

Chief Executive Officer
J Sainsbury plc

From: Adam Land
*Senior Director, Remedies
Business and Financial Analysis*

13 June 2023

**Eighteen breaches of the Groceries Market Investigation (Controlled Land)
Order 2010**

I am writing to express the CMA's concern that Sainsbury's has repeatedly breached the Groceries Market Investigation (Controlled Land) Order 2010 (the Order).

The Order was put in place to prevent Large Grocery Retailers, like Sainsbury's, from benefitting from long exclusivity arrangements and restrictive covenants. The CMA is therefore concerned to have found that you have breached your legal obligations under the Order on 18 separate occasions since the Order came into force.

As part of our monitoring and enforcement of the Order, in February 2020 following our determination that there had been several breaches of the Order by another Large Grocery Retailer (Tesco), the CMA wrote to all retailers within the scope of the Order to ask them to assess their own compliance with the Order and report to the CMA. This assessment has identified 18 breaches of the Order by Sainsbury's since the Order came into force (nine of which have ceased and nine of which remain ongoing at the date of this letter).

I recognise that Sainsbury's has cooperated with the CMA in taking forward its analysis and is now taking remedial action to address the breaches identified. However, these breaches demonstrate significant shortcomings in compliance for a company of Sainsbury's size, resources and standing, particularly given that the Order has been in force since 2010. Following detailed engagement between the CMA and Sainsbury's, the CMA now expects Sainsbury's to move swiftly to rectify all outstanding matters.

This letter has been published on the CMA website, which also contains further details on these 18 breaches and the remedial action that Sainsbury's has agreed to take in relation to these breaches.

Yours sincerely

Adam Land

Senior Director, Remedies, Business and Financial Analysis