

Chief Executive Officer
Co-operative Group Limited

From: Daniel Turnbull
Senior Director, Markets

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Co-operative Group Limited's breaches of the Groceries Market Investigation (Controlled Land) Order 2010

I am writing to express the CMA's concern that Co-operative Group Limited ('Co-op') has breached the Groceries Market Investigation (Controlled Land) Order 2010 (the 'Order') on 107 occasions.

The Order was put in place to prevent Large Grocery Retailers, like Co-op, from benefitting from long exclusivity arrangements and restrictive covenants.

In February 2020, following the CMA's determination that there had been several breaches of the Order by another Large Grocery Retailer, the CMA wrote to all retailers within the scope of the Order, including Co-op, to ask them to assess their compliance with the Order and report to the CMA.

The CMA's assessment has identified 107 breaches of the Order by Co-op since the Order came into force (3 of which remain ongoing at the date of this letter). The CMA acknowledges that Co-op has proactively taken steps to address the root causes of these breaches, has cooperated with the CMA to date and is now working with the CMA to take further remedial action to address the breaches identified. Along with other Large Grocery Retailers, Co-op will now also report annually to the CMA regarding its compliance with the Order.

Nevertheless, the CMA is concerned by the very large number of breaches, which the CMA considers demonstrates significant failures in compliance for a business of Co-op's size, resources and standing, particularly given that the Order has been in force since 2010. Following extensive engagement between the CMA and Co-op, the CMA now expects Co-op to move swiftly to rectify all 3 outstanding breaches.

This letter has been published on the CMA website, which also contains further details on these 107 breaches and the remedial action that Co-op has agreed to take.

Yours sincerely

Daniel Turnbull
Senior Director, Markets