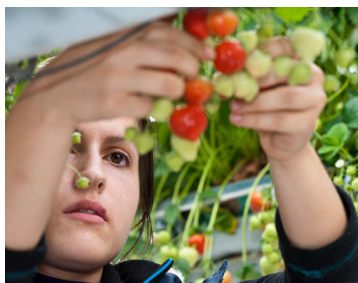


J Sainsbury plc Modern Slavery Statement 2019/20





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 the business and supply chains.

The world is a very different place now compared to twelve months ago. The COVID-19 pandemic has highlighted the resilience of communities to come together at a time of great need, but it has also heightened risks for the most vulnerable in our society, including victims of forced labour. Our priorities throughout the last few months have been keeping our customers and colleagues safe, helping feed the nation and supporting our communities and the most vulnerable in society. That includes the communities we both serve and source from. We are proud to continue our commitment and duty to respect human rights, identify vulnerable workers and we will not tolerate any form of slavery or servitude in our own operations 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 fourth 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 7 March 2020 to prevent modern slavery and human trafficking in our own operations and supply chains.

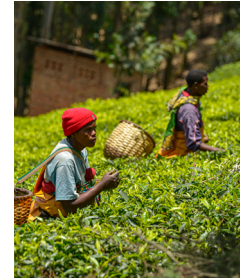
This statement has been approved by J Sainsbury plc Board of Directors.

Simon Roberts

Chief Executive Officer J Sainsbury plc
11th August 2020

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Key activities in 2019/20

New activities 2019/2020

Increased focus on goods and services not for resale suppliers

- First retailer to actively require **Clearview certification** for labour providers supplying labour into our depots
- Piloted **self-assessment questionnaire** and created guidance for suppliers and buyers to better understand our risk exposure
- Provided training on **modern slavery in the construction sector** for our property colleagues and key property suppliers

Launched e-learning on modern slavery to our food suppliers

Further embedded our **Modern Slavery Risk Assessment Tool** into the business by using results for internal risk assessments

Increased transparency through expanding the publication of our first-tier clothing and footwear manufacturing sites to include our tier two sites in Turkey.

Liaised with government and other key stakeholders on multiple key pieces of legislation and consultations including a meeting with **Anti-Slavery Commissioner Dame Sara Thornton**

Continued efforts from 2018/19

Continue to sponsor the **Responsible Recruitment Toolkit** and promote the **training within the business and supply chains**

Moved on from piloting **Everyone's Business**, an app for general merchandise and clothing commercial teams, to embed its use across the non-food business

Captured the impact of the five free training webinars developed collaboratively to support UK firms in **improving accommodation standards** for workers

Updated **Sustainable Sourcing Policy for Goods for Resale** and **Human Rights Policy**



Our journey so far



1998

Ethical Trading Initiative founding members

2014

Strategic partnership with Gangmasters and Labour Abuse Authority

Founding strategic partners of Issara

Founding partners of Stronger Together

Input into government consultations

2016

Establish **Ethical Champions**

Commit to The Consumer Goods Forum's Social Resolution on Forced Labour and Forced Labour Priority Industry Principles

Speak at Dutch embassy on Gangmasters and Labour Abuse partnership

Accommodation guidance for UK temporary workers

2018

Human Rights Policy

Verite partnership

Fairly Traded grievance mechanism

Sustainable Sourcing Policy for **goods and services not for resale** and self-assessment questionnaire

E-learning

Chief Executive Officer becomes Retailer College Co-Sponsor for The Consumer Goods Forum sustainability pillar

Accommodation webinars for suppliers, shortlisted for Sedex award

Join Food Network for Ethical Trade

Pilot **Everyone's Business app**

Rank top four by Business & Human Rights Resource Centre for our statement

2002

Temporary Labour Working Group

2015

Spanish Supplier Forums

Establish **Modern Slavery Working Group**

2017

First Modern Slavery Statement published

Launch **Modern Slavery Risk Assessment Tool**

Dedicated specialist social auditor

Joined World Cocoa Foundation, World Banana Forum and **Responsible Car Wash Scheme**

2019

Require **Clearview** certification for depot labour agencies

Published clothing and footwear supply chain locations

Founding sponsors of **Responsible Recruitment Toolkit**

A moment to reflect on our journey so far,

some of which is referenced in our previous [Modern Slavery Statements](#).



Modern slavery and human trafficking are not new issues for us but we welcome the Modern Slavery Act 2015 that promotes more transparency and scrutiny in this area. We have always worked to collaborate with other retailers, suppliers, NGOs, trade unions and government. An early example was the Temporary Labour Working Group (TLWG), a cross-sector initiative convened by the Ethical Trading Initiative (ETI) in 2002. This was instrumental in preparing the labour agency market for licensing and all parties lobbied the government for legislation and licensing to affect industry-level change. Much of the work carried out by the TLWG was taken on by the Gangmasters Licensing Authority, now the Gangmasters Labour Abuse Authority (GLAA) to inform the new licensing regime. The GLAA currently licenses 1,047 businesses in the UK and estimates it has protected 29,710 victims and potential victims through its work. Our partnership continues to this day, sharing

intelligence and best practice on remediation and support for victims.

From 2014 onwards we focused on:

Establishing means to give suppliers and workers more of a voice – Issara Institute and Spanish Supplier Ethical Trade Forums

Contributing to collaborative efforts that provide practical guidance for the industry – Stronger Together, Responsible Recruitment Toolkit, country forums, World Cocoa Foundation, World Banana Forum, guidance on accommodation, apps to support colleagues

Establishing key principles and policy – The Consumer Goods Forum's Social Resolution on Forced Labour and Forced Labour Priority Industry Principles including 'no worker should pay for a job' and a human rights policy

Understanding risk and embedding responsibility and governance within the business – Modern Slavery Risk Assessment Tool, ethical champions in our technical food teams, dedicated specialist social auditor, Modern Slavery Working Group across the business and Clearview labour provider certification

Transparency – annual Modern Slavery Statement, publishing supply chain for non-food and received external recognition for quality of reporting

Own operations – focussing on our own operations to ensure we incorporate sustainability for our goods and services not for resale suppliers

Training – for colleagues and suppliers

However, we know we cannot be complacent. We have carried out a gap analysis of our programme to date, identified areas for improvement and prioritised the following areas of future work:

Training

Make basic training compulsory for all colleagues and develop further training relevant for specific job roles. In the supply chain, develop training that extends beyond tier 1 especially for higher risk supply chains.

Buying practices

Review our purchasing practices to understand how this impacts modern slavery within our value chains. Identify where we might exacerbate vulnerability and how we could change to better prevent exploitation from occurring.

Accountability

Define central strategy and then work with each business area to develop a clear set of commitments and associated action plans.

Define, measure and track performance

Define a set of performance indicators for the business to measure performance and show improvement in this area. This will include KPIs for the company and individuals and linked to incentives or reward structures.

Making a difference

This is about taking action in our operations and supply chains to better prevent issues occurring and remediate and protect victims when we find them. This falls into two streams of work. Firstly, to more actively promote grievance mechanisms and worker representation so workers can better raise grievances and seek remedy to protect themselves. Secondly, to develop partnerships that facilitate training for workers on their rights and also remedy situations as and when they arise.



About Sainsbury's

Our purpose is to help our customers live well for less.

We are achieving this by bringing together trusted, well-loved brands offering high quality, affordable products which customers can buy both from our well-located store estate and through our easy to use online channels. The convenience of being able to shop in-store and online is supported by the market-leading service our colleagues deliver, the rewards we offer through our Nectar loyalty programme and our financial services.

Definitions for the purpose of this statement

Business / J Sainsbury plc

Business including food, clothing, general merchandise, goods not for resale and financial services

Food

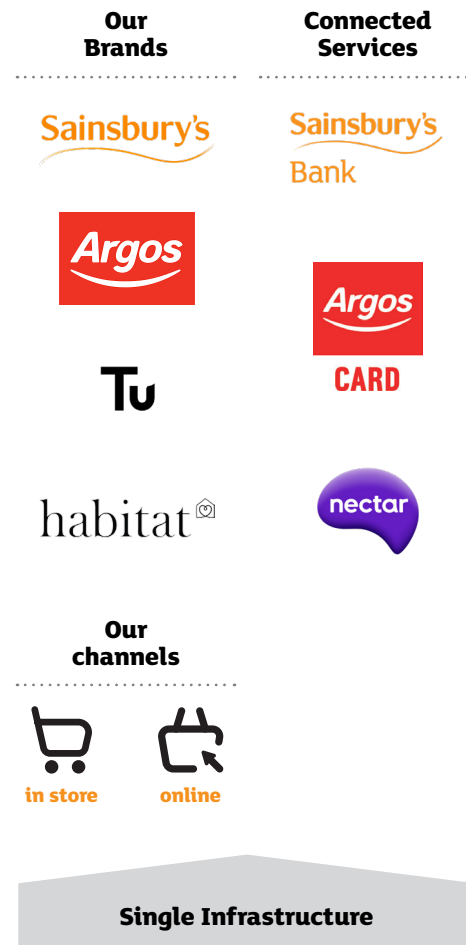
Sainsbury's own-brand food and groceries

General merchandise and clothing

Sainsbury's and Argos own-brand general merchandise and clothing (excluding Habitat)

Our own-brand

Sainsbury's and Argos own- brand products



This statement covers our approach to prevent modern slavery across the business¹. For Sainsbury's Bank Modern Slavery Statement, please visit www.sainsburysbank.co.uk.

1. This statement sets out the steps taken by Sainsbury's Supermarkets Ltd, JS Information Systems Limited, Sainsbury Propco A Limited, Sainsbury Propco B Limited, Sainsbury's Property Holdings, Sainsbury's Tyne Property Holdings Limited, Argos Limited, Habitat Retail Limited, Argos Business Solutions Limited, Nectar 360 Services LLP and Nectar 360 Limited all of which fall within the scope of section 54(2) of the Modern Slavery Act 2015

Our company at a glance

£32.4bn

Group sales (inc. VAT)

172,000

Colleagues

608

Sainsbury's supermarkets

807

Sainsbury's convenience stores

882

Argos stores and in-supermarket outlets

16

Habitat stores



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

1,352

Suppliers for our own-brand products (food, general merchandise, clothing and Habitat), operating across 2,399 sites

2400+

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

70%+

Of food supplier sites are based in the UK, Spain, France and Italy, providing food and grocery products

80%+

Of general merchandise and clothing suppliers are based in China, India, Turkey and Bangladesh, for products including furniture, electronics, clothing and toys

1 million+

Workers in the first tier of our Sainsbury's food, general merchandise and clothing own-brand supply chain, of which around 8% are agency workers and 48% are women

Policies and commitments

We do not tolerate any form of human rights abuse within our company or supply chains. 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. These are reviewed regularly to ensure they remain relevant and encompass best practice as it evolves.

Policies which support our modern slavery programme include:

Human Rights Policy¹

Outlines our commitment to the UN Declaration on Human Rights, UN Guiding Principles on Business and Human Rights, ILO Conventions and the UN Women's Empowerment Principles. These outline our commitment to respect the human rights of all colleagues, customers and suppliers.

Sustainable Sourcing Policy for Goods for Resale

Renamed from our Supplier Policy for Ethical Trade as now also includes environmental clauses. The policy was also updated to include The Consumer Goods Forum's Forced Labour Priority Industry Principles including 'no worker should pay for a job'.



Sustainable Sourcing Policy For Goods Not For Resale²

Aligned with above policy and applies to suppliers in our goods (and services) not for resale supply chain.

New Policy

In addition to the updates to the Human Rights and Sustainable Sourcing Policies, we have developed a **Precious Metals, Minerals & Gemstones Policy**. This is currently in draft form and is being trialled within the business before wider publication. The foundations are built on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. It requires suppliers to understand and conform to international sanctions on sourcing certain minerals from particular countries, to track where they source from, declare this to us and increase transparency year on year.

Standards

Sainsbury's Sustainability Standards – a set of standards we developed for our own-brand products to help our farmers and growers identify opportunities to improve their economic, social and environmental performance, including human rights.

Industry Commitments

We continue to support the following industry level commitments:

The Consumer Goods Forum's **Social Resolution on Forced Labour** and **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 manage compliance with these policies, standards and commitments in the following ways:

- Contractual terms and conditions include a clause on compliance with the Modern Slavery Act 2015
- Require suppliers to have their own codes of conduct, along with policies and systems to manage ethical trade in their own supply chains, report progress to us and allocate sufficient resource to do so
- Provide guidance through a Supplier Handbook, General merchandise and clothing Ethical Trade Manual for suppliers and our Colleague Handbook for colleagues



1. Updated and published in April 2020

2. Updated and published in April 2020

Governance

The Corporate Responsibility and Sustainability (CR&S) Committee oversees the governance of being a sustainable business, including modern slavery. The Committee is responsible for reviewing and reporting against our 2020 Sustainability Plan, which is structured around our values – empowering people to live healthier lives, sourcing with integrity, respecting our environment, making a positive difference to our community and providing our colleagues with a great place to work. We are in the process of finalising our beyond-2020 strategy for human rights including modern slavery, and we will be setting targets and KPIs to track performance and publish our progress annually.

Angie Risley, Director of Group Human Resources and member of our Operating Board is responsible for our human rights policy and strategy in our operations and supply chain. Our human rights strategy, which includes mitigating labour exploitation risks, is embedded in our human resource teams, sourcing with integrity and communities' teams; supported by our human rights and sustainable sourcing policies. Our sustainability strategy is overseen by Jo Harlow who is one of our Non-Executive Directors and Chair of our CR&S Committee.

Our sustainability team is responsible for designing appropriate policies, processes and strategies to embed respect for human rights across the whole business and supply chains. The figure to the right outlines our governance process for this through Value Management Groups. We also have a Modern Slavery Working Group which has met twice this year. This Group provides a useful forum for different business areas to provide updates on identified modern slavery risks, share ideas and discuss action plans.

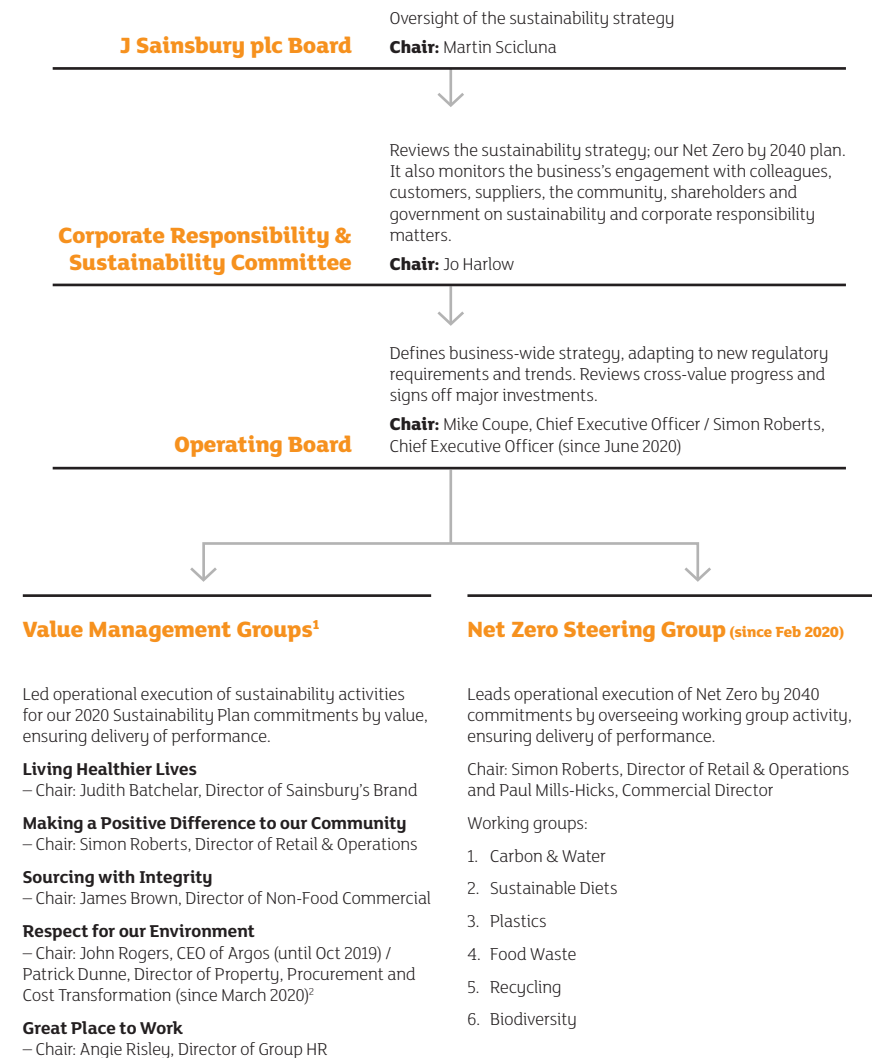
When issues around modern slavery or human rights more broadly are identified in our supply chain, they are managed by our technical and commercial colleagues, supported by our central team of social sustainability experts.

The general merchandise and clothing business 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.

For more on governance, [see our Annual Report](#).

Overview of our governance structure to the right.



1. These groups are currently being reviewed on conclusion of our 2020 Sustainability Plan.

2. An interim Chair was in place between John Rogers and Patrick Dunne's appointments.

Risk assessment and management

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 upstream tiers, where the risks are greatest but also more difficult to identify.

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

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.

We continue to work with PwC to feed new information into our tool, continually improving our approach to identify slavery risks in our supply chain. This year we have done extensive work to update product specifications in food, to ensure the data is more accurate. We will use this to inform a data-led approach to risk assessment to help prioritise future workstreams based on our ability to influence and act – an approach that balances people, place, product, risk and influence. This will facilitate better data-led action and reporting.

Use of the tool within the business

This year has seen the tool become more embedded into category teams to risk assess our supply chain and make more informed decisions. Slavery is one of the key risks we look at when assessing new suppliers and managing the ongoing performance of existing suppliers across the business. For example, our produce team has integrated the risk scores from the tool into their own risk assessment alongside other factors such as technical performance.

We have also used the Modern Slavery Risk Assessment Tool to influence scheduling of food supplier visits by the Supplier Assessment team. This feedback enables a rounded view of risk at a supplying site that encompasses product technical risk, risk to individuals within those sites and through the supply chain. Scheduling is used to determine frequency of the Site Assessment programme. This is a progressive model that dismantles the traditional audit model and focuses on a true partnership approach that sees us working with individual sites to understand shared risk, which culminates in the site developing areas that they choose to focus on that would reduce risk within their own business. The model uses a framework that was developed in-house and is unique to us with a focus on maturity of systems that sits alongside worker interviews and strength of employee engagement.



Identified risks

Our Modern Slavery Risk Assessment Tool has confirmed higher risk products and countries 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. It has also identified new risks for us to explore further.

Looking across the non-food business we have identified two key areas of high-risk production, clothing and footwear and hard goods such as furniture, electronics, glass and ceramics.

Clothing and footwear

This includes textiles, clothing and associated processes, leather and bedding.

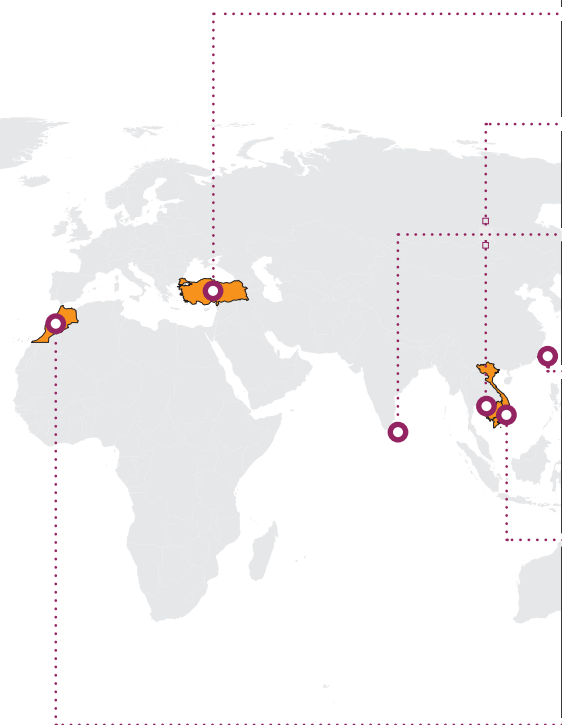
We identified the highest risk countries then reviewed them in order of how much we spend.



Country	Existing activity	Future activity
Bangladesh	Bangladesh Accord signatory Bangladesh Accord UK caucus representative Mapped supply chain to tier 2	Support new global framework agreement with the Bangladesh Accord and Ready Made Garment Sustainability Council (RSC) including ensuring that there remains an independent means for workers to raise grievances Comic Relief Fair Development Fund (FDF) project to empower women in garment and home textile factories and provide better protections and access to promotion Consider use of industry responsible recruitment tools
China	Uyghurs identified as issue of state-sponsored forced labour Extensive site visits and follow up meetings with colleagues to understand and address root causes of issues raised. Mapped supply chain to tier 2	Engage suppliers Consider use of industry responsible recruitment tools
India	Engage international NGO to understand more on prevalence of forced labour indicators in supply chain Ethical Trading Initiative (ETI) working group on South India Part of Brands Ethical Working Group to collaborate on common industry issues Mapped supply chain to tier 2	Commission worker interview assessments to understand workers' perspectives on their recruitment and employment journeys Reassess our India supply base to consolidate Comic Relief Fair Development Fund (FDF) project to empower women in garment and home textile factories and provide better protections and access to promotion Exploring industry-wide engagement to collaborate and improve conditions across South India

Clothing and footwear

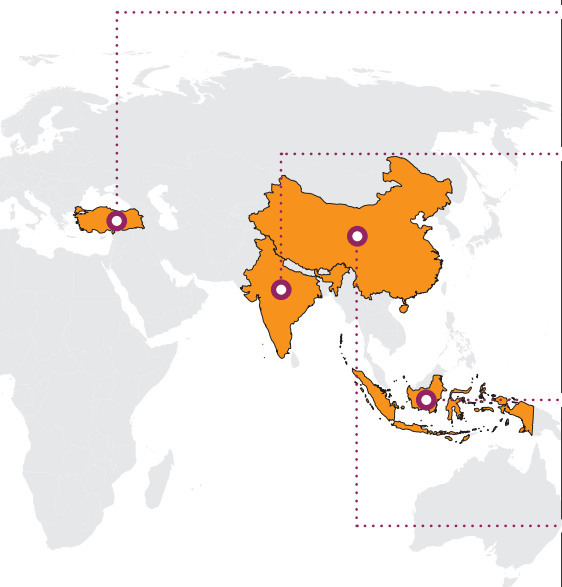
Country	Existing activity	Future activity
Turkey	Mapped, audited and published tier 2 supply chain	Engage suppliers on specific risks
Cambodia	Social compliance audits	Engage suppliers to better understand risks
Sri Lanka	Social compliance audits Mapped supply chain to tier 2	Engage suppliers to better understand risks Understand industry landscape
Taiwan	Investigated incoming migrant labourers at production sites Understand supply chain and map subcontractors	Consider use of industry responsible recruitment tools
Vietnam	Initiated analysis of homeworkers with suppliers Understand supply chain and map subcontractors	Explore industry initiatives Draft homeworking policy
Morocco	Social compliance audits	Use lessons learnt from Oxfam and ETI Better Strawberries work to identify activity for non-food suppliers



Hard goods

High-risk countries include India, Turkey, Indonesia and China with products such as furniture, electronics, glass and ceramics.

Country	Existing activity	Future activity
Turkey		Engage suppliers on specific risks
India	Part of Brands Ethical Working Group to collaborate on common industry issues	Reassess our India supply base to consolidate Comic Relief Fair Development Fund (FDF) project to empower women in garment and home textile factories and provide better protections and access to promotion Exploring industry-wide engagement to collaborate and improve conditions across South India
Indonesia	Social compliance audits	Understand supply chain and map tier 2
China	Uyghurs identified as issue of state-sponsored forced labour Identified child labour and worked with the Centre for Child Rights and Corporate Social Responsibility to remediate Extensive site visits and follow up meetings with colleagues to understand and address root causes of issues raised.	Engage suppliers Consider use of industry responsible recruitment tools



Food and grocery

Raw materials

We carried out a materiality assessment to understand where there is most risk of salient human rights abuses occurring, including forced labour, and the following key materials were identified:

Sugar

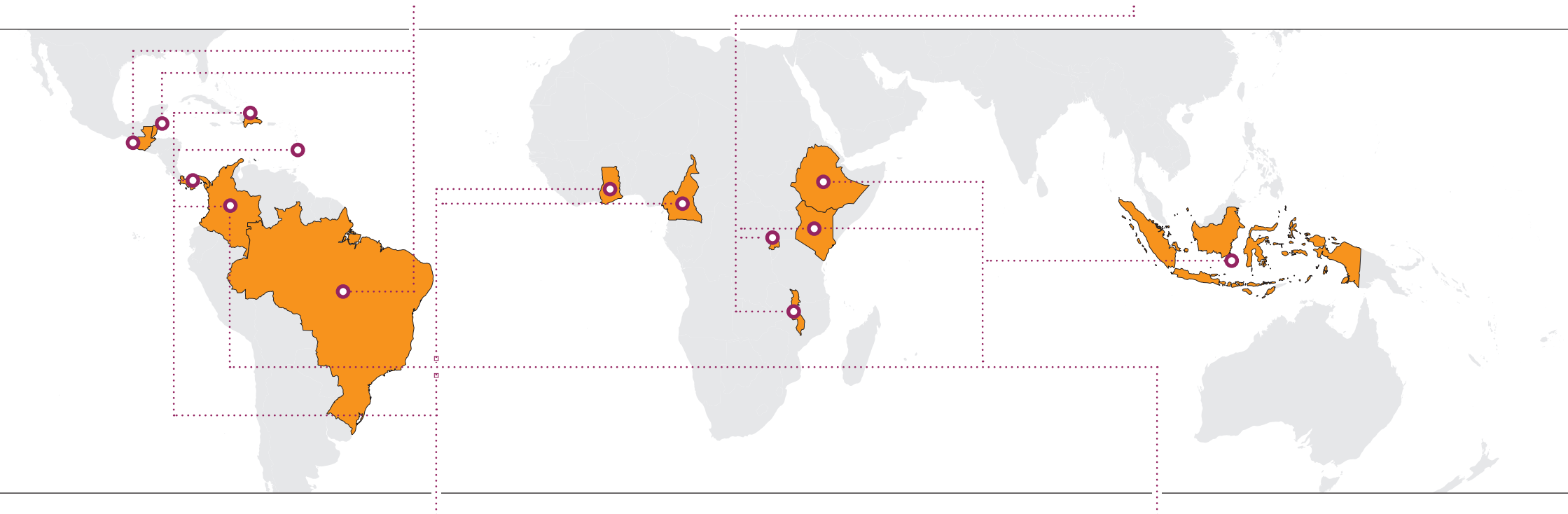
Example sourcing countries:
Belize, Brazil, Guatemala

Our sugar suppliers have engaged with our Sustainability Standards, allowing us to track social, environmental and economic performance indicators such as security of labour supply, worker productivity, working conditions, respect for human rights, health and safety, skills development and wages.

Tea

Example sourcing countries:
Kenya, Rwanda, Malawi

We invest heavily in the tea supply chain through our Fairly Traded programme. More information [here](#).



Bananas

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

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.

Coffee

Example sourcing countries:
Colombia, Indonesia, Ethiopia,
Kenya

We have sold 100% Fairtrade roast and ground coffee for over ten years and have invested almost \$1million per year back into the coffee supply chain through the Fairtrade premium which allows investment in social, economic or agricultural improvements.

In 2010, we set up the APECAFEQ sun dried community coffee project in Quinchia, Riseralda in Colombia to enhance the positive impact of our trade. We pay 2 cents per pound over the Fairtrade price for coffee which has enabled investment in community programmes and productivity increases.

Food and grocery

Cocoa

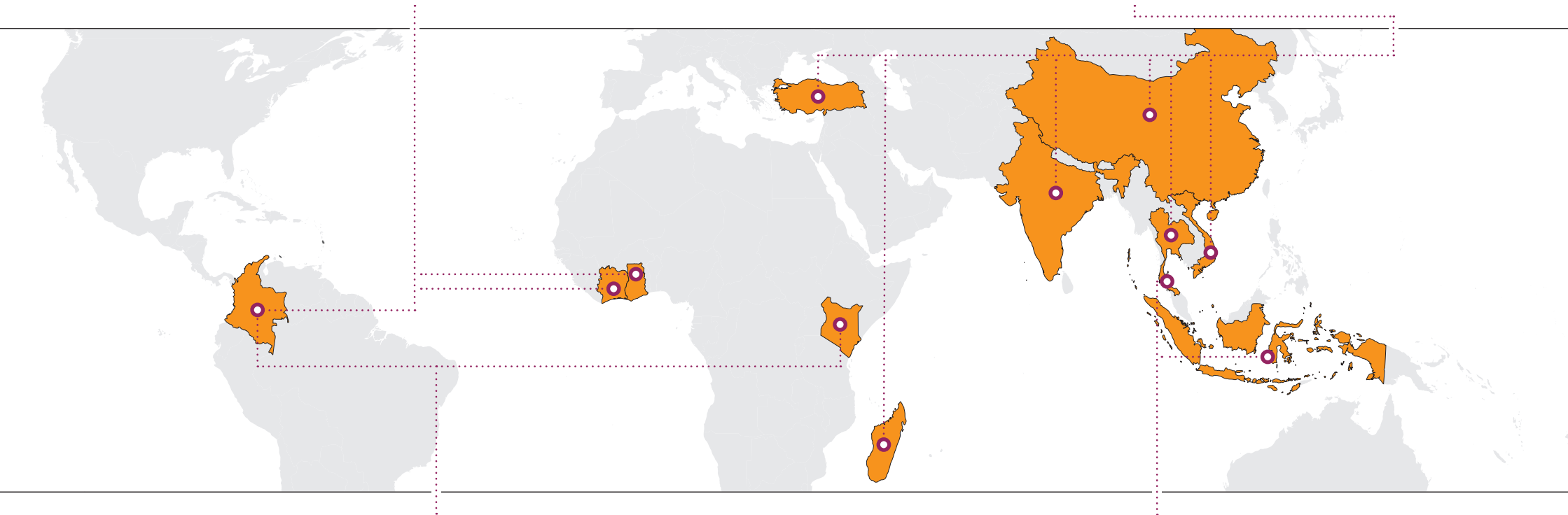
Example sourcing countries:
Ghana, Ivory Coast, Colombia

We are members of the World Cocoa Foundation and the Retailer Cocoa Collaboration to drive positive change on forest protection, sustainable production, farmer livelihoods, community engagement and social inclusion. More information [here](#).

Nuts

Example sourcing countries:
Madagascar, Vietnam, India,
Turkey, China

We've supported smallholders and women in our Madagascan cashew nut supply chain. More information [here](#).



Flowers

Example sourcing countries:
Kenya, Colombia

Our flower suppliers have engaged with our Sustainability Standards, allowing us to track social, environmental and economic performance indicators such as security of labour supply, worker productivity, working conditions, respect for human rights, health and safety, skills development and wages.

Fish

Example sourcing countries:
Thailand, Indonesia

We are members of and contribute to several global sustainable fish initiatives, such as the Issara Institute, Global Seafood Assurances and Aquaculture Stewardship Council.

Food and grocery

Country Risks

We have the most leverage and influence with our direct suppliers, which are usually manufacturers, and in some cases growers.

High-spend countries include

Spain

Produce
Canned fish
Dried meat

France

Stone fruit
Dried meat
Canned tomatoes

United Kingdom

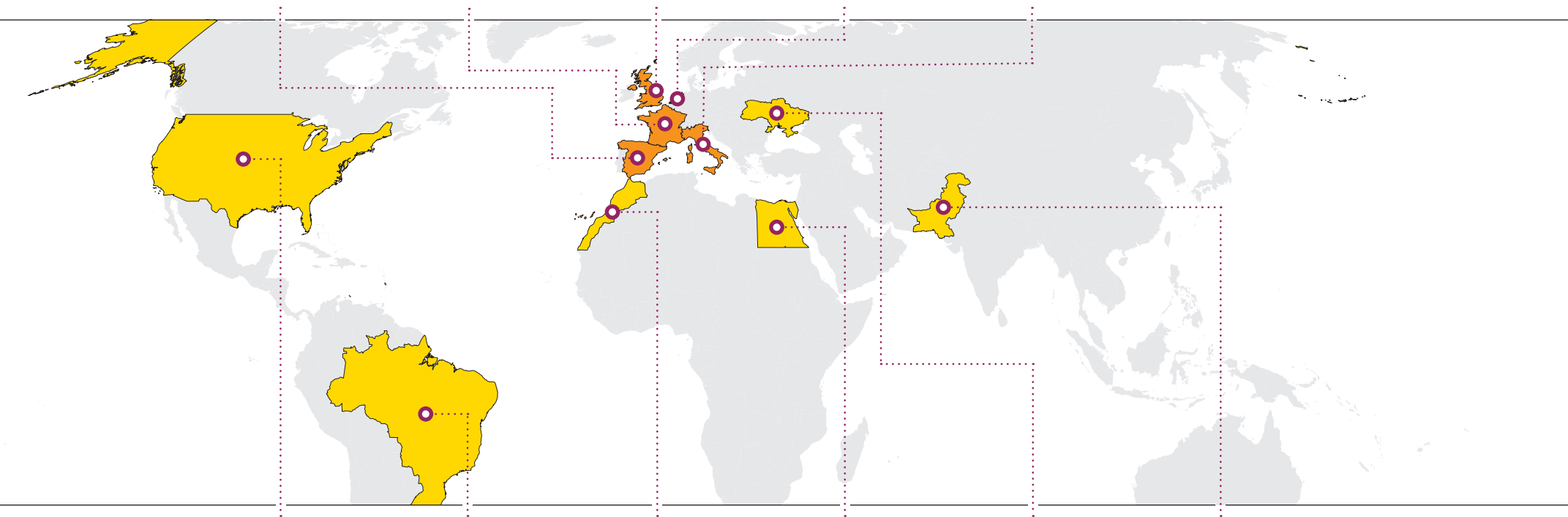
Fruit and vegetables
Flowers
Fish

The Netherlands

Fruit and vegetables
Plants and flowers

Italy

Stone fruit
Dried meat
Canned tomatoes



High-risk countries include

United States

Canned fish

Brazil

Canned meat
Exotic fruit

Morocco

Canned fish
Tomatoes
Citrus fruit

Egypt

Grapes

Turkey

Dried and canned fruit
Boxed confectionery

Pakistan

Cleaning cloths

Procurement – goods and services not for resale

We analysed our risk from a category and product point of view. The majority of our procurement suppliers are based in the UK but some other risk countries have also shown up on our tool. Higher risk areas include: freight, transport, recruitment, customer service centres in the Philippines, colleague travel due to the hotels used, catering, waste and recycling, uniforms manufactured in Asia and renovation in the construction sector. See the Sainsbury's case studies section for more information on actions in our own operations.



Supplier case study

We recognise that modern slavery as an issue has become increasingly visible and that we have to work with and through our suppliers to identify and remediate issues where needed. As identified in our risk assessment, coffee is a high risk product for us. One of our key coffee suppliers has been working closely with its supply chain to better understand prevalence of these issues in Brazil, Colombia, Guatemala, Peru, Malawi, Rwanda, Tanzania and Vietnam.

All of the coffee sourced for Sainsbury's by our supplier is from Fairtrade approved cooperatives, and a number of suppliers have additional

certification, including Rainforest Alliance, UTZ and Organic. 97% of the suppliers have already signed our supplier's Sustainable Sourcing Policy, which further complies with Modern Slavery standards. Fairtrade standards address slavery through three key areas: child labour, forced labour and workers' rights. Fairtrade standards have minimum entry requirements based on the International Labour Organization's conventions on forced labour, the worst forms of child labour, the UN protocol to prevent trafficking, and no Gender Based Violence. Further, eliminating modern slavery is covered within the Fairtrade Producer Standards and Fairtrade Trader Standard and requires everyone who buys, sells or processes Fairtrade certified products from the raw commodity to packaging to comply with these standards.



Beyond the assurance that 100% of suppliers are Fairtrade certified, our supplier has undertaken buyer visits for 16 of the 29 suppliers that supply Sainsbury's coffee. They will prioritise further visits based on country risk profiles and a total score drawn from this index and their modern slavery gap analysis framework. Both of these frameworks are based on the Modern Slavery Index by the Walk Free Foundation. Of the suppliers that have not received site visits, only four are in countries that our supplier designates as posing a high risk of modern slavery.

Once the restrictions from the current COVID-19 crisis have been lifted, they will engage all remaining suppliers through integrated site visit assessments by their sourcing and technical teams.



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 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 food supplier sites are regularly audited by third parties according to their risk rating. All existing general merchandise and clothing 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. The general merchandise and clothing business 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 Sedex for food and Lighthouse for general merchandise and clothing. In June 2020, we are moving all Habitat ethical and technical audit data onto Lighthouse, where all general merchandise and clothing data is already held. This will enhance our system controls for the on-boarding and escalation of sites and give greater visibility of all 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.

For the food business, 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 food 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

In 2019, the general merchandise and clothing business published a list of 99.6% of their first-tier clothing and footwear manufacturing sites, this provided details on sites, product type, worker numbers and location. In March 2020, we published our mapped and audited Tier 2 factories in Turkey, which is one of our biggest sourcing countries. 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 on board new sites.



Sainsbury's case studies

Actions in our own operations

Policy and self-assessment questionnaire

We previously had a due diligence gap for the suppliers we use in our goods and services not for resale. Since 2017, our activities in this area have improved year on year. We started by developing our Sustainable Sourcing Policy and this year we piloted new sustainability questions in our holistic supplier self-assessment questionnaire. We rolled this out in a staged approach; first piloting with 50, then 100, then 500 suppliers and the remaining suppliers will receive the questionnaire throughout 2020. The supplier responses will enable greater visibility and reporting of sustainability risk.

The questionnaire includes a range of topics from finances, data protection and risk management to health and safety. The sustainability section asks questions across social and environmental sustainability to help us identify risk hotspots. We can then review the answers alongside the inherent risk sectors identified by our Modern Slavery Risk Assessment Tool and we have provided clear guidance for our buyers highlighting our requirements and expectations on next steps depending on the answers that we receive. As part of our policy, we are also issuing two additional documents in the form of guidance for suppliers; the first includes a list of training on sustainability and the second an extensive matrix with specific questions to enable suppliers to conduct a gap analysis against their own management systems and sustainability programme.

We received feedback from suppliers on both the main questionnaire and the additional documents and will continue to evolve our approach throughout 2020.

Looking forward

We will review supplier responses to provide us with a more detailed view of risk alongside our Modern Slavery Risk Assessment Tool. We will use the answers to follow up with suppliers and start conversations on how effectively risk is managed and areas for improvement. Throughout this process, we aim to work collaboratively with suppliers and support them to ensure workers are provided with decent work wherever they are in our supply chain.



Labour providers in our depots

This year, our procurement teams have worked to ensure that the labour providers we use in our depots comply with good practice. This involved a re-tender process that drastically reduced the number of labour providers we use and making it a pre-requisite at tender for labour providers to commit to undergo the Clearview certification (see collaboration section) and work towards this global certification as a condition of business. This made the high standards we expect clear to the labour providers and we now have six labour providers committed to this course of action as part of doing business together. We are the first retailer in the UK to actively require Clearview in its own operations and look forward to working with these suppliers to improve over time.

“

“Warehousing and logistics have been identified as high risk for temporary labour provision in the UK and Sainsbury's has taken a leading role in its due diligence of labour providers used within the sector. Sainsbury's is requiring all labour providers in its own distribution operations to go through the Clearview certification process to review their compliance with responsible recruitment and labour supply practices. Through Sainsbury's sponsorship of the Responsible Recruitment Toolkit, the labour providers will also have free access to an online capacity building tool and training to support their continuous improvement”.

David Camp

Chief Executive of the Association of Labour Providers and allianceHR

Training for high risk categories

We provided Stronger Together training for our property colleagues and key suppliers so they can better understand slavery indicators to look for in the construction industry (see training section for more information).

We also invited our logistics suppliers to attend the UK's first warehousing and logistics-focused event on Tackling Labour Exploitation Supply Chain Risks Together, providing an opportunity for them to hear from experts in business and government about forced labour risks, their experiences on addressing these risks and discuss with peers how the sector can work together.



In our food supply chain

The complexity of modern slavery

In June 2019, we were made aware that one of our produce suppliers, G's Fresh, was approached by the media alleging that six victims who were witnesses in a large-scale West Midlands modern slavery prosecution had worked at one of their farms in 2015. The police stated that this was the 'most ambitious, extensive and prolific'¹ modern slavery network ever uncovered, with an estimated 400 victims exploited by a Polish family gang between 2012 to 2017. However, this was the first time our supplier had heard about the case.

It is important to understand the complexities of this case. The criminal gang had brought workers onto G's site by infiltrating a local labour provider. One of the gang members became an expert recruiter, highly rated and trusted by the labour provider and thereby was able to bring in victims to work across multiple businesses in the UK. In the case of our supplier, most of the six victims worked only a few shifts each, with one worker labouring for a few shifts over eight weeks. At the time, the issue of modern slavery had a much lower profile and there was less awareness about the indicators to look for. Our supplier uses agency workers for less than one percent of its salary bill, used for 'top up' in exceptional circumstances. The short tenure of agency workers makes it difficult to build a relationship with them and to build enough trust in the organisation for them to feel comfortable reporting abuse. Victims were also from disadvantaged backgrounds as is very common; homeless, alcoholics, ex-prisoners or in trouble with the police in their home country.

We are confident that G's has implemented robust processes and systems since 2015 to identify slavery and have been identified as leaders in this field. They decided to participate



in a BBC Panorama programme to showcase what they have implemented. There have also been other occasions where they have identified victims and alerted us proactively. As awareness of the issue has increased over the last few years, the supplier has:

- Moved from a position of solely enforcing legal requirements and Gangmasters and Labour Abuse Authority (GLAA) licensing standards to capacity building
- Introduced greater detail in agreements with labour providers to clearly outline expected requirements and standards
- Committed to the Stronger Together initiative and implemented recommendations
- Moved away from relying on the one-day audit view to developing key performance indicators and setting expectations for improvement

- Developed a culture of relationship building and working together to increase labour provider knowledge and capacity
- Required agency workers to receive modern slavery training
- Required labour providers to be monitored, benchmarked and work towards improvement
- Trained all staff on slavery, introduced Modern Slavery Champions and a 'yellow flag' alert system
- Developed a Prevention and Detection Modern Slavery Handbook to accompany training
- Established a library of leaflets, posters, documents and videos to assist with raising awareness
- Recruited additional colleagues to ethics team from two to six people who are trained on social compliance audits, GLAA licensing standards, extensive investigation methods and modern slavery.



Following the June case, the supplier has also conducted worker interviews, carried out a cultural audit with Hope for Justice, strengthened the requirement for open communication with labour providers in all circumstances and communicated extensively. They also hosted an industry event called 'working together to prevent modern slavery', which included high profile speakers such as Anti-Slavery Commissioner Dame Sara Thornton, to clarify shared priorities and areas where we can work better together. We fully support the outcome of the meeting which included exploring the development of a modern slavery intelligence network. G's also plans to use Hope for Justice to train their Board and work with the Rights Lab at Nottingham University to provide an independent assessment of their systems and processes and continue to enhance the value of ethics for the business.

¹ [Independent: UK's largest modern slavery gang trafficked more than 400 victims \(July 2019\)](#).

In our non-food supply chain

Ensuring that ending slavery is 'Everyone's Business'

Last year, we began a collaborative trial to develop Everyone's Business, a new app for our non-food 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.

This year we have moved beyond a trial and the app was used for 271 site visits across 14 countries by 82 buyers and technical colleagues. We will continue to increase the number of colleagues using the app. We will work with Carnstone to further develop the app's functionality and adapt it for the food business.

Remediating child labour

In 2019, we had four child labour cases across two general merchandise and clothing suppliers we source from, which happen to be in China. The main cause of these incidents in both factories was a result of poor management systems in place that allowed easy access to the production area from the dormitory building. Once this was brought to our attention, we acted promptly by working collaboratively with The Centre for Child Rights and Corporate Social Responsibility (CCR CSR) to implement a remediation plan in line with our Child Remediation Policy. This included providing living stipends, tuition fees and close monitoring until they turned 16 years of age. This was to ensure their rights and well-being were protected and looked after. We also worked with the factory to implement new management systems to prevent any future cases of child labour occurring.

Liaising with government

Prevention, identification and remediation of modern slavery is an issue that requires collaboration across stakeholders and government involvement is essential. This year has seen a wave of government activity. Dame Sara Thornton took up post as the Independent Anti-Slavery Commissioner who has actively engaged with businesses. Sainsbury's met with Sara and her team to share our individual and collaborative work to date, our Modern Slavery Risk Assessment Tool and our plans for the future. We look forward to consolidating this relationship further.

“

“I met with major retailers in the wake of Operation Fort, the UK's largest modern slavery case, to assess how they are responding to human rights risks in their supply chains. I was particularly encouraged by the approach of some businesses who were innovating and experimenting with new tools and technologies and I have highlighted this as good practice. Sainsbury's Modern Slavery Risk Assessment tool, which uses data analytics to provide a dynamic assessment of multiple tiers of its supply chains, is a good example of this.”

Dame Sara Thornton

Independent Anti-Slavery Commissioner

Through our trade associations, the British Retail Consortium (BRC), Confederation of British Industry (CBI) and the Ethical Trading Initiative (ETI), Sainsbury's has contributed to government consultations on a broad range of employment and labour market issues. This included the creation of a new Single Enforcement Body to police employment rights. Consultation responses we helped shaped, through the BRC, include:

- Director of Labour Market Enforcement 2020/2021 Strategy

- Creation of a Single Enforcement Body
- Department for Business, Energy and Industrial Strategy' (BEIS) review into One-Sided Flexibility
- Revisions to the Modern Slavery Act 2015

Our stakeholder engagement included attendance at three roundtable policy discussions to help inform industry-wide responses to these consultations. Two of these were hosted by Matthew Taylor, the Interim Director of Labour Market Enforcement, and involved discussion on the realities of modern slavery in supply chains.



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% of victims of forced labour in the private economy are affected by debt bondage¹, 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 continued our position as founding sponsors of the Responsible Recruitment Toolkit, supporting our suppliers in recruiting responsibly and helping them progress towards Clearview certification. Led by allianceHR and the Association of Labour Providers, the toolkit sets out 24 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, online guidance, resources, self-assessment and reporting tools and additional in-depth training. We contacted our suppliers to encourage them and the labour providers they use to take full advantage of the support and guidance available. Updates on progress can be found in the training section.



Food Network for Ethical Trade (FNET)

- working with suppliers to find real solutions

We continue to be active members of the Food Network for Ethical Trade (FNET) which is a supplier-led initiative aiming to use the collective leverage of suppliers and retailers to bring about positive change in global food supply chain working conditions by providing guidance, resources, training and opportunities for collaboration. FNET has a number of workstreams but there are two more relevant to modern slavery which we are involved in - recruitment fees and worker representation. The objective of the recruitment fees workstream is to gather information on:

- Where fees are being paid, at what scale and by whom
- How best to gather this data and engage workers
- How to share findings of both process and results to develop collective steps to tackle recruitment fees

To date, members of the group have: shared data and findings on migrant worker recruitment channels, fees, costs and related risks and shared best practice for managing these risks for the UK, Europe and Asia. Examples of the group's outcomes include sharing worker interview techniques to elicit instances of workers paying recruitment fees, agreed working definitions of recruitment fees, updates on emerging recruitment slavery risks and associated remediation strategies and input into other initiatives working on recruitment fees. Future work will focus on ongoing sharing of recruitment fee scenarios and how to manage them and piloting the implementation of the Institute for Human Rights and Business (IHRB) Leadership Group indicators on recruitment fees.

1. International Labour Organization: Global Estimates of Modern Slavery, Forced Labour and Forced Marriage (2017).

Leading with The Consumer Goods Forum

Our Chief Executive Officer continued in the role of Retailer College Co-Sponsor for The Consumer Goods Forum's Sustainable Supply Chain Initiative (SSCI) in our 2019-20 financial year, covering issues including human rights.

We are active members on the Steering Committees for the Forum's Sustainable Supply Chain Initiative (SSCI) to ensure that major social compliance schemes meet minimum customer requirements on issues such as forced labour and recruitment fees. With the overarching framework developed, we are moving this work into primary production and off-shore vessels.

We also support The CGF's Forced Labour Priority Industry Principles through their Human Rights Coalition of Action – Working to End Forced Labour, tackling three of the most problematic employment practices that can lead to forced labour. We have incorporated these principles into our recent updates to our sustainable sourcing policies for goods not for resale and goods for resale. Through The CGF, we are working to ensure that these principles continue to be embedded in international sustainability certifications where possible.

We continue to take part in The Consumer Goods Forum's work in Southeast Asia through its collaborative Roundtables on Responsible Recruitment. Work this year has focussed on mapping and understanding recruitment and labour corridors into the Malaysian palm oil sector. Sainsbury's is on the technical committee working with a number of other brands and the International Organisation for Migration (IOM) to carry out this research.

Improving accommodation for workers in the UK

The UK needs up to 70,000 seasonal agricultural workers each year to pick British fresh produce. More than 85% of these workers come from overseas, mainly Eastern Europe. Most are from Romania and Bulgaria, followed by Poland, Lithuania, Latvia, Estonia, Hungary, Czech Republic, Slovakia and Slovenia¹. Farmers need to house these workers during the season but poor guidance, regulation and tight margins means that low caravan accommodation standards are common. Overcrowded, substandard and overpriced accommodation has been highlighted in the media² and is one of the indicators of forced labour and exploitation³.

“

**“It's a much nicer place to live,
I feel much happier now”**

Worker

That's why we partnered with industry experts to create guidance on provision of caravan accommodation for temporary workers in the UK in 2017 which is now on its third edition. In last year's Modern Slavery Statement, we mentioned how we collaborated with ESC International and other retailers to develop an accessible, simple and wide-reaching webinar series based on this guidance. The webinars include step-by-step guidance on how to risk assess, mitigate risk, use checklists and implement a sound accommodation management system. They are also intended to future-proof businesses against the shortage of labour by offering

more appealing accommodation. Webinars are available free of charge on the [Sedex website here](#) and included several online Q&A sessions that offered participants the chance to interact with their peers, ask questions and offer feedback.

“

“From a business perspective you need to future proof your business and ensure you are the employer of choice – this training helped us do that”

Accommodation Manager

We have been tracking the impact of the webinar series:

- So far the training has been undertaken by 160 organisations that accommodate around 31,000 workers in the UK. This accounts for over half of all workers housed in caravan-style accommodation in the UK
- 94% of users find the training course very useful
- 80% stated the training modules were easily applicable
- 81% would recommend the training modules to others
- Changes implemented since watching the training modules addressed: room space, safety measures, increased monitoring, risk assessment and training

One labour provider stated that its business has grown four times since implementing a strong and safe accommodation management programme. Feedback from workers has been extremely positive and in some cases led to better retention and return of workers and enhanced worker wellbeing.

“

“It's not just about accommodation or a place to stay, it's about building a community, it's about people wanting to work with us and stay working with us and we are seeing better retention rates – it's a real success story”

Labour provider



1. Financial Times: UK farmers struggle to hire overseas workers for harvest (August 2019).

2. BBC News: UK slavery network 'had 400 victims' (July 2019).

3. European Union Agency for Fundamental Rights: Protecting migrant workers from exploitation in the EU: workers' perspectives (2019).

Partnering with the Issara Institute in Southeast Asia

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.

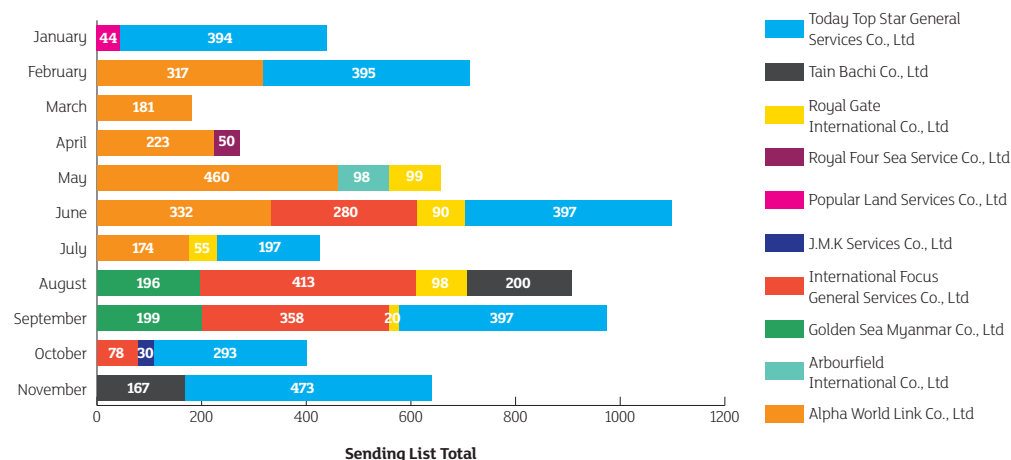
Over 34,000 workers in our Thailand supply chain have access to Issara Institute's independent worker voice channels, which aim to improve working conditions and strengthen supplier systems and responsible recruitment. Approximately 75% of these workers are foreign migrant workers.

In our Thailand supply chain, Issara is directly working with seven primary processing facilities and businesses in their upstream supply chain. In 2020 we seek to have greater worker voice

coverage among our supplier base, although the COVID-19 situation is impacting direct in-person engagement with workers. In this environment, Issara's independent worker voice channels are more active than ever, and worker outreach and empowerment is focusing more on digital communications and support through Issara's independent helpline, Golden Dreams migrant worker app, closed Facebook chats, and Line and Viber messaging.

Building on previous research on the Myanmar-Thailand recruitment corridor, Issara continues to work with 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. The vast majority of foreign migrant workers in Sainsbury's Thailand supply chain come from Myanmar. In 2019, this totalled over 6,500 foreign migrant workers entering Thailand from Myanmar via the formal Memorandum of Understanding (MOU) channel, from 11 different origin country recruitment agencies.

2019 Myanmar MOU Workers Entering Sainsbury's Thailand Supply Chain, by Sending Recruitment Agency and Month



Source: Issara Institute

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

Protecting car wash workers

The police believe that many car washes in the UK are flouting laws¹, 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 (RCWS) to protect vulnerable workers in the UK's hand car wash businesses and improve the overall industry. Last year we supported an initial pilot against the RCWS Code of Practice which confirmed our decision to move to static, rather than roaming, car wash sites. We are working with the RCWS to reflect on the learnings and develop a strategic plan for the next phase of development and how we can work together to improve standards ahead of a possible licensing regime.

Improving working conditions is a high priority for Sainsbury's. Our collaboration with Issara and their work with our suppliers enables over 34,000 workers to have access to Issara's worker voice channels and remediation support for grievances raised, also helping suppliers to advance their internal capacity to handle grievances. The top ten labour-related issues ranked by volume of calls that workers in our supply chain have been reporting to Issara are:

1. issues with wages;
2. document retention by supervisors, brokers, or employers;
3. unfair dismissal;
4. lack of professional conduct by recruitment agency and/or employer;
5. issue with annual leave or sick leave;
6. very late or missing payments;
7. issues with regular shift hours or other shift issues;
8. issues with deductions;
9. treated poorly and/or threatened by RA or broker;
10. workers placed in workplace and jobs different from what they were recruited for.

Through collaboration and support of worker voice, working conditions become more transparent and suppliers are better positioned to effectively carry out their own policies and Sainsbury's supplier standards for responsible sourcing.



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.

Our General merchandise and clothing colleagues have an amended version of the modern slavery e-learning module with non-food case studies relevant to their supplier regions. All new colleagues also attend a mandatory training session on our ethical standards, policies and process, led by a member of our ethical team.

24 colleagues received training on tackling modern slavery in the construction sector from Stronger Together. This was targeted training for those working on our property team. 100% of feedback respondents strongly agreed or agreed that the workshop increased their understanding of the risks and potential impact of modern slavery on Sainsbury's.

“

“A very thorough and informative workshop, well worth attending”

“Listening to stories of modern slavery or forced labour cases really puts it into perspective how serious the matter is.”

“All of it was very valuable but in particular the level of deceit the gang leaders go to in order to cover up their activities, e.g.: acting as a ‘helpful’ spokesman for their workers.”

Sainsbury's Colleagues

Up skilling our suppliers

We issued online training to our suppliers this year in the form of an interactive document on our Sustainable Sourcing Policy for food suppliers, which 67 individuals from 54 suppliers completed and we issued a supplier e-learning on modern slavery which 56 individuals from 44 suppliers completed. . This allows all our suppliers around the world to access training and understand our expectations. These two trainings are directed mainly at new suppliers and sites we on-board, but are available to all suppliers.

We held ethical and technical workshops for suppliers in four Asian locations in 2019 for 388 participants from 269 suppliers across China, Vietnam, Thailand, Bangladesh, India and Sri Lanka. The aim was to provide an introduction to our sustainability and ethical trade agenda. We provided an overview of our approach and expectations with more information on specific topics including the use of prison labour and our child labour remediation procedures.

We continue to partner with Stronger Together to deliver specialist training in identifying and addressing modern slavery, this year reaching 299 supplier participants in the UK and 82 in South Africa.

22 participants from 20 suppliers attended Stronger Together training in the UK specifically designed for those in the construction sector exclusively for Sainsbury's suppliers. All that completed the feedback agreed the workshop had increased their knowledge and understanding of what modern slavery was. 100% said that they would use and implement the toolkit, checklists and action plans discussed in the training. We will follow up with suppliers to understand progress over the coming year.

10 participants from six of our logistics suppliers attended the UK's first warehousing and logistics-focused event on Tackling Labour Exploitation Supply Chain Risks Together, providing an opportunity for them to hear from experts in business and government about forced labour risks.



Key performance indicators

Here we provide an annual update on our key performance indicators

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, more information in the collaboration case studies section.

We are in the process of developing our post 2020 social sustainability plan which will include our [Net Zero](#) commitments, human rights, modern slavery approach and performance measures. We will develop a set of performance indicators to track performance and publish these on a regular basis.

Non-conformances identified through third-party audits

10

categorised under the 'employment is not freely chosen' clause of our Code of Conduct. These related to missing, inadequate or inaccessible Modern Slavery Statements, compulsory overtime, inadequate monitoring of temporary labour providers and unreasonable fees levied at recruitment or contract-end.

40

categorised under 'no harsh or inhumane treatment' clause of our Code of Conduct. These related to opportunities to improve grievance, disciplinary or bullying and harassment policies, additional training required on these policies as well as instances of poor people management.

All appropriately followed up and tracked to ensure the issues are remediated.

Our suppliers on Stronger Together training

KPI

Sainsbury's supplier sites trained since 2013

Sainsbury's supplier sites trained in year

Sainsbury's suppliers using progress reporting tool

Individuals from Sainsbury's suppliers trained in the **UK** since 2013

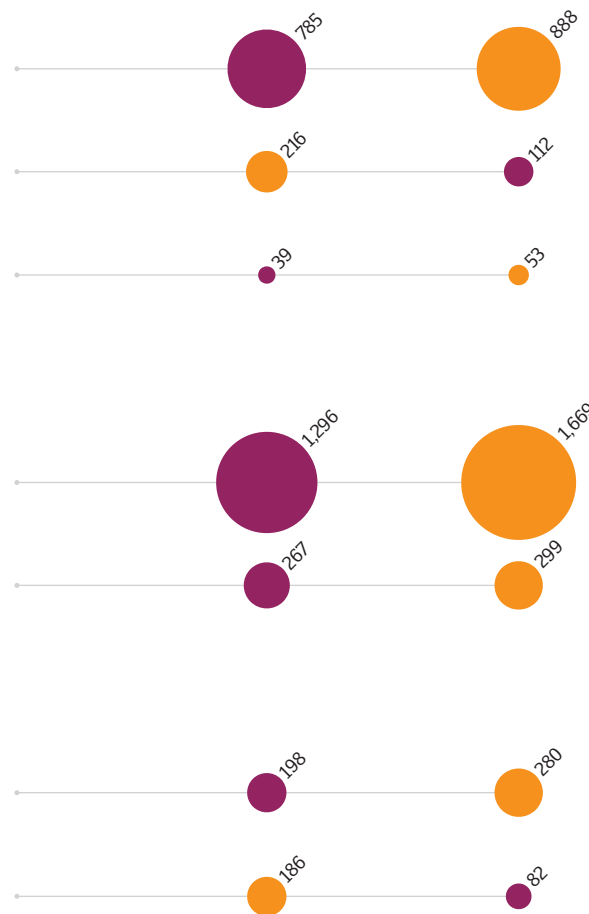
Individuals from Sainsbury's suppliers trained in year (UK)

Individuals from Sainsbury's suppliers trained in **South Africa** since 2018

Individuals from Sainsbury's suppliers trained in year (South Africa)

2018/19

2019/20



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



Training our colleagues

This year, 752 colleagues completed our modern slavery e-learning module this year across food and non-food. Colleagues are encouraged to complete this module annually.

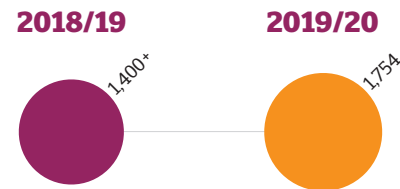


Training our suppliers

This year, 67 individuals from 54 suppliers completed our new learning module on our Sustainable Sourcing policy and 56 individuals from 44 suppliers completed our modern slavery e-learning.

Partnering with the Issara Institute in Southeast Asia

1,754 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 sustainable sourcing

99.1%

Of palm oil in our products is certified to the Roundtable on Sustainable Palm Oil (RSPO) standard, monitoring social criteria such as the protection of the rights of indigenous and local communities, workers in the palm oil plantation as well as that of vulnerable groups such as women and children affected by the growing of palm oil.

90%

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"

76%

Of the cotton for our clothing and general merchandise is sourced more sustainably through the Better Cotton Initiative (BCI), up from 68% in 2018/19. As well as water and pesticide savings, an estimated €2.74m additional profit benefitted BCI farmers in 2019 thanks to our sourcing of Better Cotton. BCI Farmers experience profit increases for a variety of reasons, most commonly due to increased yields and/or optimised use of inputs (such as irrigation water, pesticides or synthetic fertiliser). BCI empowers farmers to implement the International Labour Organisation's principles of decent work.

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

37

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

Use of Everyone's Business app

Everyone's Business app was used for 271 site visits across 14 countries by 82 buyers and technical colleagues. We will continue to increase the number of colleagues using the app.



Workforce Disclosure Initiative score improvement

There are too many poor quality and precarious jobs around the world. The United Nations recognised this in the 2015 Sustainable Development Goals. Goal 8 calls for 'decent work for all' and this goal also includes the eradication of forced labour. [The Workforce Disclosure Initiative \(WDI\)](#) mobilises investors to push for better jobs. The first step is to make sure companies disclose comparable workforce information. Investors can then use this data to engage with companies and drive a race to the top.

The WDI brings investors together to request comparable data from companies via an annual survey. Its ultimate goal is to improve the quality of jobs in multinational companies' operations and supply chains.

We took part in the WDI survey for the third consecutive year and we were the first UK retailer to participate. Key highlights from this year:

The completeness of our 2019 response was well above the overall average of 40% and comfortably above the 50% sector average. Key areas of improvement for next year include gathering and disclosing more data on:

- our contingency workforce (numbers and conditions of work)
- understanding number of workers and gender split of suppliers beyond tier 1
- monitoring implementation of decent wages policy in supply chains



Looking forward



Next steps

We recognise there is still a long way to go to tackle labour exploitation in our own operations and supply chains. We will take the following steps to keep moving this agenda forward:

- Devise means to ensure suppliers meet the transparency requirements according to our Precious Metals, Minerals & Gemstones Policy
- Finalise our beyond-2020 strategy for human rights including modern slavery and design and set targets and KPIs to track performance. Decide reporting formats and incorporate with our net zero frameworks and the just transition agenda
- Assess responses from suppliers in our goods and services not for resale supplier questionnaires and engage suppliers in how to effectively manage and reduce risks identified
- Engage with our construction suppliers who attended our training to understand progress made
- Begin delivering our women's empowerment project in India and Bangladesh and capture impact
- Devise a supplier engagement programme to better understand and address specific relevant risks
- Write, publish and promote a homeworking policy
- Identify specific project learnings to create more cross-fertilisation both within and across sectors
- Publish our human rights impact assessments by 2022






- Work with Carnstone to develop functionality of the Everyone's Business app to improve use in non-food visits and begin use in food supplier visits
- Take lessons and outcomes from our collaborative work on responsible recruitment and implement this more widely in our operations and supply chains
- Continue to support the Responsible Car Wash Scheme to develop strategy and implement improvements in car washes on our estates
- Engage with and support the modern slavery intelligence network






More broad areas of work will include:







- Build on our materiality study to inform a data-led approach to risk assessment to help prioritise future workstreams based on our ability to influence and act – an approach that balances people, place, product, risk and influence
- Require basic training for all colleagues and develop further training relevant for specific job roles
- Review our purchasing practices to understand how this impacts vulnerable workers within our value chains
- Define a set of performance indicators for the business to measure performance and show improvement
- Promote grievance mechanisms and worker representation so workers can better raise grievances and seek remedy to protect themselves
- Identify partnerships that facilitate training for workers on their rights and provide remedy






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 of 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 2010 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.
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. Through BCI and its Partners, farmers receive training on how to use water efficiently, care for the health of the soil and natural habitats, reduce use of the most harmful chemicals and apply decent work principles.
Carnstone and UK retailers		Everyone's Business	The general merchandise and clothing business 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.

Partner	Project / Initiative	Purpose
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 (SSCI) Human Rights Coalition of Action – Working to End Forced Labour and Forced Labour Priority Industry Principles	We are active members of The Consumer Goods Forum (CGF) Sustainable Supply Chain Initiative (SSCI), 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 Human Rights Coalition – Working to End Forced Labour and Forced Labour Priority Industry Principles, tackling three of the most problematic employment practices that can lead to forced labour.
Food Network for Ethical Trade		Being members of the Food Network for Ethical Trade enables us to work alongside 51 suppliers and retailers to use our collective leverage to bring about positive change in global food supply chain working conditions by providing guidance, resources, training and opportunities for collaboration.
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 Peru South Africa Thailand India	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.
Gangmasters and Labour Abuse Authority		We partner with the Gangmasters and Labour Abuse Authority, sharing intelligence and best practice on remediation and support for victims.

Partner	Project / Initiative	Purpose
Global Seafood Assurances	 Ethical Labour Working Group	We are Board members of Global Seafood Assurances (GSA) who are working on improved assurance and traceability in seafood. GSA has developed an independently audited standard, based on global human rights conventions, for crews on fishing vessels. We have worked on the development of this standard which is currently being piloted ahead of launch.
ICTI Ethical Toy Program	 Strategic Partners Program	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.
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.
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.	
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.	
Roundtable on Responsible 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.
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 including risk assessment on forced labour. Sedex is also the platform used by our food suppliers to share social audit information with us.
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		Ethical Labour Working Group	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.
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		Cocoa and Forests Initiative	The World Cocoa Foundation provides a platform for us to work with industry, non-governmental organisations and governments on challenges facing the cocoa sector to achieve a thriving and sustainable cocoa sector, where farmers prosper, communities are empowered, and the planet is healthy. More information here.