

Chief Executive Officer
Wm Morrison Supermarkets Limited

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

6 December 2023

**Fifty-five breaches of the Groceries Market Investigation (Controlled Land)
Order 2010**

I am writing to express the CMA's concern that Morrisons has breached the Groceries Market Investigation (Controlled Land) Order 2010 (the Order) on 55 occasions.

The Order was put in place to prevent large Grocery Retailers, like Morrisons, from benefitting from long exclusivity arrangements and restrictive covenants. The CMA is therefore concerned by the large number of instances in which Morrisons has breached its legal obligations under the Order, which is the poorest compliance record that the CMA has identified to date through its monitoring and enforcement of the Order.

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 55 breaches of the Order by Morrisons since the Order came into force (14 of which have ceased and 41 of which remain ongoing at the date of this letter).

Morrisons has proactively taken steps to address the root causes of these breaches, has cooperated with the CMA in taking forward its analysis and is now working with the CMA to identify and take further remedial action to address the breaches identified. However, the number of breaches, and the proportion of Morrisons' land agreements that were found in breach of the Order (approximately 15% of all such agreements) demonstrate significant failures in compliance for a company of Morrisons' size, resources and standing, particularly given that the Order has been in force since 2010.

Following detailed engagement between the CMA and Morrisons, the CMA now expects Morrisons to move swiftly to rectify all 41 outstanding breaches.

This letter has been published on the CMA website, which also contains further details on these 55 breaches and the remedial action that Morrisons has agreed to take.

Yours sincerely

Adam Land

Senior Director, Remedies, Business and Financial Analysis