is notable that reports which demonstrate commitment to compliance measures are often quite full while reports on actual compliance can be extremely sketchy and opaque.

12 A number of retailers (Aldi, Asda, Co-op, M&S and Morrisons) report that their training programmes have been overhauled, enhanced, refreshed or revamped during the reporting period.

13 Tesco's report is worth highlighting, in that it reports helpfully on steps taken to ensure compliance not just within Tesco and One Stop but also Booker, the wholesaler it purchased, and Carrefour, with which it entered a strategic alliance.

14 **Other observations**

In the case of some retailers (notably M&S and Morrisons), the Groceries Code is referenced in a number of places in their annual reports. This is a potential indicator that compliance with the Code is considered by a range of functions and in a range of contexts within their organisations.

- 15 Tesco reports that over 5,647 staff have signed a declaration of compliance that they have complied with GSCOP over the reporting period.
- 16 **Comment**
The days of retailers approaching their reporting duties in a formulaic way, adopting a standard approach while changing the date and updating the figures, seem now to be in the past. All summary reports are now fuller and much more specific to the reporting period.
- 17 Because each retailer interprets the requirement to report in overview on alleged or actual breaches and disputes differently, the public reports cannot be used to compare compliance performance quantifiably across alleged breaches, actual breaches and disputes. Based on the imprecise information that is provided, it appears that more than double the quantity of alleged or actual breaches have been reported this year compared to the previous reporting period. Does this mean compliance is declining, retailers are better at recording alleged / actual breaches and/or they are being more open? It is not clear, though the GCA, who has seen the full reports from each retailer rather than just the published summaries, reports a greater efficiency in monitoring compliance. There remains no publicly available, factual basis on which to compare the compliance performance of each retailer, though the GCA's supplier survey provides the next best thing.

J A Noble

5th December 2019

GSCOP

Retailers' published summaries of their reports to the CMA

Retailer	Document	Statement
Aldi	Corporate website	<p>General Information</p> <p>The Groceries Supply Code of Practice (GSCOP) came into force on 4th February 2010. It applies to all Grocery Retailers with grocery sales over £1 billion and requires them to submit an annual report to the Competition and Markets Authority and the Groceries Code Adjudicator (GCA).</p> <p>Our last annual report was submitted in April 2019 covering the period 1st January 2018 to 31st December 2018.</p> <p>Code-related Developments During 2018</p> <p>The GCA Annual Survey 2018 revealed that Aldi was ranked top by Suppliers in terms of overall compliance with the Code for the 5th year in a row. Overall, 97% of Aldi Suppliers surveyed said Aldi complied with the Code 'Consistently or Mostly Well'. Of these, 58% rated us at 'Consistently Well', 15% better than the next placed Grocery Retailer.</p> <p>We are incredibly proud of these results and appreciate the feedback of all of our Suppliers who took part. Equally though, we recognise we can't afford to become complacent. Trading conditions have been challenging for Retailers and Suppliers alike, competition is intense and uncertainty over Brexit during 2018 added further pressures.</p> <p>We have therefore invested more focus on how we can continue to improve on what we do, and how we do it, to promote the long-term mutually beneficial supply relationships that we value.</p> <p>During 2018 we have:</p> <ul style="list-style-type: none"> • Held a Category Immersion Event to share our strategy and allow Suppliers to get even closer to their buying teams • Reviewed and revamped the GSCOP training our Primary and Senior buyers receive on joining our Buying Teams, and on which they are refreshed on annually • Trained 193 colleagues using these new materials • Commenced a review and refresh, where necessary, of a variety of GSCOP-related documentation and support material; whether that is to help Suppliers understand their rights or provide clarity to Aldi Colleagues on their responsibilities related to the Code • Continued to issue a twice yearly GSCOP Supplier newsletter; highlighting important developments under the Code, the work of the GCA and the importance of Suppliers' understanding the protections the Code provides them

		<ul style="list-style-type: none"> We have continued to have regular meetings and dialogue with the GCA. The collaborative approach the GCA adopts is welcomed by Aldi as a means to support continuous improvement utilising best practice from across the sector <p>Supplier Disputes</p> <p>Aldi fully supports the requirements of GSCOP which are entirely consistent with the Aldi core values of Consistency, Simplicity and Responsibility. We pride ourselves on building long-term and mutually beneficial relationships with our Suppliers, and compliance with GSCOP firmly underpins this.</p> <p>However, disputes can occur in any commercial relationship from time to time. Where these occur, we would encourage Suppliers to discuss any issues directly with their Buying Team in the first instance, so we have an opportunity to resolve them as quickly as possible. Where an issue can't be resolved, Suppliers have the right to contact the Aldi Code Compliance Officer on any Code-related issue, raising a formal dispute under the Code if they so choose. Having carefully considered the circumstances, we will always seek to agree fair and reasonable resolutions to issues which our Suppliers have raised with us.</p> <p>During 2018, two formal disputes in respect of alleged breaches of the Code were raised by our Suppliers. One of these was resolved during the reporting period with the second still in the course of being investigated by the Aldi CCO at the end of the reporting period, having been raised in December 2018. Three further issues raised by Suppliers were handled informally, and in all cases a mutually acceptable resolution was agreed with the Supplier.</p> <p>[CCO details are provided at the end of the report]</p>
Asda	Your Asda website	<p>The Groceries (Supply Chain Practices) Market Investigation Order 2009 (the "Order") has been in force since 4 February 2010.</p> <p>The Order implemented the Groceries Supply Code of Practice (the "Code") which applies to certain grocery retailers, including Asda, and governs our dealings with suppliers.</p> <p>Every year we submit an annual compliance report to the Competition and Markets Authority (the "CMA") and the Groceries Code Adjudicator (the "GCA") to detail our compliance with the Code, any alleged breaches of the Code and any disputes with suppliers.</p> <p>We delivered our eighth report, covering the period from 1 January 2018 to 31 December 2018, to the CMA and the GCA on 30 April 2019.</p> <p>During the past 12 months Asda has continued to work collaboratively with the GCA, including the GCA's current 'Top Issues' and dialogue around good faith receiving, delisting and supplier funding practices. We would like to thank the GCA for the time and support provided, including visiting Asda Head Office in November 2018 and meeting with our Chief Executive.</p> <p>During the reporting period, we have taken a number of significant steps to continue to strengthen our compliance controls. These steps included:</p>

	<ul style="list-style-type: none"> • The introduction of a new commercial template so that all supplier funding is consistently documented, providing suppliers with the clarity and confidence that all investments are GSCOP compliant • Centralising billing to support our efforts to invoice suppliers correctly first time • Simplification of supplier funding processes • Asda's CCO spending structured and productive time engaging with suppliers, including on a face-to-face basis. This has helped inform the business to make changes which add as much value to our supplier partners as possible • Continuous improvements to our forensic audit practices, by adopting more collaborative engagement with suppliers and closer dialogue between Asda and the forensic auditors <p>To reinforce these changes, Asda has refreshed and enhanced its training programme on the Code. New materials use real-life examples and case-studies to encourage group discussion and debate. The training sessions were attended by 420 colleagues from the Buying, Supply, Merchandising and Trading Finance teams between September and December 2018. These instructor-led sessions are supplemented by an online GSCOP training module which all new buying colleagues must complete within one month of starting in role.</p> <p>We received 22 alleged breaches of the Code during this reporting period. Eighteen of these issues related to delay in payments (thirteen through forensic audit), two related to delisting, one related to a change to supply chain procedures and one related to artwork and design charges. Following investigation into these issues, one alleged breach was deemed to be within the scope of the Code, which related to a payment matter, where a deduction occurred before the issue was resolved. We responded expediently by resolving the issue quickly and to the supplier's satisfaction.</p> <p>Where the reportable issue has been closed in the reporting period, we have looked to verify with the supplier that the matter has been resolved to their satisfaction. For all other issues which remain open, we are working collaboratively with the supplier. We can confirm that no new issues were raised as a Dispute as defined under the Order during the reporting period.</p> <p>Ongoing compliance with the Order and Code is extremely important to us, and we will continue to place the Code at the centre of our relationships with our supplier partners. To support in this objective, we have invited suppliers who attended our category conferences in 2019 to provide feedback via the Annual Supplier Survey. This was complemented by a series of communications from members of our Executive which were circulated through Asda's Supplier Website.</p> <p>We welcome our supplier partners to get in contact if they have any GSCOP concerns so that we can support and investigate the matter as a priority. Suppliers can contact our Code Compliance Officer, Sarah Dickson, at: codecomplianceofficer@asda.co.uk.</p>
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B&M		Designated on 01.11.18. First report due in 2020.
The Co-operative	Annual Report & Accounts 2018	<p>Looking ahead (p 29)</p> <p>In March 2019 the Groceries Code Adjudicator (GCA) found that we had contravened the Groceries Supply Code of Practice in relation to delisting and variation of supply agreements without reasonable notice. We've sent a full apology to our suppliers following the findings and had already taken decisive steps during 2018 to ensure we treat suppliers fairly, including providing refunds to those wrongly impacted by the introduction of charges. We welcomed that the GCA found that we had not been, "malicious," or acted in a way, "intended to result in gain." You can read more about our response to the GCA report on page 96.</p> <p>Compliance with Groceries Supply Code of Practice (p 96)</p> <p>The Groceries Code Adjudicator's (the GCA) investigation report in March 2019 found that we had breached the Groceries Supply Code of Practice (GSCOP) on two counts. We failed to provide reasonable notice to suppliers of decisions to de-list products and varied supply agreements unilaterally and without reasonable notice in the way we applied two specific charges. We recognise the importance that the role of the GCA provides in regulating relationships between retailers and their suppliers and we:</p> <ul style="list-style-type: none"> • co-operated fully with the adjudicator and her investigation; • compensated and apologised to affected suppliers; and • fundamentally changed how we engage with suppliers and address reasons for non-compliance. <p>In 2018 we created a new Supplier Engagement team led by a senior food commercial director to transform how we work with our suppliers and to manage our Code related compliance risks. A programme of work has been stood up that is changing our supplier communications, policies, training and processes. At the heart of all the changes we've introduced is a new supplier charter that is based on our Co-op values and that sets out the behaviours that are expected of all colleagues who interact with suppliers.</p> <p>We are presently working with the GCA on her recommendations and how these will be effectively implemented.</p> <p>Outside of the investigation and report we continue to value the positive engagement with the GCA with our Co-op. The GCA has identified delays in payments and promotions and forecasting as top issues for retailers to monitor and this focus has been helpful. Our Code Compliance Officer has visibly and regularly encouraged suppliers to share their experiences of dealing with the Co-op and to report any potential breaches of the Code to him. He reports regularly to the Risk & Audit Committee and actively takes part in relevant governance fora.</p> <p>In 2018, we revamped our GSCOP training approach and material. We identified colleagues across buying, finance, supply chain and other functions as having high supplier engagement or low supplier engagement and trained over 1,000 colleagues as appropriate.</p>

		<p>In 2018, 24 suppliers formally raised Code related complaints with us. This includes four issues raised by suppliers where information was requested by Co-op but nothing further was provided and we have therefore considered this as withdrawn by the supplier. We resolved the concerns through discussion with the buying team and the relevant supplier, sometimes with the involvement of the CCO. Three issues were still under review at the reporting date. Suppliers are encouraged to contact our CCO (Co-Op.Code.Compliance.Officer@coop.co.uk) if they want more information.</p>
<p>Iceland (Company no. 01107406)</p>	<p>Financial statements Iceland Food Ltd For the 52 week period ended 29 March 2019</p> <p>Available free from Companies House.</p>	<p>Suppliers (p 8)</p> <p>Maintaining good relationships with our supplier partners remains critical to our own business performance, and we have robust procedures in place to ensure our compliance with the Groceries Supply Code of Practice ("GSCOP"), on which we report on page 13. Our policies on the treatment of supplier income are set out in Note 4.11 on page 25, and in Note 3 Significant judgements and estimates on page 22.</p> <p>GSCOP summary of annual compliance 2018-2019 (p 14)</p> <p>Annual Compliance Report</p> <p>An annual compliance report, as required by the Groceries (Supply Chain Practices) Market Investigation Order 2009 ("Order") for the financial year 2018/19 which ran from 31 March 2018 to 29 March 2019, has been submitted to, and approved by, Iceland's Audit Committee on completion. .</p> <p>Report Matters</p> <p>The report contains all complaints that have been received from suppliers, which if are not resolved by the Buyers are escalated to the Category Managers, Trading Directors and occasionally the Code Compliance Officer, if required. The report confirmed that we had eleven reported breaches, potential breaches, or formal complaints made against the business within the reporting period, under the Groceries Supply Code of Practice ("GSCOP").</p> <p>All of the matters were reported to the GCA as part of our quarterly reports. With the exception of two of the matters, all have been closed within the reporting period, and the outstanding matters are anticipated to be finalised within the current financial year. Whenever we receive a complaint, we promptly work with suppliers to investigate and resolve the matter to the satisfaction of both parties.</p> <p>Training</p> <p>We continue to be committed to ensuring full compliance with GSCOP. All members of the buying team have been issued with a copy of GSCOP and receive annual training. All new members of the buying team receive a copy of GSCOP and training as part of their induction. Any relevant teams that</p>

		<p>have contact with suppliers, have received training, as part of our annual training programme. Our training has been updated to reflect key issues that have arisen in compliance with GSCOP, and any feedback we have received from suppliers.</p> <p>Internal Compliance</p> <p>We invited the GCA to Head Office to discuss the annual surveys results, and for her to share her views and experience with our Trading Board, CEO and Chairman. We appreciated her feedback on interpreting last year's annual survey results, and the guidance she was able to share with us to build on our long term relationships with suppliers.</p> <p>In our efforts to improve compliance, we appreciated the collaboration of the GCA to engage with suppliers during trade fairs, and other events, to improve our understanding of any issues about which the suppliers are not approaching Iceland directly. We have taken on board this feedback, and aim to improve our long term relationships with suppliers.</p> <p>The annual internal audit has been carried out to assess our colleagues' understanding of GSCOP and to ensure ongoing compliance. This is part of the annual compliance report and has been disclosed in accordance with GSCOP.</p> <p>Actions</p> <p>In response to all feedback regarding our compliance with GSCOP from suppliers, and from our own plans to invest in the way we work with suppliers, we have focused our attention on several projects within the reporting period, which include:</p> <ul style="list-style-type: none"> • a new supplier portal to improve access to our terms and conditions, financial agreements, and policies which together form our supply agreement; • longer term agreements with our key suppliers, to build long term partnerships; • reduction of our payment terms for small suppliers, to help support supplier relationships; and • a move to weekly forecasting for all of our suppliers to ease planning, and to help us improve our collaboration with suppliers.
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Lidl	Corporate website	<p>GSCOP ANNUAL COMPLIANCE REPORT 2018-2019</p> <p>This report details the actions taken by Lidl Great Britain Limited to ensure ongoing compliance with the Groceries Supply Code of Practice, which came into force on 4th February 2010.</p> <p>This document also gives account, for the Company's last full financial year (FY 18/19), of any allegations or Disputes that were raised by Suppliers, the level at which they were raised and resolved.</p> <p>Actions undertaken prior to commencement of GCSOP:</p> <p>In conjunction with external solicitors:</p> <p>All existing Terms and Conditions checked for compliance with the Code.</p> <p>Reference to GSCOP made in relation to all existing contracts.</p> <p>Review of 2018-2019</p> <p>In-house compliance measures:</p> <p>GCA Visit 01.05.19:</p> <p>The CCO invited the GCA and her team to its Head Office on 01.05.19 for a meeting with its Chief Executive Officer, Commercial Board Director, and Board Director for Administration, and to hold a presentation for Lidl's Senior Buying team in order to ensure that the topic of Code compliance remains high on the business agenda following the previous year's successful visit.</p> <p>Training:</p> <p>Annual refresher training for Buyers and relevant members of Supply Chain, Accounts, QA, Artwork & Design, and Buying Administration was carried out by the CCO on 14.11.18, 05.02.19, 09.04.19, 15.04.19, 17.04.19, 26.04.19, 30.04.19, 02.05.19, and 22.05.19. Training for Lidl's Head Office Supply Chain team and the regional Supply Chain Promotional Activity teams was carried out on 23.05.19 and 20.06.19.</p> <p>A total of 119 employees were trained since last year's Annual Report (of which 72 members of the Buying Team).</p> <p>Internal Review of Policies:</p> <p>In response to supplier feedback communicated to Lidl by the GCA, the CCO visited two Lidl depots to review the Goods In and delivery processes, and collaborated with the Buying department on the topics of supplier on-boarding and de-listing to further ensure the risk of Code breaches in these areas is mitigated.</p> <p>The CCO continued to raise awareness of the GSCOP by extending the GSCOP training offer, continued to liaise with Lidl's International HQ to mitigate the risk of GSCOP breaches and continued to monitor payment performance.</p> <p>Disputes:</p> <p>No disputes have been raised to the CCO under Articles 11(2) or 11(3) of the Groceries (Supply Chain Practices) Market Investigation Order 2009.</p>
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M&S	Annual report and financial statements 2019	<p>GROCERIES SUPPLY CODE OF PRACTICE</p> <p>The Groceries (Supply Chain Practices) Market Investigation Order 2009 (the “Order”) and The Groceries Supply Code of Practice (the “Code”) impose obligations on M&S regarding its relationships with its suppliers of groceries. Under the Order and Code, M&S is required to submit an annual compliance report to the Audit Committee for approval and then to the Competition and Markets Authority and Groceries Code Adjudicator (GCA).</p> <p>M&S submitted its report, covering the period from 1 April 2018 to 30 March 2019, to the Audit Committee on 16 May 2019.</p> <p>In accordance with the Order, a summary of that compliance report is set out below.</p> <p>M&S believes that it has materially complied with the Code and the Order during the relevant period. No formal disputes under the Code have arisen during the reporting period. There have been seven instances during the reporting period in which suppliers have either alleged a breach or made a reference to potential non-compliance with the Code. M&S has worked with the suppliers to address the issues raised and they have all now been resolved or closed. One additional Code reference made by a supplier before 1 April 2018 was also resolved during the reporting period.</p> <p>A detailed summary of the compliance report is available on our website.</p>
	M&S Website	<p>SUMMARY OF M&S GSCOP COMPLIANCE REPORT 2018/ 19</p> <p>Pursuant to Article 10(5) of The Groceries (Supply Chain Practices) Market Investigation Order 2009</p> <p>LONGER VERSION BUILDING ON SHORT SUMMARY IN THE ANNUAL REPORT AND ACCOUNTS 18/19</p> <p><u>Background</u></p> <p>The Groceries (Supply Chain Practices) Market Investigation Order 2009 (the “Order”) and The Groceries Supply Code of Practice (the “Code”) impose obligations on M&S regarding its relationships with its suppliers of groceries. Under the Order and Code, M&S is required to submit an annual compliance report to the Audit Committee for approval and then to the Competition and Markets Authority and Groceries Code Adjudicator(“GCA”).</p> <p><u>Compliance Report</u></p> <p>M&S submitted its report, covering the period from 1April 2018to 30March 2019 to the Audit Committee on 16May 2019. In accordance with the Order, a summary of that compliance report is set out below.</p> <p><u>Working with the GCA</u></p> <p>M&S works closely with the GCA, Christine Tacon, and her team to ensure that it complies with the Code and treats suppliers fairly. We consider the GCA to be an effective regulator, who works in a transparent manner and is very clear on the actions she expects designated retailers to take.</p>

The GCA and members of her team met with Stuart Machin, the M&S Food Managing Director, and his Leadership Team on 24 October 2018, to discuss current priorities and issues. She also delivered a presentation to a group of Food buyers and other colleagues.

Training

M&S reviewed and overhauled its internal Code training programme during the reporting period. It has launched a new e-learning module, which is mandatory for members of the Buying Teams amongst others, and must be completed on an annual basis. We were very pleased that Christine Tacon agreed to appear a short video presentation which forms part of the module. This e-learning is supplemented by regular face-to-face training by the Code Compliance Officer and members of the Legal team which will address key issues and is tailored to the relevant audience.

Other actions taken to enhance compliance

As a result of feedback from GCA and Suppliers, and to help achieve business objectives, M&S has taken steps during the relevant period to enhance Code compliance and improve ways for working with our suppliers. Key initiatives include the following:

- We completed the implementation of the Movement of Stock project. This established a new system to track groceries goods within the supply chain and distribution centres. It provides enhanced transparency and accuracy for suppliers and has led to a demonstrable decrease in related queries.
- M&S has established a group of 12 new employees (Category Assistants) who are responsible for working with relevant buyers, suppliers and the Business Service Centre to resolve supplier queries and disputes, including payment related issues.
- Our Business Service Centre, responsible for supplier deductions and invoicing, has simplified the process and communications channels for queries and disputes and recruited three new employees responsible for dealing with these issues.

Compliance and Disputes

M&S believes that it has materially complied with the Code and the Order during the relevant period. No formal disputes under GSCOP have arisen during the reporting period.

Supplier queries and allegations

In accordance with the Code and GCA guidelines, M&S has identified and reported to the GCA on all instances where Suppliers have either alleged a breach or made reference to potential non-compliance with the Code. Seven instances arose during the reporting period, and all were closed or resolved at the end of the reporting period. An additional Code issue which arose before the reporting period was also resolved.

<p>Morrisons plc</p>	<p>Annual Report and Financial Statements 2018/19</p>	<p>The Groceries Supply Code of Practice (GSCOP)</p> <p>GSCOP applies to designated grocery retailers in the UK, adding specific regulations into the trading relationships between retailers and their suppliers. We actively engage with the relevant regulatory bodies, the Groceries Code Adjudicator (GCA) and the Competition and Markets Authority (CMA), to build best practice. We meet regularly with the GCA, and provide updates on our activity and details on specific areas of interest to the Adjudicator.</p> <p>In addition to these regular update meetings, we invited the GCA to meet buyers and attend a Board meeting, provided a guest speaker for the GCA's annual conference and presented to new retailers being brought under the GCA's remit.</p> <p>During the year, we focused on a number of matters raised by suppliers or the GCA, with the key developments including:</p> <ul style="list-style-type: none"> • reviewing our forecasting systems and processes to find ways to improve the information we share and the way we work with suppliers; • introducing a supplier portal which is provided free for suppliers; and • continuing to listen and improve initiatives such as our 'Good Faith Receiving' process and our dedicated supplier helpdesk. <p>We provide training and support on GSCOP to all colleagues in our trading teams, together with bespoke training in a range of formats for relevant colleagues in our supply chain and finance teams. We have further enhanced our training programme by developing an interactive online GSCOP training module which was completed by nearly 900 colleagues.</p> <p>Governance in this area includes a group comprising of Leadership Team members from all relevant functions. Routine updates are provided to the Executive Committee and to the Corporate Compliance and Responsibility Committee, including developments relating to the operation of the Code. We formally report details of activity over the year, together with any specific concerns raised with our Code Compliance Officer (CCO), to the GCA and to the CMA at the financial year end.</p> <p>GSCOP-related enquiries are dealt with in accordance with the regulations. Any matter not resolved directly with a buyer is escalated to the relevant Category Director and, if requested, to our CCO. During the year, we successfully resolved all direct Code-related complaints following conversation with the supplier concerned, with the exception of one raised in January 2019 which has subsequently been resolved. Contact details and further information can be found at morrison.co.uk/gscop.</p>
	<p>Morrisons – Regulation section</p>	<p>Regulation</p> <p>The Group operates in an environment governed by numerous regulations including GSCOP (Groceries Supply Code of Practice), competition, employment, health and safety and regulations over the Group's products. The Board takes its responsibilities very seriously and recognises that</p>

		<p>breach of regulation can lead to reputational damage and financial damages to the Group. Consideration is also given to any potential changes to regulations.</p> <p>Regulatory changes in the event of a 'no deal' outcome in areas such as the labelling of goods, transfer of data and exporting of products will have some impact on the Group.</p> <ul style="list-style-type: none"> • We have a GSCOP compliance framework in place including training for relevant colleagues and processes to monitor compliance; • We have a senior level working group in place to review and improve GSCOP compliance activity; • We have an independent whistleblowing line for suppliers to provide feedback to the Group and a Code Compliance Officer so that action can be taken as necessary; • The Group monitors for potential regulatory change and the impact on contractual arrangements; • We have training, policies and legal guidance in place to support compliance with Competition Law and other regulations; and • We actively engage with government and regulatory bodies on policy changes which could impact our colleagues and our customers.
Ocado Retail		<p>Ocado Group was originally the designated retailer (designated 1.11.18), with its first report due in 2020. At time of writing, however, the CMA has made a provisional decision to revoke Ocado Group's designation on the basis all grocery retail sales are now made by Ocado Retail which was designated on 16.10.19. This would suggest that Ocado Retail's first report will be due in 2021.</p>
J Sainsbury plc	<p>Annual report and financial statements 2019</p>	<p>Company's compliance with the Groceries Supply Code of Practice.</p> <p>In 2010, the Groceries Supply Code of Practice (GSCOP) was implemented following the recommendation of the Competition Commission. Where applicable, each grocery retailer had to appoint a Code Compliance Officer (CCO) whose duties include hearing disputes between suppliers and the relevant retailer. Sainsbury's has appointed the Director of Internal Audit as its CCO. GSCOP requires that each applicable grocery retailer delivers an annual compliance report to the Groceries Code Adjudicator (GCA), which has been approved by the Chair of the Audit Committee. A summary of the compliance report must be included in the Annual Report and Financial Statements, which is set out below.</p> <p>Summary Annual Compliance Report</p> <p>Sainsbury's compliance with the Code is based on clear policies and procedures, mandatory training and regular monitoring of compliance. Sainsbury's has dedicated internal resources to provide all relevant colleagues with day-to-day advice and guidance. The Trading Division's compliance team, in consultation with Group Legal and the CCO, continues to assess the adequacy of policies and procedures in place to support GSCOP awareness and compliance. Collaboration between the Trading Division's compliance</p>

		<p>team, Group Legal, Internal Audit and the CCO has been enhanced this year, helping to ensure that potential Code-related matters are identified promptly. Compliance results, including performance against KPIs, are reported to the Food Commercial Leadership Team quarterly. Additional assurance is provided by Internal Audit.</p> <p>A small number of potential breaches of GSCOP were received in the year. As at 9 March 2019, all but one of these had been resolved either within our Trading Division using standard escalation procedures or, in five of these cases, through discussions between the CCO and the supplier. Actions are in place to resolve the one case that is outstanding. None of these were pursued as formal Disputes with the CCO and none required referral to the GCA for Arbitration. Group Legal, the compliance team and the CCO review the root causes of the potential breaches to identify any areas for improvement and to agree actions with the business.</p> <p>The CCO and the Committee Chair meet with the GCA on a regular basis. Sainsbury's continues to work collaboratively and positively with the GCA to proactively identify and address any areas for improvement in terms of GSCOP compliance. Over the year, one of these meetings was attended by the Food Commercial Director and other senior stakeholders from supply chain and trading to facilitate collaboration. Areas of focus this year included working to align our processes with the GCA's forecasting best practice statement, refreshing our customer complaints process and reporting performance against a broader set of KPIs in relation to payments. Sainsbury's is currently reviewing the outcomes from the GCA's investigation into the Co-op to ascertain if any changes are required to achieve alignment.</p>
TJ Morris		Designated on 03.09.19. First report due in 2021.
Tesco plc	Annual report and Financial Statements 2019	<p>Compliance with the Groceries (Supply Chain Practices) Market Investigation Order 2009 and the Groceries Supply Code of Practice (the Code).</p> <p>The Code regulates aspects of the commercial relationship between the 12 largest grocery retailers in the UK and their suppliers of grocery products, establishing an overarching principle that retailers must deal with their suppliers fairly and lawfully. Specific supplier protections under the Code include the obligation for agreements to be in writing and copies retained; reasonable notice to be given of changes to the supply chain or reduction in the volume of purchases; and a number of provisions relating to payments by suppliers, including obligations for retailers to pay suppliers without delay and a prohibition on certain types of payments, such as those for shrinkage.</p> <p>Retailer compliance with the Code is overseen by the Groceries Code Adjudicator (GCA), Christine Tacon. We continue to engage constructively and positively with the GCA and her office and in 2018/19 we worked together in particular on her Top Issues.</p> <p>We have an established Code compliance programme at Tesco and One Stop which is embedded throughout our business. Following our merger with Booker in March 2018, we have been developing a bespoke GSCOP compliance</p>

		<p>programme at Booker which includes training and guidance on the Code. Similarly, as part of our strategic alliance, we have worked with Carrefour to deliver GSCOP training and guidance to colleagues working with suppliers to our UK business. At Tesco and One Stop we train colleagues across our Product and other functions in the UK and in Bengaluru on their obligations under the Code. In 2018/19, we trained 325 new starters and 1,393 colleagues received updated e-learning which is supplemented, where required, with face-to-face training sessions. In addition, 5,647 office colleagues have completed their annual Code of Compliance Declaration, and those colleagues who work with grocery suppliers have also completed a declaration to confirm they have complied with GSCOP during 2018/19. During the year, 530 Booker colleagues attended face-to-face or virtual training sessions on the Code. Training on the Code has been supplemented at Booker through the rollout of detailed guidance documents.</p> <p>We continue to strengthen and transform the way we work with suppliers through our Product Change Programme, simplifying how we do business and improving our supplier relationships. These developments are having a positive impact on our supplier relationships. In the GCA's annual supplier survey for 2018, Tesco placed second in the overall assessment of Code compliance, an improvement from fourth in 2017. Tesco continues to be the most improved supplier for a third year with 97% of our suppliers recognising that we comply 'consistently well' or 'mostly well' with the Code. In our own supplier survey for the second half of 2018/19, we are pleased that the results continue to reflect the progress we have made with suppliers. Our total UK score for suppliers rating their satisfaction with Tesco as either 'extremely satisfied' or 'very satisfied' was 79.7%. In relation to the areas discussed in this response, our strongest score in viewpoint continues to be 'Tesco pays promptly (within policy terms)' at 88.6%. In addition, 'Tesco ensures issues are listened to, discussed and addressed' saw 76.3% of our suppliers as either 'extremely satisfied' or 'very satisfied'.</p> <p>This year, 40 Code-related issues were raised by suppliers (this includes four Booker suppliers and one Stop supplier). In line with feedback sent by the GCA to all designated retailers, we have updated our internal reporting framework to capture all Code related issues raised by suppliers with any colleagues. Therefore, the scope of issues captured has widened for reporting purposes. As at 23 February 2019, we had resolved 34 of the concerns following further discussion between the buying team and the relevant supplier, or between our Code Compliance Officer and the supplier. Of the six remaining complaints to be resolved, we continue our discussions with these suppliers, with a view to resolving these matters.</p>
Waitrose	John Lewis Partnership Ltd Annual Report and Accounts 2019	<p>GROCERIES (SUPPLY CHAIN PRACTICES) MARKET INVESTIGATION ORDER 2009 (THE ORDER) AND THE GROCERIES SUPPLY CODE OF PRACTICE (GSCOP)</p> <p>Waitrose & Partners is subject to the Order and the GSCoP. As required by the Order and the GSCoP, Waitrose & Partners' Code Compliance Officer (CCO) is obliged to present an annual report detailing the business' compliance to GSCoP to the Partnership's Audit and Risk Committee, for</p>

		<p>onwards submission to the Competition and Markets Authority (CMA). The reporting period covered is 28 January 2018 to 26 January 2019.</p> <p>The CCO presented the report to the Committee on 9 April 2019 and reported a slight decrease in the number of suppliers raising GSCoP queries in the trading period. Two concerns were carried over from the previous year and there were ten new issues raised by suppliers, of which four involved the CCO. In each case we worked with the suppliers involved to understand their concerns and seek a resolution in a timely manner. One query was still in progress at the end of the reporting period. There were no formal disputes raised during the year.</p> <p>The Committee reviewed and approved the annual report and also noted and agreed with the points raised in the Internal Audit report on GSCoP compliance. They welcomed the activity undertaken to enhance training and support materials and discussed the findings of the recent Groceries Code Adjudicator (GCA) investigation. They supported the approach and plan for ensuring ongoing GSCoP compliance.</p> <p>See page 84 of the Directors' report for further information.</p>
		<p>Governance report (page 84)</p> <p>GROCERIES (SUPPLY CHAIN PRACTICES) MARKET INVESTIGATION ORDER 2009 (THE ORDER) AND THE GROCERIES SUPPLY CODE OF PRACTICE (GSCOP)</p> <p>Waitrose & Partners is subject to the Order and the GSCoP. Both regulate our trading relationships with grocery suppliers, including training requirements for buyers and the content of supplier contracts. Our approach to GSCoP compliance reflects our long-term commitment to treating our suppliers fairly, as set out in the Constitution (Principle 6 and Rule 96). See page 65 for information on the annual report from the Waitrose & Partners Code Compliance Officer (CCO) to the Audit and Risk Committee required by the Order and the GSCoP.</p> <p>We have a positive working relationship with the Groceries Code Adjudicator (GCA) and her team and welcome discussions and advice on how to enhance supplier relationships. Meetings are constructive and cover discussions on a range of topics. The feedback from both the GCA annual survey and the quarterly meetings were helpful in identifying suppliers' concerns and resulted in a number of changes to our processes.</p> <p>We work collaboratively with our suppliers and internally adopt an approach of continuous review and improvement, which this year included new GSCoP guidance notes and a new site for reference information and guidance.</p> <p>Day-to-day advice, online guidance and support is available to buyers with more specialist advice offered by the CCO team and the Partnership's Legal department. We have an online site for relevant Partners which includes advice, templates and details of where to get further support.</p> <p>For suppliers we provide information about the GSCoP on 'Waitrose Engage' – an online resource for all of our suppliers which includes GSCoP related content.</p>

		<p>Each query is taken seriously to understand the concern, seek resolution and identify whether further guidance or changes to our processes are required. We have also proactively carried out internal reviews and identified areas where we need to strengthen our processes through clear action plans.</p>
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