

Darren Jones MP
House of Commons
London
SW1A 0AA
4 December 2020



Sainsbury's Supermarkets Ltd
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www.sainsburys.co.uk

Dear Mr Jones,

Yesterday we announced that we will forgo £440m of business rates relief. We would like to thank you for the 12 months business rates holiday announced in March. At that time, we had limited visibility to the nature and extent to the business of COVID-19.

However, through the course of 2020 all Sainsbury's stores have been deemed essential retail. Almost all have been open and trading strongly, with the exception of a small number of convenience stores. As a result of this, Sainsbury's sales and profits have been stronger than originally expected, particularly since the start of the second national lockdown in England and we have therefore taken the decision to forego the business rates relief on all Sainsbury's stores.

Sainsbury's has played a vital role in helping to feed the nation, prioritising the elderly, disabled and vulnerable and working hard to keep our customers and colleagues safe. We have hired 56,000 people, paid 13,000 colleagues to self-isolate for 12 weeks and made nearly nine million grocery deliveries to elderly, disabled and vulnerable customers. We have not taken any furlough payments or any other form of government support. Since March we have also committed to donate £10 million to charities and local communities and given our colleagues two additional thank you payments.

We have been proud to play our part in feeding the nation in this extraordinary year and every one of our colleagues has gone above and beyond to support each other, our customers and our communities. In order to keep our colleagues, customers and communities safe, we have incurred £290m of costs in the first half of our financial year.

We believe now is the fair and right time to forgo the business rates relief that we have been given on all Sainsbury's stores. We are very mindful that non-essential retailers and many other businesses have been forced to close again in the second lockdown and we hope that this goes some way towards helping them.

As we have written in response to the recent call for evidence, we believe fundamental reform of business rates is required. COVID-19 and the associated business rates holiday has highlighted the disproportionate burden business rates represents for retailers compared with other industries. The business rates system also continues to exacerbate the lack of a level playing field for taxation between bricks and mortar and online retailers. Business rates reform has been talked about for too long, COVID-19 must be the final catalyst for change.

We look forward to continuing to work closely with the government to feed the nation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Roberts', with a long, horizontal flourish extending from the bottom of the signature.

Simon Roberts
Chief Executive Officer
Sainsbury's