



J Sainsbury plc Modern Slavery Statement

J Sainsbury plc

2018/19



Our vision is to be the most trusted retailer where people love to work and shop. This includes treating people fairly wherever they are in our business and supply chains.

We understand our duty to respect human rights, we are committed to identifying vulnerable workers and we will not tolerate any form of slavery or servitude in our business or supply chains. Our risk-based approach enables us to proactively tackle serious exploitation of workers and provide resources where they are most needed to protect workers.

Modern slavery and human trafficking are abhorrent practices that still exist in many parts of the world, including the UK. This is our third statement on our efforts to prevent modern slavery in line with Section 54 of the UK Modern Slavery Act 2015. It details the steps taken during the year ending 10 March 2019 to prevent modern slavery and human trafficking in our business operations and supply chains.

This statement has been approved by J Sainsbury plc Board of Directors.

Mike Coupe
Group Chief Executive Officer
J Sainsbury plc
10th July 2019



Contents

Introduction

Key activities in 2018/19 **3**

About Sainsbury's Group **4**

Our approach

Policies and commitments **5**

Governance **7**

Risk assessment **8**

Due diligence **12**

Training **14**

Effectiveness

Key performance indicators **15**

Collaboration

Collaboration case studies **17**

Collaboration overview **19**

Key activities in 2018/19

Gained further insights through our **Modern Slavery Risk Assessment Tool**, including identifying potential new higher risk products to review. We also expanded the tool to cover Argos. *Page 8*

Fully integrated **Sainsbury's Argos**, with unified commercial teams for clothing and general merchandise across our Group, improving sourcing accountability.

Collaborated to help develop five free training webinars to support UK firms in **improving accommodation standards** for workers, which was shortlisted for a collaboration award. *Page 18*

Reached a **transparency milestone** for Sainsbury's Argos, publishing 99.6 per cent of our first tier manufacturing sites for clothing and footwear on our Tu website. *Page 12*



Trained colleagues on modern slavery through **workshops, forums and e-learning**. *Page 14*

The **Business and Human Rights Resource Centre** identified Sainsbury's as a leader in the FTSE100 for transparency on Modern Slavery Act requirements, with a top four score.

Our Group Chief Executive Officer took on the role of Retailer College Co-Sponsor for the **Consumer Goods Forum's sustainability pillar**, covering issues including human rights, and spoke at the Forum's Sustainable Retail Summit. *Page 17*



Joined as founding sponsors of the **Responsible Recruitment Toolkit**, providing guidance and access to training to our suppliers and their labour providers, as part of our efforts to ensure that no worker pays for a job. *Page 17*

Developed our **Sustainable Sourcing Policy** for goods and services not for resale. *Page 13*

Piloted **Everyone's Business**, a new app for Sainsbury's Argos commercial teams, which prompts our colleagues on site visits to spot ethical risks. *Page 17*



Supported the **Retailer Protocol for Handling Reported Cases of Modern Slavery**. *Page 6*

Piloted initiatives as founding members of the **Responsible Car Wash Scheme**. We are now analysing results before rolling out the scheme across our estates. *Page 18*



Joined the **Food Network on Ethical Trade**, collaborating on challenges in ethical trade, including around recruitment fees and hidden charges for workers. *Page 17*

About Sainsbury's Group

Our commitment to helping customers live well for less has been at the heart of what we do since 1869.

Today, that means making our customers' lives easier and providing them with great products, quality and service at fair prices, whenever and wherever convenient.

We provide our customers with food, clothing, general merchandise and financial services, operating stores in the UK and Ireland, along with major online channels.

We are a multi-product, multi-channel business with fast delivery networks. We have an integrated approach to addressing modern slavery across our business operations and supply chain.

This statement covers our approach to prevent modern slavery across Sainsbury's and Sainsbury's Argos¹. We are also working to align Habitat's due diligence within the Group's, along with our customer reward scheme Nectar and data partner Insight 2 Communications. For Sainsbury's Bank's Modern Slavery Statement, please visit www.sainsburysbank.co.uk

Definitions for the purpose of this statement

Our Group / Sainsbury's Group / J Sainsbury plc	Whole plc business including food, clothing, general merchandise, goods not for resale and financial services
Sainsbury's	Sainsbury's own-brand food and groceries
Sainsbury's Argos	Sainsbury's own-brand clothing and general merchandise; Argos; excluding Habitat
Our own-brand	Sainsbury's and Sainsbury's Argos own-brand products

Our Group at a glance

£32.4bn Group Sales (inc. VAT)

178,000 Colleagues

608 Sainsbury's supermarkets

820 Sainsbury's convenience stores

883 Argos stores and in-supermarket outlets

16 Habitat stores

¹This statement sets out the steps taken by J Sainsbury plc, Argos Limited, Sainsbury's Supermarkets Ltd, Sainsbury Propco A Limited, Sainsbury Propco B Limited, JS Information Systems Limited, Sainsbury's Property Scottish Partnership, Nectar Loyalty Limited, Insight 2 Communication LLP, Habitat Retail Limited all of which fall within the scope of section 54(2) of the Modern Slavery Act 2015 and the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015."

Our supply chain at a glance

4 International sourcing offices in Hong Kong, Shanghai, Delhi and Dhaka

70+ Countries where we source our own-brand products

1,803 Suppliers for our own-brand products, operating across 3,393 sites

2500+ Suppliers for our goods and services not for resale, of which around four per cent are for logistics

50%+ Of Sainsbury's supplier sites are based in the UK, Spain, France and Italy, providing food and grocery products

80%+ Of Sainsbury's Argos suppliers are based in China, Bangladesh, India and Turkey, for products including furniture, electronics, clothing and toys

900,000+ Workers in the first tier of our Sainsbury's food, general merchandise and clothing own-brand supply chain, of which around nine per cent are agency workers and 49 per cent are women

Policies and commitments

We have well-developed policies and processes in place to avoid causing or contributing to adverse human rights impacts through our activities, including any form of slavery, and we are committed to addressing such impacts if they occur. We do not tolerate any form of human rights abuse within our company or supply chain.

Our [Human Rights Policy](#), published in March 2018, is owned by our Group HR Director and outlines our commitment to respect the human rights of all colleagues, customers and suppliers across our Group. This builds on our long-standing policies, processes and partnerships on ethical trade, including respect for the rights of people working in our supply chains.

Our [Code of Conduct](#) is aligned with the Ethical Trading Initiative (ETI) Base Code, which derives from the Core Conventions of the International Labour Organisation and the United Nations Universal Declaration of Human Rights. Our Code is included in Sainsbury's Supplier Policy for Ethical Trade and Sainsbury's Argos Ethical Trade Manual for Suppliers.

We require all our own-brand product suppliers and new suppliers of goods and services not for resale to comply with our Code and to provide evidence of continuous improvement.

We developed our [Overarching Sustainability Standard](#) working with independent experts, along with tailored standards for key materials used in Sainsbury's own-brand products. These standards are designed to help our farmers and growers identify opportunities to improve their economic, social and environmental performance, including human rights. We are also trialling individual standards for prawns, tea, sugar cane and flowers.



Publicly available policies

[Our Group Human Rights Policy](#)

Outlines our commitment to respect the human rights of all colleagues, customers and suppliers.

[Sainsbury's Code of Conduct for Ethical Trade](#)

Sets out the ethical standards our product suppliers must uphold in their business and supply chains, including the strict prohibition of all forms of slavery and human trafficking.

[Sainsbury's Sustainability Standards](#)

Helps our farmers and growers identify opportunities to improve their economic, social and environmental performance, including human rights.

Additional policies and commitments

Across our Group we thoroughly investigate any suggestion of malpractice in our supply chain and do not tolerate any breach of our ethical standards.

For all Sainsbury's suppliers, our contractual terms include a clause on compliance with the Modern Slavery Act 2015. Suppliers are required to demonstrate compliance and inform us of any breaches.

We require Sainsbury's suppliers to have their own codes of conduct, along with policies and systems to manage ethical trade in their own supply chains and report progress to us. They must allocate sufficient resource to ensure all their supplying sites and indirect suppliers comply with legal requirements and our Code of Conduct.

Sainsbury's Supplier Handbook gives more detail on our requirements for modern slavery due diligence. Our Supplier Policy for Ethical trade also includes guidance on the responsible use of labour providers and on social compliance audits for their suppliers.

Sainsbury's Argos Ethical Trade Manual for Suppliers provides information on our due diligence process and our policies and procedures. These include our child labour remediation procedure, anti-bribery policy, subcontracting policy and a comprehensive breakdown and explanation of our Code of Conduct.

For goods and services not for resale, this year we developed a Sustainable Sourcing Policy to build on our Code of Conduct. This Policy sets out our expectations on both environmental and social sustainability.

For all Sainsbury's and Sainsbury's Argos colleagues, our Colleague Handbook highlights our brand values and outlines their rights and responsibilities, including topics related to human rights. We want to be the most inclusive retailer, where every single one of our colleagues can

fulfil their potential. We have a zero-tolerance policy on discrimination, harassment, bullying and victimisation.

As we develop our new Sustainability Plan in the coming year, human rights will continue to be fully incorporated across our entire business and supply chain.

Supporting industry commitments

Through our policies and practices, we support a range of industry commitments on modern slavery. These include:

- The Consumer Goods Forum's [Forced Labour Priority Industry Principles](#), tackling three of the most problematic employment practices that can lead to forced labour
- The British Retail Consortium's [Better Retail, Better World](#) actions, which address global challenges highlighted in the UN Sustainable Development Goals, including modern slavery and decent work. All signatories commit to enhance employment and recruitment best practices and to embed a policy by 2020 for the supply chain that no worker should pay for a job
- The [Retailer Protocol for Handling Reported Cases of Modern Slavery](#), which we inputted into, in partnership with retailers, the British Retail Consortium, Gangmasters and Labour Abuse Authority and Stronger Together. We will communicate this to our suppliers in summer 2019 through our Sainsbury's Supplier Policy for Ethical Trade



EVERY WORKER SHOULD HAVE
FREEDOM OF MOVEMENT

NO WORKER SHOULD PAY FOR A JOB

NO WORKER SHOULD BE INDEBTED OR COERCED TO WORK

The Consumer Goods Forum's Forced Labour Priority Industry Principles

Governance

Our Group-wide sustainability function is responsible for embedding respect for human rights across the whole of our Group business and supply chain.

Our Sourcing with Integrity Value Management Group, chaired by James Brown, Director of Non-food Commercial, discussed the Bangladesh Accord and Anti-Slavery Charter this year.

Our Great Place to Work Value Management Group, chaired by Angie Risley, Group HR Director, owns our Group Human Rights Policy.

Across the Group, our sustainability function continues with a remit to work with our suppliers to ensure compliance with our Code of Conduct, to build the capacity of our colleagues and suppliers and to participate in industry collaborations, including those linked to human rights.

Our Group-wide Modern Slavery Working Group continues to meet regularly, holding two meetings in 2018/19. This Group provides a useful forum for different business areas to give updates on identified modern slavery risks, share ideas and discuss action plans.

Sainsbury's Argos also holds monthly Ethical Forums, chaired by Sainsbury's Argos Head of Technical and Ethics and attended by our Commercial Trading Director and Sourcing Director. Topics discussed this year included updates to policies and procedures, suggestions for new ways of working, new risk areas identified and programmes for sign off.

As we revise and refresh our Sustainability Plan over the coming year, we will continue our efforts to embed respect for human rights across our business and supply chain.

For more on governance, see our Annual Report.

Overview of our governance structure below



Handling cases of modern slavery

When issues around modern slavery or human rights more broadly are identified in our Sainsbury's business or supply chain, they are managed by our technical and commercial colleagues, supported by our central team of social sustainability experts.

Sainsbury's Argos has dedicated ethical trade teams in the UK and all four Asia sourcing offices, who have responsibility for the everyday management of ethical issues.

Ethical issues are categorised by level of seriousness and an action plan is put in place to ensure that the supplier reaches compliance within a set timeframe. Any issue deemed high risk or not resolved within the agreed timeframe is escalated to senior leadership.



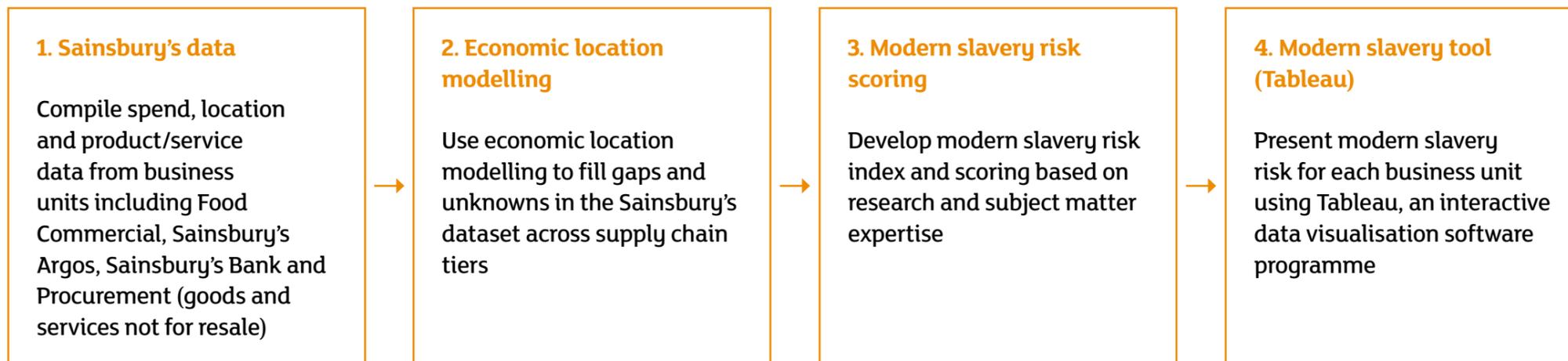
Risk assessment

Our Modern Slavery Risk Assessment Tool gives us unique insights into slavery risks across our complex global supply chain, not only at product and service level but also for individual ingredients and components.

This tool provides a level of detail that is unprecedented in our industry, combining our own data with economic models of sectors such as agriculture and manufacturing. This enables us to identify risks in multiple tiers of our supply chain, so we can take action. Importantly, this includes the lower tiers, where the risks are greatest but also more difficult to identify. This year we expanded our tool to cover Argos.

Across our Group, we will use findings from our tool to inform our supplier conversations, as we identify areas of risk in our supply chain.

How our tool, developed with PwC and human rights experts Ergon, works:



We continue to gather information on recruitment flows in our supply chains and on the presence of labour providers, which is where the risk of forced labour is highest. We also support industry initiatives to map recruitment flows and trends globally.

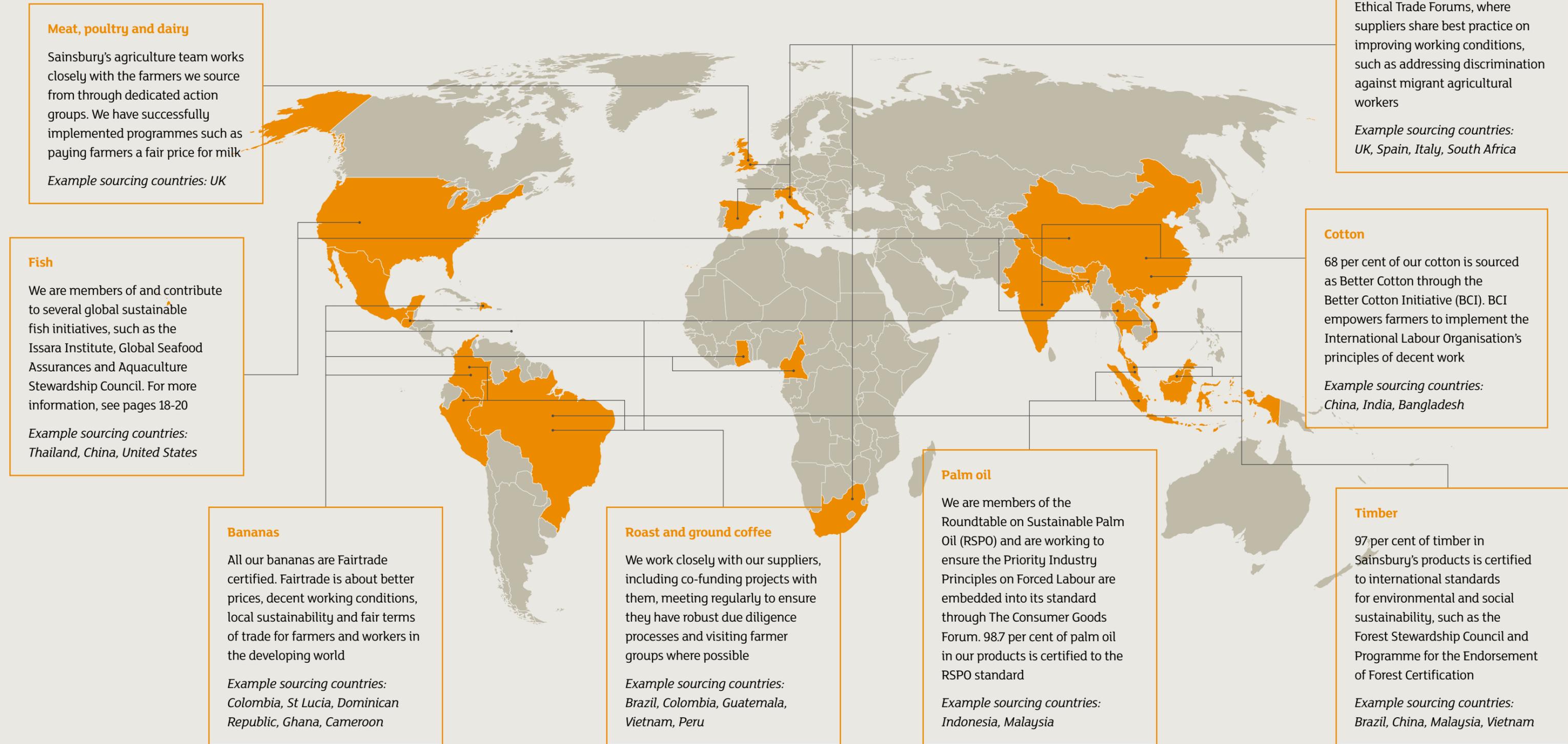
The tool has also proved useful in other areas. It is a great way to visualise our supply chain and sourcing, so we now also use it to analyse our spend in particular locations or on specific products and services, assessing how important they are to us.

We can work with PwC to feed new information into our tool, continually improving our approach to identify slavery risks in our supply chain.



Confirming higher risk products

Our Modern Slavery Risk Assessment Tool has confirmed higher risk products that, along with others in our industry, we have been aware of for some time. We have procedures and programmes in place to manage these risks. Examples of these products and what we are doing to reduce risks are outlined in the map below.



Meat, poultry and dairy

Sainsbury's agriculture team works closely with the farmers we source from through dedicated action groups. We have successfully implemented programmes such as paying farmers a fair price for milk

Example sourcing countries: UK

Fish

We are members of and contribute to several global sustainable fish initiatives, such as the Issara Institute, Global Seafood Assurances and Aquaculture Stewardship Council. For more information, see pages 18-20

Example sourcing countries: Thailand, China, United States

Bananas

All our bananas are Fairtrade certified. Fairtrade is about better prices, decent working conditions, local sustainability and fair terms of trade for farmers and workers in the developing world

Example sourcing countries: Colombia, St Lucia, Dominican Republic, Ghana, Cameroon

Roast and ground coffee

We work closely with our suppliers, including co-funding projects with them, meeting regularly to ensure they have robust due diligence processes and visiting farmer groups where possible

Example sourcing countries: Brazil, Colombia, Guatemala, Vietnam, Peru

Palm oil

We are members of the Roundtable on Sustainable Palm Oil (RSPO) and are working to ensure the Priority Industry Principles on Forced Labour are embedded into its standard through The Consumer Goods Forum. 98.7 per cent of palm oil in our products is certified to the RSPO standard

Example sourcing countries: Indonesia, Malaysia

Fruit and vegetables

Our suppliers in the UK and South Africa are trained on modern slavery through the Stronger Together initiative. We are also founding members of the Spanish Ethical Trade Forums, where suppliers share best practice on improving working conditions, such as addressing discrimination against migrant agricultural workers

Example sourcing countries: UK, Spain, Italy, South Africa

Cotton

68 per cent of our cotton is sourced as Better Cotton through the Better Cotton Initiative (BCI). BCI empowers farmers to implement the International Labour Organisation's principles of decent work

Example sourcing countries: China, India, Bangladesh

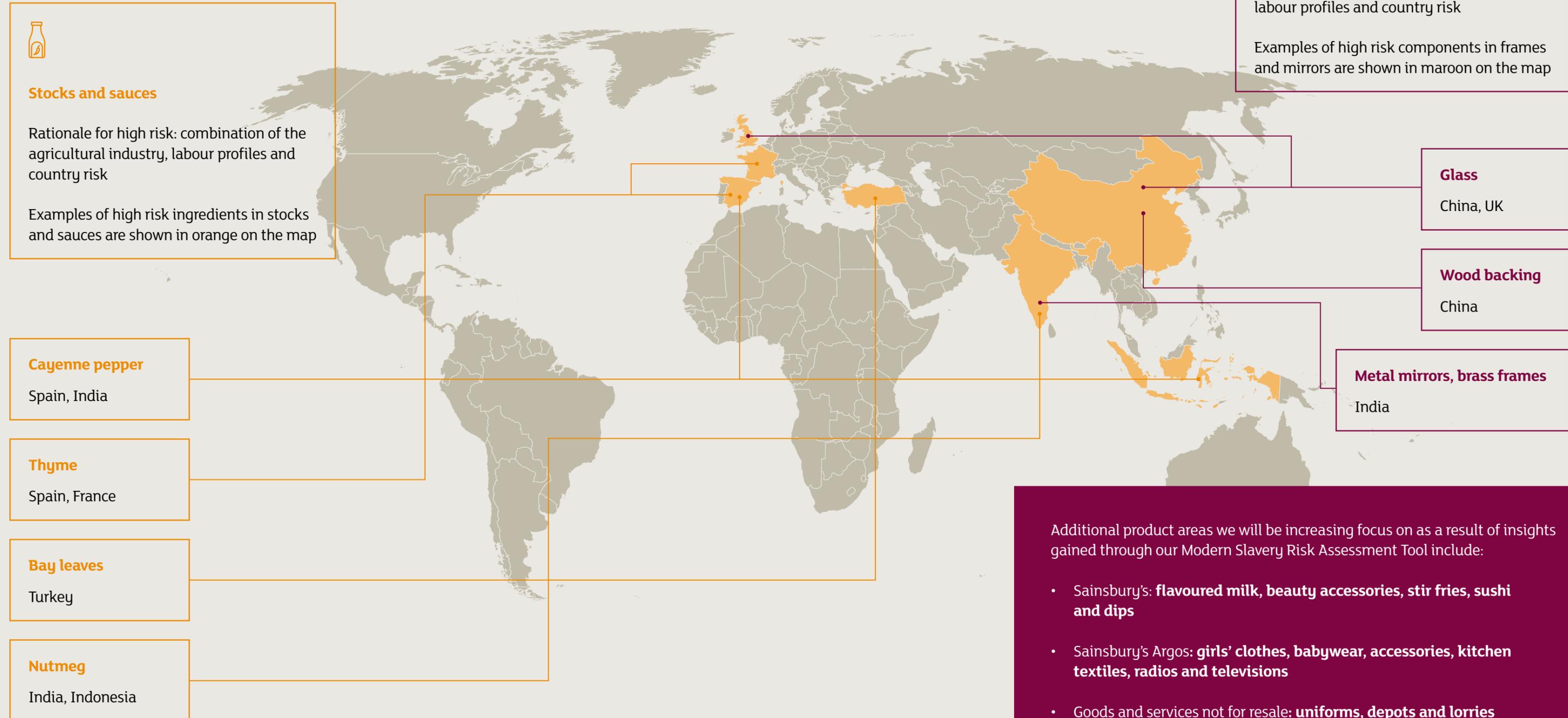
Timber

97 per cent of timber in Sainsbury's products is certified to international standards for environmental and social sustainability, such as the Forest Stewardship Council and Programme for the Endorsement of Forest Certification

Example sourcing countries: Brazil, China, Malaysia, Vietnam

Identifying additional higher risk products

By considering the vulnerability of workers at country and sector levels, as well as known incidences of slavery within the country and sector combinations, our Modern Slavery Risk Assessment Tool has identified potential new higher risk products to review. The granularity of the tool, which includes ingredients, enables us to identify additional drivers for risk. This helps focus our activities around specific products.



Acting on the results

We will follow up with suppliers in each of the identified high-risk product areas to understand existing due diligence and opportunities for further activities to reduce the risk of slavery and trafficking.

We continue to partner with Verité, a recognised authority on modern slavery, to interpret and respond to the results of the tool. This year Verité provided feedback on our risk tool and action framework, including suggestions on our due diligence framework and on best practices in managing modern slavery risks.

“Modern slavery is of serious concern to us as we believe it represents a material business risk for global corporations and we view compliance with the Modern Slavery Act as part of broader human rights and supply chain practices. We commend Sainsbury’s continuing efforts to identify and mitigate modern slavery risks across its operations and supply chain. In particular, its leadership in formalising and embedding modern slavery risk assessments and in fostering a broader understanding within its business.”

*Louise Wihlbom,
Sustainable Investment Analyst at Schroders*



Due diligence

Informed by our risk assessments, we conduct due diligence across our business and supply chain, monitoring for indicators of any form of slavery or human trafficking and checking there are sufficient controls in place.

Supplier monitoring and compliance:

We endorse the efforts of the Association of Professional Social Compliance Auditors (APSCA) to enhance the professionalism, consistency and credibility of independent social compliance audits.

All new Sainsbury's and Sainsbury's Argos supplier sites require a third-party ethical audit from an approved audit firm. They must meet our minimum requirements before we can place business with them. Existing Sainsbury's supplier sites are regularly audited by third parties according to their risk rating. All existing Sainsbury's Argos supplier sites are audited annually.

Our technologists and supplier audit team regularly visit Sainsbury's suppliers to ensure that our ethical requirements are met and to provide support on issues where required. We carry out additional visits to monitor remediation of critical issues, according to our suppliers' risk rating. Sainsbury's Argos has dedicated ethical teams and technical teams that carry out these on-site visits. Colleagues are based in two locations in the UK and in the four sourcing offices in Asia.

We monitor suppliers through bespoke reporting by Sedex for Sainsbury's and Lighthouse for Sainsbury's Argos. In September 2019 we will move all Argos' ethical and technical audit data onto Lighthouse, where Sainsbury's non-food data is already held. This will enhance our system controls for the onboarding and escalation of sites and give greater visibility of Sainsbury's Argos supplier sites in one place, so we can provide better data to our colleagues and monitor suppliers' continuous improvement.

We continue to work with our suppliers to improve their systems and share responsibility with them for labour issues in our supply chain.



Sainsbury's dedicated specialists help suppliers build their people management and systems capabilities, which improves outcomes for workers and business. This includes supporting new suppliers on gap analysis with our standards, listening to workers to understand what is important to them and supporting root cause analysis and systems thinking. This approach identifies improvement opportunities not traditionally raised during third-party audits, such as better career progression for workers, enhanced management systems and meaningful worker dialogue.

We require Sainsbury's suppliers to have policies and systems to manage ethical trade in their own supply chains and report progress to us. This requirement covers topics from how they manage their employees to how they recruit agency workers. Many suppliers have added identifying and eliminating modern slavery to their ethical strategies and activity.

Transparency

Sainsbury's Argos reached a transparency milestone in March 2019, publishing a list of 99.6 per cent of first tier manufacturing sites for clothing and footwear. This provides details on sites, product types, worker numbers and location. Visit our [Tu website](#).

As more brands and retailers publish their supplier lists, we will be able to identify shared sites, which will open up collaboration opportunities. For instance, partnering with other associated brands and retailers on remediation if a serious incident such as forced labour is identified. We also shared further information about our due diligence process, including how we onboard new sites.

Improving procurement

We look at slavery risks across our whole business and supply chain, including our goods and services not for resale, such as our depots, colleague uniforms and lorry drivers.

This year we developed a holistic [Sustainable Sourcing Policy](#) for suppliers of goods and services not for resale. This Policy sets out our expectations on both environmental and social sustainability. We have also outlined the scope for a sustainability programme for these suppliers, further improving transparency and risk management, which we will test and implement over the coming months.

Empowering workers to voice concerns

We know it is vital for the people working in our supply chain to have robust mechanisms to voice concerns and opinions. We are working with the farmers in our Fairly Traded tea pilot across Malawi and Rwanda on an innovative approach to enable this.

In both countries, local parties receive information via Short Message Service (SMS) to dedicated local numbers, translate these into English and pass them to RightLine, our established grievance channel for Sainsbury's colleagues and suppliers.

This channel has been extensively communicated through posters in areas such as tea weighing sheds where farmers congregate weekly. As literacy remains an issue for farming populations, we are also trialling Computer Assisted Telephone Interview surveys in Malawi. These allow people to directly speak their responses with a greater level of anonymity than traditional face-to-face surveys, empowering farmers to share any concerns.

The surveys are coordinated by Geopoll, a full-service research provider utilising a mobile survey platform that can be multi-modal and has extensive experience globally conducting survey research. We have partnered to capture representative data on farmer participation and satisfaction, and to share the grievance channel. Farmers can provide feedback through the surveys for free, with credit returned to respondents' phones. Whilst phone penetration is relatively low, household members often share phones, with family and friends often sending messages on behalf of each other.

For earlier due diligence case studies with suppliers, please see *Changing the recruitment model* and *Recruiting migrant workers to Mauritius* in our Modern Slavery Statement 2018.



Training

All our colleagues and suppliers need to be able to recognise the signs of modern slavery and know what to do if they come across anything that concerns them.

This is about making sure everyone understands their shared responsibility to identify issues and the important role they can play, rather than leaving it to a small group of experts within the company or external stakeholders.

Upskilling our colleagues

We continue to provide mandatory e-learning on ethical sourcing and modern slavery for Sainsbury's colleagues in relevant areas, including Food Commercial. This raises awareness of the 11 signs of forced labour and highlights how our colleagues can help identify and combat this crime.

This year we adapted our modern slavery e-learning module for Sainsbury's Argos colleagues, developing further case studies on non-food products and for supplier regions. All new Sainsbury's Argos colleagues also attend a mandatory training session on our ethical standards, policies and process, led by a member of our ethical team.

Additional training in the year included:

- A one-day intensive course on the risks of forced labour for Sainsbury's Argos colleagues in Asia, including members of our ethical and technical team. Delivered by our partner Verité, the course gave our colleagues insights into modern slavery risks in our non-food supply chains and improved understanding of how to identify human trafficking and forced labour risks
- A three-hour workshop for eight Sainsbury's Ethical Champions on modern slavery led by an external expert, as well as one-to-one support for 11 Ethical Champions from our specialist social auditor throughout the year. Relaunched this year, our Ethical Champions sit in each food product category and share learning with their teams

- A one-hour session on modern slavery for 69 colleagues at a personal development day. This raised awareness that slavery is everywhere and that we may well have come across victims in our daily lives. It also outlined what we are doing and what we expect of our colleagues

Our supplier auditors also shadowed our ethical auditor during site visits, gaining hands-on experience and insights to include more elements of social systems during their technical audits.

Upskilling our suppliers

We continue to partner with Stronger Together to deliver specialist training in identifying and addressing modern slavery, this year reaching 216 supplier sites.

At our annual Farming Conference, the Gangmasters and Labour Abuse Authority delivered tailored training to a group of our farmers and growers on identifying and addressing slavery and human trafficking. The session focused on practical ways to identify victims by asking the right questions. All materials were made available to participants and our wider supply chain in our quarterly Working Together supplier magazine.

We also supported a collaboration to develop free training webinars for UK suppliers who accommodate workers. See page 18.

224 Sainsbury's Argos suppliers attended ethical conferences, where we provided training on modern slavery risks, raising awareness of forced labour, the common indicators and our expectations from suppliers. We also highlighted our wider ethical sourcing policies and sustainability targets.



Effectiveness

Key performance indicators

Here we provide an annual update on our key performance indicators, which we have expanded to include training.

Monitoring the effectiveness of actions to identify and prevent slavery and human trafficking is a challenge for our entire industry. So we collaborate on a range of industry initiatives. See page 19.

This year we carried out an extensive review of human rights indicators used by a range of initiatives, including Know the Chain, the Corporate Human Rights Benchmark and the Workforce Disclosure Initiative. This will inform our new Sustainability Plan, which we are developing, and help us monitor and report on our human rights performance, including modern slavery.

Non-conformances identified through third-party audits

- 9** Categorized under the 'employment is not freely chosen' clause of our Code of Conduct. These related to missing, inadequate or inaccessible Modern Slavery Statements, lack of policy or delays in payments
- 40** Categorized under 'no harsh or inhumane treatment' clause of our Code of Conduct. These related to opportunities to improve grievance mechanisms or disciplinary measures, as well as instances of poor people management and unnecessary fines for breaks or lateness
- All** Appropriately followed up and tracked to ensure the issues are remediated

Our suppliers on Stronger Together training ¹

- 785** Sainsbury's supplier sites trained since 2013, including 216 this year
- 1296** Individuals from Sainsbury's suppliers trained in the UK since 2013, including 267 this year
- 196** Individuals from 131 Sainsbury's suppliers trained in South Africa this year
- 39** Sainsbury's suppliers using progress reporting tool
- 97%** Of all suppliers trained said that it had increased their understanding of what modern slavery is
- 72%** Reported that senior management had made a commitment to tackle slavery in their business and supply chain
- 87%** Stated it has helped them prepare how to manage potential situations of forced labour

¹ Stronger Together is a multi-stakeholder initiative to reduce modern slavery. It offers a range of specialist training.



Training our colleagues

348 Sainsbury's Food Commercial colleagues completed our modern slavery e-learning modules this year, 69 per cent of those assigned the module

15 Sainsbury's Argos colleagues completed an intensive course on the risks of forced labour

8 Ethical Champions attended our modern slavery workshop, sharing learning with their teams

69 Colleagues took part in our modern slavery session as part of a personal development day

Partnering with the Issara Institute in Southeast Asia

1,400+ Workers in our Thailand supply chain surveyed on their working conditions and satisfaction, with Issara then working closely with the employer to action improvement opportunities

Respecting human rights through certification ²

98.7%

Of palm oil in our products is certified to the Roundtable on Sustainable Palm Oil (RSPO) standard, monitoring social criteria such as recruitment practices, status of migrant workers and eradication of child labour

97%

Of timber in our products is certified to international standards for environmental and social sustainability, such as the Forest Stewardship Council (FSC), which states: "There is an extensive due diligence process to ensure that slavery and human trafficking is not part of the production process of FSC-certified products"

68%

Of our cotton is sourced as Better Cotton through the Better Cotton Initiative (BCI). BCI does not operate in countries with state-sponsored forced and child labour and if either is discovered, it is dealt with immediately. BCI also empowers farmers to implement the International Labour Organisation's principles of decent work

² Cotton and timber data is provided by financial year in arrears. Palm oil data is provided by calendar year.



Respecting human rights through our Sustainability Standards

127

Participants have engaged with our Sustainability Standards across 50 estates, cooperatives, farms and production units in our tea, prawn, flower and sugar supply chains

58

Supplier Performance Assessments completed, allowing us to track social performance indicators such as security of labour supply, worker productivity levels, working conditions, respect for human rights, occupational health and safety, skills development and remuneration

Zero tolerance for child labour

When an instance of child labour was identified in a factory that Sainsbury's Argos sources from in China, we collaborated on the investigation with three other UK retailers who also sourced from this factory. We followed our Child Labour Remediation Policy and together, we partnered with a child labour remediation specialist in Asia who carried out a thorough investigation and provided a recommended remediation plan. This was agreed by all brands and covers the schooling of the child, a living allowance, health check and ongoing observation until the age of 16. We will continue to monitor the situation with the remediation specialist to carry out this plan and ensure the child's rights are protected.

Following this incident, we have also worked with the supplier to monitor management systems, hiring practices and human rights policies to ensure that this issue is not repeated.

Collaboration case studies

We believe collective action is the only way to tackle global challenges at the speed and scale required. Here are some of our current collaborations on modern slavery.

Ensuring no worker pays for a job

Around 50 per cent of victims of forced labour in the private economy are affected by debt bondage³, where they are forced to work to pay off a debt. Workers who pay high recruitment fees to secure work are vulnerable to debt bondage.

This year we joined as founding sponsors of the [Responsible Recruitment Toolkit](#), supporting our suppliers in recruiting responsibly and helping them progress towards Clearview certification. Led by the Association of Labour Providers, the toolkit sets out 27 responsible recruitment labour standards, covering all stages and elements of labour sourcing and supply.

Our role as founding sponsors means our suppliers can benefit from free places on responsible recruitment workshops, along with discounts on online guidance, resources, self-assessment and reporting tools and additional in-depth training. We are contacting our suppliers to encourage them and the labour providers they use to take full advantage of the support and guidance available.

This year we also joined the [Food Network for Ethical Trade](#), which brings together retailers and suppliers on challenges in ethical trade, including around recruitment fees and hidden charges. Members share their data and findings on where workers are coming from, along with recruitment channels, fees and other recruitment risks.

To address recruitment fees, our whole industry needs to improve transparency and understanding of the flow of migrant workers in our global supply chain. This will help us identify opportunities to stop exploitative recruitment practices. We support The Consumer Goods Forum's work in Southeast Asia through its collaborative Roundtables on Responsible Recruitment.

Leading with the Consumer Goods Forum

This year our Group Chief Executive Officer took on the role of Retailer College Co-Sponsor for The Consumer Goods Forum's sustainability pillar, covering issues including human rights. He also presented at the Forum's Sustainable Retail Summit, where he spoke about our efforts to tackle modern slavery.

We continue to input into the Forum's [Sustainable Supply Chain Initiative](#) to ensure that major social compliance schemes meet minimum customer requirements on issues such as forced labour and recruitment fees.

We also support the Forum's [Forced Labour Priority Industry Principles](#), tackling three of the most problematic employment practices that can lead to forced labour. Through the Forum, we are working to ensure that these principles are embedded in international sustainability certifications where possible. For example, the principles have been integrated into the Roundtable on Sustainable Palm Oil (RSPO) certification.

Ensuring that ending slavery is everyone's business

This year Sainsbury's Argos collaboratively developed [Everyone's Business](#), a new app for our commercial teams. This prompts colleagues on site visits to spot ethical risks. It provides a clear record of colleague visits to our sites, highlighting potential issues and shining a light on sites that require more investigation, as well as those that are showing improvement.

We developed the questions in partnership with consultancy Carnstone and three other retailers, steering away from the technical compliance questions covered through third-party audits and focusing on softer questions that add new information in identifying risks in our supply chain. The full data is then available to our Sainsbury's Argos Ethical Trade team to access and analyse.

³ International Labour Organisation: Global Estimates of Modern Slavery, Forced Labour and Forced Marriage (2017)



Improving accommodation for workers in the UK

Substandard accommodation for workers is one of the indicators of forced labour. We continue to partner on industry initiatives to improve accommodation for temporary workers.

This year we collaborated with ESC International and other retailers to develop training for firms who accommodate workers in caravan-style accommodation in the UK. This led to the launch of a series of [worker accommodation webinars](#), based on the Fresh Produce Consortium guidance, which we previously contributed to. The five webinars are available for free to all suppliers and their supply chains. Shortlisted for a Sedex collaboration award this year, we hope the webinars lead to improvements in worker accommodation standards across the UK, and we are tracking impact.

Alongside other retailers, we designed questions on accommodation for the latest Sedex self-assessment questionnaire for suppliers, which will influence our key performance indicators. We have developed specific guidance on accommodation for our technical colleagues too.

Protecting car wash workers

The police believe that many car washes in the UK are flouting laws⁴, from money laundering and fraud to worker exploitation and slavery. We aim to ensure the car wash companies we provide licences to in our car parks and petrol forecourts operate to the highest possible standards, and then to roll out this best practice to the rest of the industry.

We are one of the founding members of the [Responsible Car Wash Scheme](#) to protect vulnerable workers in the UK's hand car wash businesses and improve the overall industry. We provided data and analysis to help get the scheme off the ground and supported the development of its Code of Practice and subsequent pilot to inspect and audit against the Code. Eight of our car wash sites took part in the pilot from February to March 2019. Results have been reviewed and learnings will be incorporated to support our strategy going forward. The scheme is considering options for the next phase.

Partnering with the Issara Institute

We continue to partner with the Issara Institute to tackle forced labour and human trafficking in Southeast Asia, through worker voice, data, technology, partnership and innovation.

In our Thailand supply chain, Issara directly surveyed over 1,400 workers on their working conditions and satisfaction, before engaging closely with the employer on improvement opportunities. These included clear systems for grievances, access to internal and third-party remediation and identification of recruitment centred issues.

Issara also worked with suppliers to cover over 11,000 workers in our supply chain through its worker voice channels and access to remediation for grievances raised, helping suppliers build their internal capacity to handle grievances.

Building on previous research on the Myanmar-Thailand recruitment corridor, Issara engaged three Sainsbury's suppliers in its Ethical Recruitment programme. This brings together companies and their recruitment agencies to improve recruitment practices and reduce recruitment costs for jobseekers, working closely with local civil society to empower jobseekers and disrupt informal brokers in recruitment systems.

⁴ Reuters: Modern slavery seeps through murky world of Britain's car washes (November 2017).



Collaboration overview

We have a strong track record of partnering to help address global challenges and drive change in our supply chains. Here is an overview of some our collaborative work this year.

Partner	Project / Initiative	Purpose
Bangladesh Accord 	Accord on Fire and Building Safety in Bangladesh	The Accord is an independent, legally binding agreement between brands and trade unions to work towards a safe and healthy garment and textile industry in Bangladesh. Sainsbury's has been a member of the Accord since it launched in 2013.
Aquaculture Stewardship Council 		The Aquaculture Stewardship Council (ASC) is an independent, international non-profit organisation that manages the world's leading certification and labelling programme for responsible aquaculture. We have supported the ASC since its inception in 2004 and have been Board members since 2018.
British Retail Consortium 	Ethical Labour Working Group	As members of this Group, we share best practice with UK retailers on tackling modern slavery, the responsible use of labour providers and other topics related to the human rights of workers in our supply chains. Our participation this year has supported the development of: <ul style="list-style-type: none"> The Retailer Protocol for Handling Reported Cases of Modern Slavery. Page 6. BRC Global Standard for Ethical Trade and Responsible Sourcing Consultation Draft.
Better Cotton Initiative 		The Better Cotton Initiative exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future, by developing Better Cotton as a sustainable mainstream commodity. The initiative trains and empowers farmers to care for the environment and implement the principles of decent work (as defined by ILO).

Partner	Project / Initiative	Purpose
Carnstone and UK retailers 	Everyone's Business	Sainsbury's Argos collaboratively developed the Everyone's Business app in partnership with consultancy Carnstone and three other retailers. This app prompts our commercial teams on questions to ask on site visits to identify ethical risks. Page 17.
Clearview 		Clearview is a global certification scheme for labour providers. It enables businesses to identify and select labour agencies that comply with good practice. We support the formalisation of labour provision through this initiative.
The Consumer Goods Forum 	Sustainable Supply Chain Initiative Forced Labour Priority Industry Principles	We are active members of The Consumer Goods Forum (CGF) Sustainable Supply Chain Initiative, a global benchmarking initiative for third-party audit and certification programmes. We contribute to the Social and Management Criteria Technical Working Group and the Steering Committee. Through our policies and practices, we also support the CGF's Forced Labour Priority Industry Principles, tackling three of the most problematic employment practices that can lead to forced labour. See page 6.
Food Network for Ethical Trade 		We became members of the Food Network for Ethical Trade this year. This enables us to improve human rights in global food supply chains through a common approach with a group of retailers and suppliers.

Partner	Project / Initiative	Purpose
The Forest Stewardship Council		The Forest Stewardship Council helps take care of forests and the people and wildlife who call them home. This includes respecting the rights of workers, communities and indigenous peoples and ensuring that slavery and human trafficking are not part of the production process of FSC-certified products.
Ethical Trading Initiative 	Italian Produce Modern Slavery Moroccan Strawberries Peru South Africa Thailand	We are founding members of the Ethical Trading Initiative (ETI), working closely with suppliers, non-profit organisations and unions to develop innovative responses to worker exploitation and forced labour. We participate in a number of ETI working groups focusing on particular supply chains where there are opportunities to improve working conditions through collaboration.
	Accommodation for workers in the UK	We worked with ESC International and other retailers to improve accommodation for workers in the UK. Page 18.
Gangmasters and Labour Abuse Authority 		We partnered with the Gangmasters and Labour Abuse Authority on a bespoke modern slavery session for our suppliers at our annual Farming Conference this year.
Global Seafood Assurances 		We are Board members of Global Seafood Assurances (GSA), which aims to create seamless, end to end, assurance for seafood, connected to robust and transparent traceability at each stage in the supply chain. GSA is developing a globally applicable social standard and independent audit process for fishing vessels.
ICTI Ethical Toy Program 		Sainsbury's Argos has been a member of the ICTI Ethical Toy Program since 2016. This Program requires factories to uphold standards to support the rights and wellbeing of factory workers.

Partner	Project / Initiative	Purpose
Issara Institute 	Strategic Partners Program	The Issara Institute is an independent, not-for-profit organisation that works to transform the lives of millions of workers across Southeast Asia. Sainsbury's has been a member of the Issara Strategic Partners Program since its inception in 2014. Page 18.
Responsible Car Wash Scheme 		We are founding members of the Responsible Car Wash Scheme to protect vulnerable workers in the UK's hand car wash businesses. Page 18.
Responsible Recruitment Toolkit 		We are founding sponsors of the Responsible Recruitment Toolkit, providing guidance and access to training to our suppliers and their labour providers, as part of our efforts to ensure that no worker pays for a job. Page 17.
Roundtable on Sustainable Palm Oil		We are members of the Roundtable on Sustainable Palm Oil (RSPO), which aims to transform markets to make sustainable palm oil the norm. Through The Consumer Goods Forum, we are working to ensure the RSPO standard fully incorporates the Priority Industry Principles on Forced Labour.
Seafish 	Seafood Ethics Common Language Group Seafood Ethics Action Alliance	Through Seafish, we collaborate with stakeholders in the seafood supply chain on initiatives that respond to concerns regarding unethical practices within the global seafood market.

Partner	Project / Initiative	Purpose
Sedex 	Stakeholder Forum	We actively participate in a number of Sedex Stakeholder Forum working groups on issues ranging from audit non-conformances, wages and working hours to risk assessment and forced labour.
Spanish suppliers and UK retailers 	Spanish Supplier Ethical Trade Forums	We participate in independently facilitated local forums for our suppliers in Spain to address discrimination against migrant agricultural labourers and investigate the provision of labour in first and second tier suppliers.
Stronger Together 		We are project sponsors of Stronger Together, a multi-stakeholder business-led initiative aiming to reduce modern slavery, particularly forced labour, labour trafficking and other hidden third-party exploitation of workers. Page 15.
World Banana Forum 		We are members of the World Banana Forum, which brings together stakeholders in the global banana supply chain to work towards consensus on best practices for sustainable production and trade.
World Cocoa Foundation 		This year we joined the World Cocoa Foundation, working towards a sustainable cocoa sector. This provides a platform for us to work with industry, non-governmental organisations and governments on challenges facing the sector to achieve sustainable cocoa production and improve farmer livelihoods.

