

J Sainsbury plc | Modern Slavery Statement 2024/5 | Introduction | Our approach | Looking forward | Collaboration Overview |

## **Welcome from our Chief Executive, Simon Roberts**



As a business, we stand against all forms of modern slavery and are committed to preventing, detecting and remedying it. We can only live up to our purpose to make good food joyful, accessible and affordable for everyone, every day if the people in our business and supply chains are treated with dignity and respect.

Recognising the importance of strong internal processes to address modern slavery risks, this year we have focused on further strengthening our human rights due diligence (HRDD) approach. We commissioned an expert consultancy to carry out a review of our current HRDD management systems and created a robust action plan as a result. We also developed stronger requirements and guidance for suppliers and enhanced our internal due diligence on supply chains linked to high-risk sourcing areas.

We are committed to industry level change and continue to work in partnership with others to achieve this. We acknowledge that collaboration is not always the quickest and easiest route, but we firmly believe that working with others is essential in responding to and resolving human rights issues and that improved alignment across industry will lead to better long-term outcomes for suppliers and workers.

We understand that systemic change is needed to address the global issue of forced labour and have this year increased our efforts in contributing to national and international policy development and initiatives to tackle modern slavery. We are pleased to have joined the Supply Chain Work Group of the Global Commission on Modern Slavery and Human Trafficking, and to have contributed to its recent report that makes recommendations on how a range of actors can accelerate action on this issue and improve their impact.

We will continue to work with the Commission to build international consensus and momentum to tackle modern slavery.

Through our due diligence processes, we have been able to better detect Human Rights issues, including modern slavery, in our global supply chains and the UK. We know that modern slavery tragically remains a prevalent issue, and the UK faces significant risks, with forced labour cases reported across a range of sectors. We continue our efforts to ensure that the people who make, grow and distribute our products are not exploited in any way or exposed to unsafe or unfair working conditions anywhere in our business or supply chain.

It has been encouraging to see the steps forward in business action on tackling modern slavery. This was reflected in the CCLA's 2024 Modern Slavery UK Benchmark. Whilst Sainsbury's was pleased to move to the top performance tier and be recognised as "leading on human rights innovation", we recognise the work is far from finished and plan to continually improve and build on our approach.

This is our ninth statement on modern slavery, in line with Section 54 of the UK Modern Slavery Act 2015. It details the steps we have taken during the financial year ending 1st March 2025 to prevent modern slavery and human trafficking in our own operations and supply chains.

This statement was approved by J Sainsbury plc Board of Directors in July 2025.



Chief Executive Officer

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## Key activities and updates in 2024/25

This statement focuses on our activities to address modern slavery. Updates with regards to our broader work on human rights are shared through our <u>Plan for Better report</u> and our webpage dedicated to championing <u>human rights</u>.

## **Key activities include:**



Strengthened our Human Rights Due Diligence (HRDD) approach. As well as developing stronger requirements and guidance for suppliers, we also commissioned a human rights consultancy to carry out a gap analysis of our current HRDD management systems and we created a robust action plan as a result. (see due diligence for more information)



 Executed a range of impactful initiatives, including the development of key performance indicators, to further drive our human rights commitments, through a successful second year of our partnership with the University of Nottingham's Rights Lab. (see collaboration for more information)



Continued to contribute to the Seasonal Workers Scheme Taskforce (SWS Taskforce), including supporting the Defra co-funded Employer Pays Principle Feasibility Study and championing the development of grievance mechanism enhancement for UK horticulture. (see <u>risk assessment and management</u>)

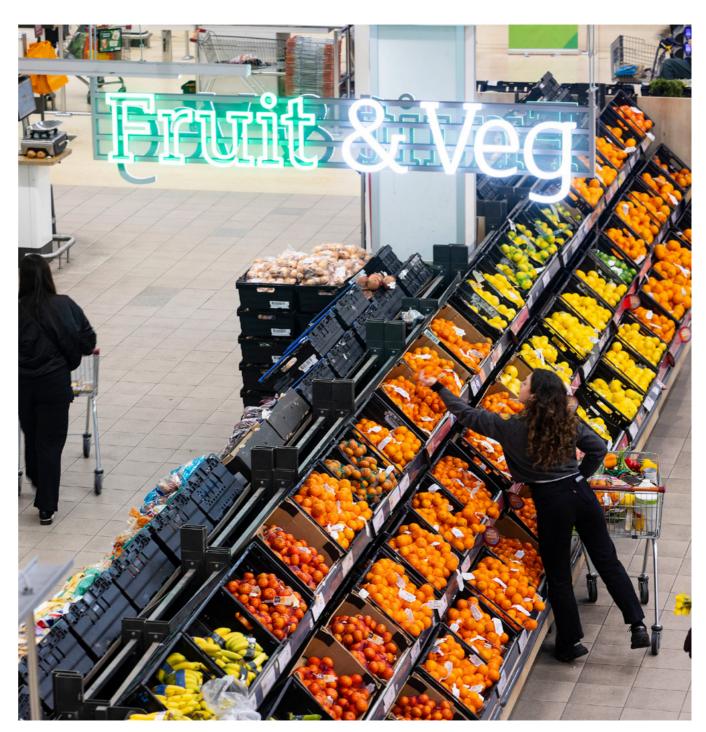


**Established a list of prohibited sourcing regions** in collaboration with the Rights Lab to support our enhanced due diligence activities. This has been embedded into our Food Responsible Sourcing Manual and going forwards will be embedded across the business. (see <u>due diligence</u> for more information)



Continued our efforts to engage in dialogue with governments and policymakers on upcoming legislation, guided by our advocacy strategy.

(see collaboration for more information)



## We make good food joyful, accessible and affordable

for everyone, every day.

At Sainsbury's, we make it our responsibility to respect human rights across our own operations and supply chains. We strive to ensure that everyone we collaborate with are not being exploited or exposed to unsafe working conditions and to ensure that our transition to Net 7ero is fair for the communities we source from

This statement covers our approach to identify, remediate and prevent modern slaveru<sup>1</sup>. For Sainsbury's Bank Modern Slavery Statement:



## **Definitions for the purpose** of this statement

### Business / J Sainsbury plc

Our business, which includes food, general merchandise and goods and services not for resale.

#### Food

Sainsbury's own-brand food and groceries.

#### **General** merchandise

Sainsbury's, Argos and Habitat own-brand general merchandise and Tu clothing.

#### **GNFR**

Goods and services not for resale, which includes sectors such as energu, marketing. logistics and infrastructure.

## **Direct suppliers / Tier 1 suppliers**

The final point of production, where there is manufacturing, processing, producing or service provision i.e. the final point at which labour was applied.

## **Indirect suppliers / Tier 2 suppliers**

Suppliers to our Direct / Tier 1 suppliers.

## Our company at a glance

£36,720m

Group sales (inc.VAT)

Over 141,000

599

855

203

4

3

26

21

Local fulfilment centres

## Our supply chain at a glance

## 56

Countries where we source own-brand products

## **Around 1.100**

Suppliers of own-brand products for food and general merchandise supply chains operating across **1.900** sites

## **Over 1,600**

Suppliers over **24** countries in GNFR supply chains managed by our procurement division

98%

Of GNFR spend is with suppliers based in the UK

## 80%

Of food supplier sites are based in the UK, Spain, France, Italy, Netherlands and China

## 76%

Of general merchandise supplier sites are based in China, India, and Bangladesh

## Over 910,000

Workers in first tier of food and general merchandise supply chain, of which:

**7%** are agency workers

**20%** are migrant workers

47% are women

## **Our brands**

#### **Connected services**



Sainsbury's Bank











TAR 3 6 0



**Our channels** 





**Single Infrastructure** 



<sup>1</sup> This statement sets out the steps taken by Sainsbury's Supermarkets Ltd, Sainsbury's PropCo A Limited, Sainsbury's PropCo B Limited, Sainsbury's PropCo B Limited, Sainsbury's Tupe Property Holdings Limited, Sainsbury's Thistle Scottish Limited Partnership, Argos Limited, Nectar 360 Limited and Nectar 360 Services LLP, all of which fall within the scope of section 54(2) of the Modern Slavery Act 2015

## Governance

Sustainability is integrated into Sainsbury's Group's overall strategy and is key to delivering it. The Corporate Responsibility and Sustainability (CR&S) Committee's role is to provide oversight and challenge on any material sustainability matters identified, advising and making recommendations to the Board where appropriate. The committee has oversight of our policies relating to modern slavery and monitors engagement with stakeholders on sustainability and corporate responsibility, including customers, suppliers, the community, colleagues, shareholders and government.

The CR&S Committee is chaired by Non-Executive Director, Keith Weed. Overall responsibility for modern slavery sits with our Board of Directors.

Our Chief Marketing, Data and Sustainability Officer sponsors our Plan for Better sustainability strategy. Our Chief People Officer is responsible for our human rights policy and the directors of each business division are accountable for implementing our policies and standards throughout our business and supply chains. The Group Head of Human Rights leads our human rights strategy and is responsible for monitoring progress.

Issues relating to modern slavery and human rights are the responsibility of our technical and ethical trade teams, supported by a central human rights team. All four of our general merchandise sourcing offices in Asia have dedicated ethical trade teams, who are responsible for everyday management of ethical issues.

While all colleagues have a role to play in addressing modern slavery, our technical, ethical trade, and human rights teams, together with our suppliers, are responsible for tackling these issues. These teams engage with and are supported by key departments across the business to carry out this work. Our leadership teams and Board hold ultimate accountability.

## An overview of the governance structure

Oversight of the sustainability strategy

J Sainsbury's plc board

Chair: Martin Scicluna

#### **Remuneration Committee**

Reviews remuneration targets aligned to the sustainability strategy<sup>1</sup>.

Chair: Jo Harlow, Non-Executive Director

## Corporate Responsibility and Sustainability Committee

Reviews the sustainability strategy, ensuring it is aligned with the Company's purpose, strategy, culture, vision and values. It also monitors the business's engagement with stakeholders including customers, colleagues, suppliers, the community, shareholders and government on sustainability and corporate responsibility matters.

Chair: Keith Weed. Non-Executive Director

## **Operating Board**

Defines the business-wide strategy, adapting to new regulatory requirements and trends. Reviews cross-value progress and signs off major investments.

Chair: Simon Roberts, Chief Executive

## Plan for Better Acceleration Squad<sup>2</sup>.

Leads operational execution of our sustainability strategy, Plan for Better, by overseeing activity, ensuring delivery of performance.

**Chair:** Mark Given, Chief Marketing, Data and Sustainability Officer

#### **Audit Committee**

Reviews risks and confidence in disclosures aligned to our sustainability strategy<sup>1</sup>.

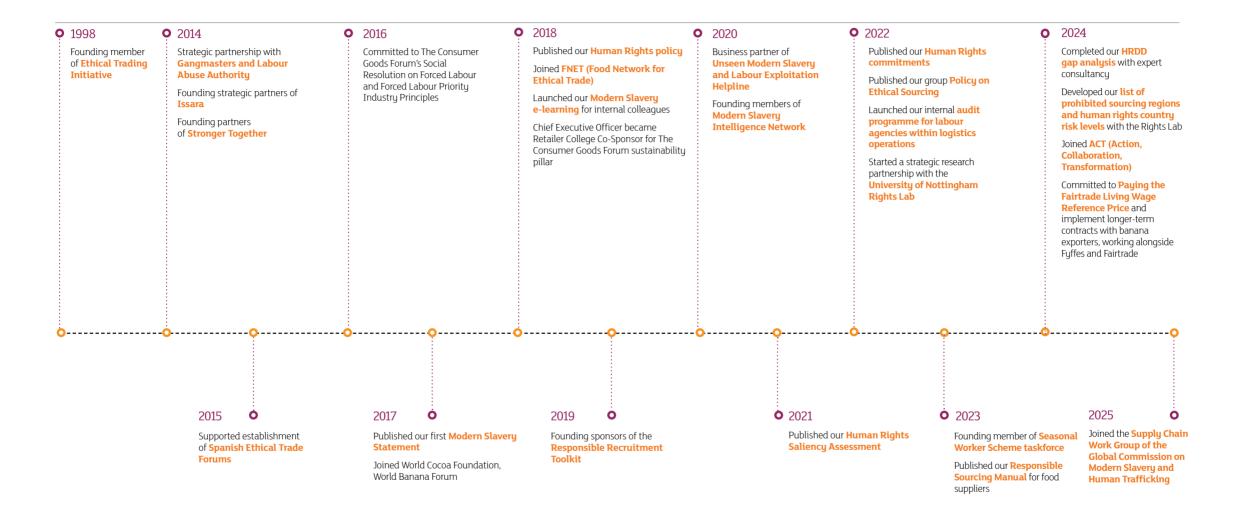
**Chair:** Adrian Hennah, Non-Executive Director

<sup>1</sup> Remit of Committee in relation to the sustainability strategy. For full details on the Committees please see our 2025 Annual Report or our Corporate Governance webpage

<sup>&</sup>lt;sup>2</sup> Attendees include the Chief Commercial Officer, Sainsbury's, Chief Property and Procurement Officer, MD Smart Charge, Director of Sustainability, Director of Corporate Affairs, Director of Finance and subject matter experts from different areas of the business.

## Our journey so far

5



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

## Policy development, embedding and monitoring

The Human Rights team is accountable for the development of group human rights policies. The technical and ethical teams are responsible for the implementation of the policies and supplier requirements. Our Central Technical Operations team supports the compliance tracking and monitoring of these policies.

Our policies are updated to ensure they remain relevant and encompass good practice as it evolves. The need for new policies is identified through gap analyses conducted against our priority risk areas and key raw materials (those that represent the highest levels of human rights and environmental risks). Policies are developed and updated in line with relevant international standards and local law, and in consultation with internal ethical, technical, and legal teams and with external partners, as required. Our policies receive formal sign-off through our governance processes.

Policies are communicated to Sainsbury's colleagues through our intranet, colleague handbook and supplier platforms. Suppliers can access our policies and supplier requirements through our supplier platforms and website. Direct suppliers must communicate Sainsbury's policies and positions to their own supply chain partners.

Our contractual terms and conditions with suppliers include compliance with our Policy on Ethical Sourcing and manuals. Our supplier manuals and handbooks translate Sainsbury's policy position and standards into specific supplier requirements across our business divisions. We monitor supplier compliance to our policies and requirements through a combination of third-party ethical audits, Sainsbury's supplier audit programme, self-assessments, and site visits.

Over the next year, we will complete a strategic review of our Human Rights policies to address salient Human Rights risks in our own

operations and supply chains, as well as review the governance processes around these policies. As part of this, we plan to include remediation and responsible exit provisions.

You can find all our publicly available policies here, including our Human Rights Policy, our Prison Labour and Home Work Policies and our key raw material policies such as Leather and Precious Metals and Minerals.

## **Updates to our Supplier Whistleblowing Policy**

As part of our goal to continually improve our policies and ensure changes across the business are reflected, this year we updated our supplier whistleblowing policy. This included an amendment to Sainsbury's whistleblowing hotline information and in October 2024 we extended the RightLine service to include an international, multi-language hotline across our global supplier networks and colleagues outside of the UK. We also adjusted the roles and responsibilities laid out in the policy, ensuring clearer accountabilities for overseeing investigations and actions plans, and who reports will be escalated to, based on risk. We have provided assurance that we will not immediately delist or suspend trade with a supplier as a result of a whistleblowing report where the supplier has alerted their customers, is cooperating with authorities, is actively implementing corrective actions and is not found to be controlling, or complicit in, the offence. Finally, we provided examples of whistleblowing versus grievances to support our definition and make the distinction between the two.

## Updates to our Food Responsible Sourcing Manual

Our Food supplier facing requirements have been updated this year with a stronger focus on HRDD. We introduced a country risk rating in our Responsible Sourcing Manual, which sets out more stringent requirements for our Food suppliers to conduct enhanced due diligence. We have also introduced clearer requirements and guidance on grievance mechanisms and remediation. They outline our expectations for suppliers to establish effective grievance mechanisms to ensure concerns from workers or wider communities are dealt with appropriately and to prevent issues from reoccurring.

#### **Key raw materials policies**

Specific commodity policies (including cotton, coffee and cocoa) address areas of the highest social and environmental risks within our key raw materials supply chains. In 2024, we published new and updated policies for key raw materials including Coffee, Cocoa, Non-Timber Forest Products (Bamboo), Wool and Pulp, Paper and Fibre Based Packaging. In the coming year, we will publish our Black Tea Policy.



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## **Due diligence**

We conduct due diligence to identify and address modern slavery risks that our business may have caused, contributed to or been linked to, and integrate these processes across food, general merchandise and goods and services not for resale (GNFR) business divisions. This year we have further enhanced our due diligence approach, for instance through new third-party audit requirements on specific high-risk supply chains and continued to go beyond our audit due diligence approach, with human rights impact assessments and collaborative programmes such as worker voice surveys.

## Sainsbury's Due Diligence Management Systems

As part of our internal due diligence, this year we commissioned an independent expert consultancy to conduct an in-depth review of Sainsbury's HRDD management systems across all divisions of the business (Food, General Merchandise, GNFR and Own Operations). Informed by a comprehensive document review and complemented by in-depth colleague interviews, engagement with key suppliers, engagement with industry groups such as the Food Network for Ethical Trade (FNET) and Ethical Trade Initiative (ETI). and deep dive sessions with leadership teams, the review assessed our approach against the six due diligence phases outlined in the most widely recognised industry standard (OECD Due Diligence Guidance for Responsible Business Conduct) as well as related HRDD legislation.

This assessment identified areas of strong HRDD practices across our business and supply chains, as well as areas for improvement and requiring greater consistency in our approach. An action plan to learn from and scale our good internal systems and processes as well as close any gaps against international best practices and standards has been co-created between the Human Rights team and our Technical and Procurement teams and will be implemented, monitored and tracked by cross-functional teams. We will report on our progress against this action plan in our next Statement.

This year we piloted in-depth assessments on selected high-risk suppliers including adverse media scanning, public sources reviews, and reviewing non-governmental organisation (NGO) and industry reports to inform additional due diligence and sourcing decisions. We are looking at rolling out these enhanced due diligence requirements at the onboarding stage of high-risk suppliers in the coming year.

We also assessed human rights risks in a number of high-risk supply base reviews, such as in seafood and GNFR and actively monitor pipeline projects. For instance, as part of a review of our solar panels purchasing, we assessed the potential contractors' ethical sourcing and modern slavery due diligence as part of the Requests for Proposals. Additionally, we developed modern slavery specific clauses to include in the supplier contracts.

# Supplier compliance and monitoring in food and general merchandise

We use risk scores from SEDEX's risk assessment tool Radar, the country risk assessment we developed with the Rights Lab, compliance data, industry expertise, media and NGO reporting, and commercial information to highlight where there is highest risk of modern slavery in our supply chain. Across our divisions we take a cross-functional approach to supplier compliance by integrating ethical requirements and monitoring into technical business processes.

Any new direct supplier site goes through a robust onboarding process that includes an ethical compliance check by the Central Technical Operations team in food and Ethical Trade teams in general merchandise.

SMETA (SEDEX Members Ethical Trade Audit) audits continue to be carried out on all direct food and general merchandise supplier sites. These third-party audits must be unannounced or semi-announced and conducted by an approved independent audit company. Approved auditors must be certified by the Association of Professional Social Compliance Auditors

For general merchandise supplier sites, SMETA audits must be carried out annually. Our ethical team conducts additional visits of suppliers at

a risk-assessed frequency. We use Radar risk ratings and audit compliance data, as well as worker voice outcomes, and whistle-blower and allegations reports to prioritise these site visits.

For food supplier sites, the SMETA audit frequency is determined by the Radar risk ratings. High-risk sites are audited every year, medium-risk rated sites every two years, and low-risk sites have a minimum audit frequency of four years. We have a supplier ethical compliance rating in place to focus our efforts where it matters most.

SMETA requirements remain the same, however we have been transitioning to SMETA 7.0, which we expect to improve consistency across auditing. SMETA 7.0 introduces significant enhancements to provide greater transparencu and impact. One of the key changes is the introduction of a new classification of nonconformances: 'Collaborative Action Required' (CARs). CARs are raised where a workplace requirement has not been met, but the responsibility to mitigate or remediate lies outside the direct control of the supplier. CARs require input from additional stakeholders and a longer timeframe to address. For instance, recruitment fees issues will be raised as CARs. Sainsbury's is committed to taking a collaborative approach with suppliers on the management of CARs and to support suppliers' action plans to drive continuous improvement. We issued a <u>statement</u> with UK food retailers and British Retail Consortium (BRC) on the new SMETA 7.0.

Our technical and ethical teams monitor audit delivery and performance, and support our suppliers to resolve any issues found on-site. Suppliers are required to immediately resolve Business Critical non-compliances raised through the ethical audits. Critical and Major non-compliances must be resolved within the timeframes given by the audit bodies.

All serious or persistent issues are escalated within the business and ethical teams lead on investigating and working with suppliers to develop remedial action plans. In rare and severe cases where there is no improvement, or willingness to improve, we responsibly disengage from the supplier.

Supplier compliance is tracked and reported to our technical teams weekly in general merchandise and periodically in food.

Technical governance meetings review supplier compliance against ethical and technical requirements and discuss escalations. High-risk human rights issues are escalated immediately into the technical and ethical teams to investigate.

## Third-party audits conducted

879 586 1,465
general food total audits

## **Key food activities**

- We have launched new and more stringent requirements for our Food suppliers to conduct enhanced HRDD, when sourcing from high-risk countries. Additionally, we established a list of risks associated with each sourcing country, to support suppliers understanding their HRDD requirements for their own operations and supply chains when sourcing from high-risk countries.
- We have set clear third-party audit requirements for indirect supplier sites in Fresh Produce and Protein (meat, seafood, and poultry) in high-risk sourcing countries. We have a food safety audit programme including core ethical questions for all sites on the responsible

management of labour providers and the availability of grievance mechanisms on site. Every direct site is audited on a risk assessed frequency, at least every three years. This year, we have integrated human rights requirements from our Responsible Sourcing Manual (RSM) into audits of our Produce suppliers. The first produce audit was in September 2024, and 37 audits were carried out by the end of the financial year.

## Key general merchandise activities

- We take a risk-based approach, with a goal to visit all tier 1 high-risk suppliers and factories, which enables more focus on the suppliers in need of additional support.
- We intend to refresh our ethical visit standard for all supplier visits conducted by the ethical team. This will ensure a more consistent assessment of forced labour and child labour indicators, alongside broader HRDD areas. We will provide training for the team to implement the standard effectively.
- Our technical and commercial teams use Everyone's Business App when conducting supplier visits to identify and record potential concerns such as indicators of forced labour. All issues are followed up by the ethical team and reported as part of our governance process to ensure adequate investigation and actions are put in place.

## **Due diligence (continued)**

- We implemented several factory improvement projects with our suppliers to improve conditions for workers.
  - Two suppliers in China participated in a family-friendly factory programme with the Ethical Supply Chain Program (ESCP) to enhance workplace policies and parental training.
  - We worked with an expert consultancy to deliver Health and Safety guidance and training to suppliers in China, Türkiye and India.
- We participated in the ETI Gender Sensitive Workplace Programme in Bangladesh with four suppliers. This project aims to contribute to a gender sensitive workplace through capacity enhancement, awareness raising and strengthening the factory grievance mechanism related to gender-based violence and sexual barassment.

## Due diligence within our goods and services not for resale (GNFR) supply chains

We recognise that goods and services provided to our business and supply chains and that are not sold in our stores, may also be associated with human rights risks, including modern slavery. We carry out due diligence across our division to ensure we understand and tackle these risks

Every procurement sourcing project starts with a risk assessment to identify areas of high human rights and modern slavery risk, and we tailor our approach accordingly.

Our supplier assurance process for our GNFR suppliers includes the completion, verification and assessment of an enhanced supplier self-assessment questionnaire (SAQ). Suppliers answer an SAQ that covers key topics, including labour laws and compliance with the UK Modern Slavery Act. We've continued to drive robust application of the SAQ and have now

achieved 75 per cent spend coverage ahead of target this financial year. The next stage is to review and strengthen our questionnaire alongside risk management and mitigation processes.

Any risk identified through supplier responses to the SAQ would be investigated by the Human Rights Team, GNFR senior management and key buyers, who would engage with suppliers to understand and manage the risk.

When we identify an overlap with our Goods For Resale supply chains, for example, in the supply of colleague uniforms, our GNFR suppliers are expected to meet the same compliance standards and ethical requirements as suppliers of our Tu clothing range.

We identified the use of agency workers in our logistics operations as a high Human Rights risk. As a result, we developed robust and comprehensive standards and guidance incorporated into our supplier contracts with labour providers and third-party logistics providers, and our supplier manual. These standards provide clear requirements on the use of agency labour in all our warehousing and logistics supply chains. We have an internal audit programme that assesses compliance against these standards which is governed by our Food Central Technical Operations team. These standards are due to be reviewed and updated in 2025/2026.

To further strengthen our human rights due diligence in this area, and in response to findings from these ethical audits, this year we complemented our audit approach with worker voice surveys for warehousing agency colleagues across our logistics network. This was done in collaboration with &Wider, a specialist worker voice provider, and following the results, we worked with agencies to identify improvements and action plans.

Alongside this internal audit programme, we have also worked with our strategic third-party logistics providers to support them with the development of their own audit programmes to conduct due diligence and mitigate risks across our value chain.



## Traceability and transparency

Traceability and transparency are key levers to help address human rights issues and we are committed to achieving greater visibility across our supply chains. Sainsbury's brand tier 1 supplier list is now <u>published on the Open Supply Hub</u>, enabling us to promote transparency and collaboration.

For each of our key raw materials, we continue to look at ways to drive traceability. In timber, we have visibility all the way to source, and in our own-brand black tea and coffee supply chains we have visibility down to grower level. In cotton, we are moving to cotton that is traceable back to its country of origin through our sourcing of Physical Better Cotton, instead of using a Mass Balance Chain of Custody, giving us more transparency into our supply chain.

In general merchandise, our ethical team has commenced mapping our garments supply chain to tier 2. We are working with our clothing suppliers to disclose their tier 2 suppliers to us and confirm the ethical standards in place.

In GNFR, all agency labour providers in warehouse and transport within logistics have been mapped to tier 2.

We have also made significant progress in Food With fresh produce, we have full transparency back to farm level. It is a requirement for suppliers to maintain an up-to-date grower list which is shared with our technical team. We developed a list of approved suppliers for our protein supply chain, giving us transparency to tier 2. This has been completed for beef and lamb. Chicken and pork lists will be completed in 2025. Indirect sites on our approved protein lists must have the same ethical audit requirements as our direct sites. In seafood,

through our Responsible Sourcing Manual, we have introduced a requirement for our suppliers to disclose their full supply chain, back to vessel level.

We recognise the need for further traceability and transparency and to identify forced labour risks where we have indirect supplier relationships and less visibility of conditions for workers, growers, and communities.



## **Collaboration**

Collaboration with industry and expert organisations is a key part of our approach to addressing modern slavery risks and abuses. We continue our engagement with industry groups and multistakeholder initiatives to ensure a coordinated approach to tackling allegations of human rights abuses, provide spaces for sharing intelligence and learning, and to drive improvements across the industry. A list of key partnerships can be found in the Collaboration Overview section of this report.

When we receive an allegation linked to our supply chain, third-party structures such as the ETI allow us to convene with other retailers, non-governmental organisations and trade unions where relevant, to agree an approach on investigation and remediation. These forums also provide a valuable platform to understand and address serious geopolitical events that occur within a sourcing country.

## Modern Slavery Intelligence Network (MSIN)

We are founding members of the Modern Slavery Intelligence Network (MSIN), a non-profit collaboration of UK food and agriculture sectors. MSIN's objective is to share intelligence to disrupt modern slavery across the food supply chain, generate new insights and protect those vulnerable to labour exploitation in the sector. We shared learnings on the BBC investigation on Slavery on the High Street and how MSIN could support the earlier detection of issues and remediation to victims. We will continue working with MSIN and look forward to taking an active role in intelligence sharing in the coming year.

## Food Network for Ethical Trade (FNET)

As a member of FNET, we take part in monthly retailer alignment meetings to support efforts to discuss and drive retailer actions and make progress across key areas that impact our industry. We participate in the Responsible Recruitment Working Group, the main objective of which is to operationalise the commitment to the Employer Pays Principle and implement effective remedy. This year, through FNET's coordination, we also took part in co-creating the UK Food Supply Chain Serious Incident Escalation and Management Protocol with the BRC and other UK retailers. This Protocol outlines the recommended process for suppliers to report to their retailer customers potential cases of modern slavery, and how retailers will handle such cases, in order to drive consistent application of good practice. We are embedding this protocol into our ways of working.

#### **Ethical Trade Initiative (ETI)**

We collaborate with the ETI through various industry initiatives to improve conditions for workers in our supply chains. Key areas of collaboration include grievance mechanisms in agriculture, gender programmes in the garment sector in Bangladesh, supporting remediation of child labour in the flower supply chain in Türkiye, the gender action in agricultural supply chains initiative (GAIA). Through our involvement in the ETI Apparel and Textile group, we participated in the consultation with the Labour Reform Commission in Bangladesh to support proposed reforms to labour rights and workers' welfare in the ready-made garment supply chain.

## Fairtrade partnership

Through Sainsbury's sales in 2024, banana producers earned more Fairtrade Premium than from the sales of any other grocery retailer in the UK.

For products to be sold as Fairtrade, the independent auditor FLOCERT must check that the supply chain is in compliance with Fairtrade Standards. The Fairtrade Standards have minimum entry requirements based on the International Labour Organisation (ILO) conventions on forced labour as well as the UN protocol to prevent trafficking. If forced labour is endemic within a sector or region, producer organisations are encouraged to develop a written policy and a monitoring system to prevent it. However, Standards alone are not enough to address the often illicit and hidden practice of forced labour, as such Fairtrade is also taking action in several areas. These include delivering training to farmers, workers and management on human rights topics, and building knowledge of trafficking patterns in

areas of known risk and supporting producers to put preventative measures in place.

Sainsbury's has recently partnered with the Fairtrade Foundation on a new initiative to address salient human rights and environmental risks in our priority supply chains, in consultation with workers and growers.

#### Partnership with the Rights Lab

This year marked the second year of a three-year partnership with the University of Nottingham's Rights Lab to research our salient and evolving human rights risks, interpret how these risks will affect our business in the future and understand how Sainsbury's can respond.

The partnership is now focused on data analysis, recommendations, and other insights and activities to support the implementation of Sainsbury's Human Rights Strategy.

Key partnership activities this year include:

- Development of a research and advisory report on rights-based climate change, which provides recommendations to UK food retailers on their role in ensuring climate transition efforts are just and fair to workers and communities in their supply chains. The research also explores the relationship between climate change and the prevalence of modern slavery. The report sets out recommendations on how to address these issues. It will be published in the next financial year.
- Creation of our country human rights risk list and prohibited sourcing regions as part of our high-risk sourcing strategy and enhanced due diligence activities.
   This has been embedded into our Food Responsible Sourcing Manual and will be embedded across the business.



- Development of human rights key performance indicators (KPIs) to drive our human rights commitments. We will start implementing these internally in the coming year.
- A review of Sainsbury's seafood HRDD strategy, with the development of a more granular risk assessment and appropriate due diligence measures to address human rights risks in our seafood supply chain.
- Establishment of Sainsbury's human rights advocacy strategy, which has enabled us to focus greater efforts into

- contributing to policy development discussions on tackling modern slavery.
- Horizon scanning briefings, providing updates on current and emerging human rights issues. Professor Dame Sara Thornton, former UK Independent Anti-Slavery Commissioner, presents to the team on a quarterly basis on human rights trends as part of these briefings.

## **Collaboration (continued)**

Student research projects enabling University of Nottingham students to participate in this partnership. These projects included research into human rights risks in critical minerals used for Sainsbury's electric vehicle fleets and relevant developments in human rights legislation. We are currently reviewing this research and exploring next steps.

In next year's statement, we look forward to providing an update on our progress on this year's activities and on new activities delivered through our 3<sup>rd</sup> year of the partnership.

## Harvesting the Future - Cotton in India, led by the Fair Labor Association

We joined the Harvesting the Future - Cotton in India initiative, led by the Fair Labor Association (FLA). This initiative brings together global apparel companies, garment and textile producers and several local partners to improve conditions for cotton producers, harvesters and their families in over 30 villages in Madhya Pradesh, one of India's largest cotton-producing states. This initiative was created following the investigation completed by Transparentem between June 2022 and March 2023 which raised concerns of child labour and pesticide exposure, debt bondage, age violations and abusive working conditions and health hazards in cotton farms in Madhya Pradesh. The FLA initiative is an opportunity to collaborate on addressing systemic issues in this sector and region.

## International Accord/RMG Sustainability Council

We are signatories to the International Accord and the Bangladesh Accord, as well as the Pakistan Accord. This is to support assessment and remediation activities in the ready-made garment (RMG) sector. Since 2020, the Accord on Fire and Building Safety in Bangladesh transitioned to the RMG Sustainability Council (RSC). RSC implements health and safety inspections and remediation monitoring, and safety training. RSC also manages an Occupational Safety and Health (OSH) Complaints Mechanism for workers and their representatives to raise safety and health

concerns safely and confidentially. RSC piloted a non-OSH complaints mechanism in 2024, to support workers raising issues unrelated to health and safety. We collaborated with brands on investigating and remediating of non-OSH issues, such as sexual harassment and wage payment.

## Action, Collaboration, Transformation (ACT)

We continue our engagement with ACT, an initiative that brings together 19 international brands, retailers, manufacturers, and IndustriALL Global Union to enable long-term improvements in wages and working conditions in the global garment industry. We are particularly involved in the Cambodia and Purchasing Practices working groups. In the coming year, we will be focusing on signing our individual agreement with IndustriALL Global Union and implementing the ACT supplier and brand surveys.

## Spanish Ethical Trade Forums (Foros Comercio Ético)

Spanish Ethical Trade Forums organise independently facilitated local forums for our suppliers in Spain to improve worker welfare in the Spanish agrifood sector, including addressing discrimination against migrant agricultural workers. We are a member of the Governing Board, supporting the organisation's plan of activities and strategic direction. We continue to co-fund App Foros, a mobile application designed to provide workers with key information on labour issues, legal requirements and their rights in the Spanish fruit and vegetable sector. The App was launched in November 2024, with development continuing to create improved content, expand to workers' home countries, and connect workers with companies in Spain.

## Supplier Ethical Data Exchange (SEDEX)

We have taken part in and continue to be involved in multiple SEDEX working groups and research calls to support development and drive improvement of industry standards. As part of

the SMETA Technical Advisory Group, this year we participated in the SMETA 7.0 consultation and supported the development of the standard and associated guiding documents.

## **Human Rights Impact Assessment**

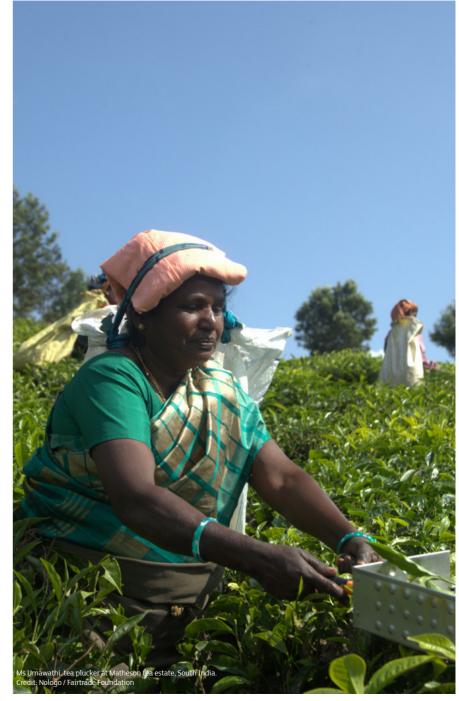
Last year, we commissioned a human rights impact assessment of our own brand UK poultry range. We then worked with our supplier Pilgrim's on finalising an action plan based on the report's findings. This included the recommendation to enhance human rights due diligence of chicken catchers due to associated indicators of forced labour. The supplier presented their action plan to Sainsbury's buyer and technical managers to raise awareness of the risks in the poultry supply chain. See link to the impact assessment and the associated action plan for more information.

In 2024, we commissioned a Human Rights Impact Assessment of yellowfin tuna sourced from the Republic of Korea to, amongst other aspects, assess conditions on distant water longline vessels. We are working on this project in partnership with an expert consultancy, another retailer and our supplier New England Seafood

## **Responsible Purchasing Practices**

We are committed to establishing long-term, open, and fair relationships with our suppliers and making sure that they have the support and capacity to safeguard workers and local communities. This includes recognising the significant impact that purchasing practices can have on shaping workers' conditions and pay. It emphasizes the importance of accounting for production and labour costs, providing fair payment terms, accurate volume forecasting, and ensuring adequate lead times.

This year, we invited our top 100 own brand general merchandise suppliers by spend to complete the Better Buying survey. The goal of these anonymous surveys is to understand the impact our purchasing practices have on their financial, environmental, and social sustainability. The Better Buying score highlights priority areas that need to be addressed in our purchasing practices.



## **Collaboration (continued)**

Sainsbury's once again joined ETI's Responsible Purchasing Practices training, this year with colleagues from the Human Rights and General Merchandise buying teams. The objectives of this training are to better understand how to protect human rights through purchasing practices and improve supplier relationships. This programme covers the Common Framework for Responsible Purchasing Practices and has supported us to map our procurement cycle and the impact on different stakeholders.

IDH and GIZ developed a self-assessment tool for evaluating the maturity level of a company's responsible purchasing practices (RPP) for the banana supply chain. We completed this benchmarking as part of our annual reporting to IDH. The self-assessment aims to support businesses to reflect on various aspects of purchasing practices including strategy and due diligence, contract management, cost management, payment management and supplier management. It can help buyers identify improvement opportunities that can support our living wage commitments and more sustainable purchasing decisions.

Building on our commitment to establish long-term relationships with our suppliers, next year we plan to further develop our partnership approach with suppliers. This will include our work with Fairtrade on building resilience across our supply chains.

## Advocacy/engaging with government and policy makers

Driven by our human rights advocacy strategy, we have this year focused greater efforts into contributing to policy development initiatives and discussions. We believe advocacy plays a key role in delivering the systemic change needed to tackle modern slavery.

## The Global Commission on Modern Slavery and Human Trafficking

We have joined the Supply Chain Work Group of the Global Commission on Modern Slavery and Human Trafficking as a retail participant. In April 2025 the Global Commission released a <u>report</u> outlining recommendations on how a range of actors can accelerate action on tacking modern slavery. We look forward to supporting and contributing to the Commission's goal of exerting high-level political leverage to restore political momentum towards eradicating forced labour.

## Participation in and support to parliamentary events

We were invited by the Commonwealth Parliamentary Association UK to share the retailer perspective at their Legislative Strengthening Seminar to Address Modern Slavery in Supply Chains. This event was attended by commonwealth country representatives with a role in developing domestic legislation. We also contributed to their modern slavery handbook (on acceleration of human rights due diligence laws) with a piece entitled: 'collaboration between business and legislators — Sainsbury's approach to fighting modern slavery'.

#### Advocacy on the Fair Work Agency

Through our partnership with the Rights Lab, we identified our priority advocacy areas for the UK. This led us to initiate discussions with the British Retail Consortium (BRC) with regards to engaging with the UK's Department for Business and Trade on ensuring the effectiveness of the Fair Work Agency (FWA), a new body being established in the UK to enforce employment rights. This cumulated in a letter signed by BRC and other leading retailers setting out our expectations on the FWA's scope, powers, resourcing, and form to achieve its intended outcome of protecting vulnerable workers.

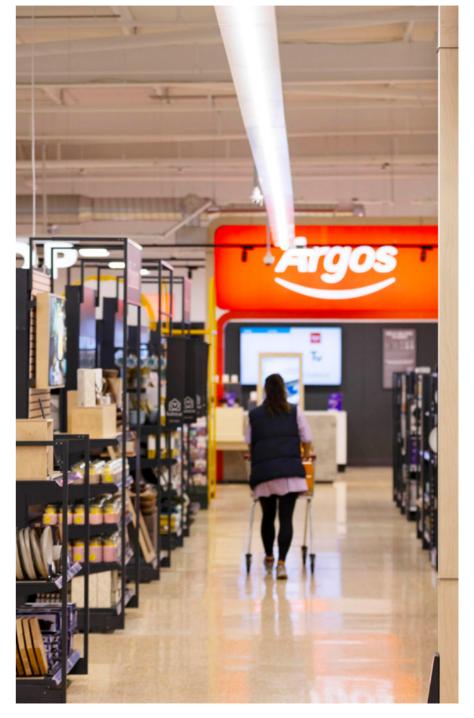
### Attendance at Modern Slavery event hosted by the Foreign, Commonwealth and Development Office (FCDO)

Our Head of Human Rights was invited to attend and share his expertise and insight from a Sainsbury's perspective at an FCDO event on: 'Modern slavery, regulations and investment, finding a balanced approach to SDG8'. This event brought together human rights and economic development expertise alongside perspectives from developing and emerging economies, with the goal of identifying a balanced approach to SDG8, which strengthens efforts to tackle modern slavery whilst preserving and enhancing access to markets and investment that are so critical to creating better work opportunities for the most vulnerable.

## Participation in a government consultation on labour reforms in Bangladesh

In November 2024, the interim government of Bangladesh formed the Labour Reform Commission (LRC). The Commission was tasked with proposing reforms to labour rights and workers' welfare that would address various weaknesses concerning workers' lives and livelihoods. This was done while considering existing labour laws and related policies, international labour rights conventions, best practices from other countries and the perspectives of different stakeholders to shape the future of Bangladesh's RMG sector by strengthening labour rights and ensuring compliance with international standards. ETI and its members, including Sainsbury's, participated in the consultation and provided recommendations to the LRC on areas such as HRDD, freedom of association, collective bargaining and social dialogue, wages, equal opportunities and inclusion, child labour and grievance mechanisms.

During this period of political instability in Bangladesh, we communicated our support and ongoing commitment in a letter to our suppliers.



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## **Stakeholder engagement**

# Engaging with workers and their representatives to hear their experiences

Worker voice surveys can help us to spot indicators of modern slavery, such as involuntary overtime, and to identify ways in which we can improve worker wellbeing. They also help us identify where and how we need to take further action to support workers and suppliers.

Through our collaborations with Ulula and &Wider, we use worker voice surveys to get a better understanding of workers' experiences in our general merchandise supply chains. This year, we continued our surveys in Vietnam and extended the programme to factories in Cambodia. We also undertook an industry landscape assessment in China in partnership with other brands.

In our food business, we carried out a second cycle of worker voice surveys in our Italian tomato supply chain in collaboration with another retailer and our supplier to understand good practice and areas of improvement at farm level. Working with &Wider, we have designed worker voice surveys to be rolled out to key flower growers in Ethiopia, Türkiye, Colombia, Spain and the UK.

Once surveys have been completed, we process the information and discuss results and key findings with our suppliers. Where workers report positive experiences, we recognise and celebrate this with our suppliers. To address issues raised, we share guidance and support the development of supplier action plans. These surveys ensure that our strategy is informed by worker feedback and experiences at work.

We collaborated with another retailer to organise a supplier dialogue conference in Türkiye. This event aimed to bring together suppliers to discuss key issues and concerns in factories, including grievance mechanisms and financial resilience. This came as a result of our approach to more proactively monitor and address human rights trends and issues in our supply chain.

Through the tripartite structure of the ETI, we also benefit from the opportunity to engage with trade union and NGO perspectives with a range of topics including industrial relations and just transitions.

#### **Grievance mechanisms**

Sainsbury's supports the UK Modern Slavery and Exploitation Helpline which is a free, independent and confidential service, operated by Unseen. Our partnership and membership of Unseen's business portal gives us access to sanitised intelligence from reports raised through the Helpline, linked to either our own operations or supply chain in the UK (where this is appropriate). Unseen then supports Sainsbury's to respond to these potential cases, which could include investigating concerns raised, implementing corrective actions and providing remedy to those impacted. We also receive anonymised information about other appropriate cases reported through the helpline related to our sector. This is invaluable in helping us build up a picture of risk so we can work to address modern slavery risks across our business and supply chain.

#### In our own business

Sainsbury's colleagues can raise grievances in line with our Fair Treatment policy and processes. Colleagues can raise concerns about modern slavery or wrongdoing through RightLine, our confidential whistleblowing service. This year we extended this service to include an international, multi-language hotline, enabling colleagues outside of the UK to report anonymously.

Quarterly reporting on whistleblowing complaints is shared with the Company Secretary, the Chief People Officer, and the Director of Internal Audit. A summary is also shared with the Audit Committee. All cases are investigated and resolution measures are put in place.

#### In our supply chains

Grievance mechanisms are a critical factor in helping us improve conditions for workers in our supply chain and they play a key role in the detection, prevention and remediation



of modern slavery. Our Policy on Ethical Sourcing sets out our expectation for suppliers to have established processes and procedures for workers to be able to raise concerns and for those concerns to be addressed. We also expect our suppliers to enable freedom of association and ensure workers can voice important issues through their representatives. As mentioned in the section above 'in our own business', we expanded the RightLine service, ensuring that anyone, anywhere in the world can report anonymously. This change has been reflected in our Supplier Whistleblowing Policy. We will be focusing efforts on promoting this service to suppliers and workers in the coming year.

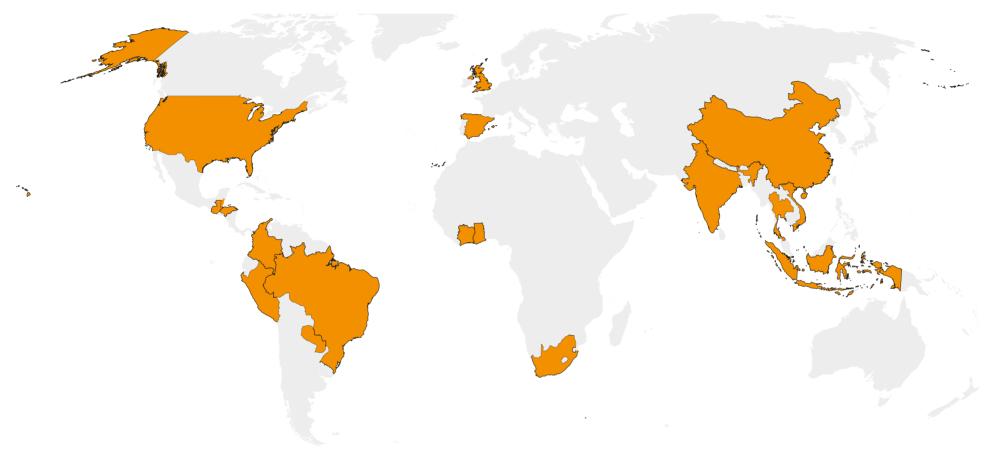
We also promote access to grievance mechanisms for workers in our supply chains through support for and partnership with external organisations. For example, we are involved in the ETI Grievance Mechanisms in Agriculture Project which explores ways to improve access to grievance mechanisms for vulnerable agricultural workers in Italy and Spain. We also continue our partnership with the Issara Institute to tackle forced labour and human trafficking in Thailand. This year, we made Issara's worker voice channels available to workers in processing facilities and businesses in our general merchandise supply chains in Thailand and Malaysia.

Issara also engages with workers in-person at participating factories, at accommodation facilities, and in the community. Issara works to ensure communication is safe, accessible and inclusive for all workers, regardless of the languages they speak. Workers can exchange information and raise grievances via a free 24/7 multilingual phone hotline, Issara's Golden Dreams smartphone app, Issara-led in-person outreach activities, closed Facebook chats, and Line, Viber, and WhatsApp messaging.

## **Risk assessment and management**

Through our <u>human rights saliency assessment</u>, we identified forced labour as one of our salient human rights risks.

This analysis ensures we focus our efforts on areas of highest risk and where we have leverage and can drive positive change.



Key sourcing countries with forced or child labour risks

Seafood	Cotton	Fresh Produce	Coffee	Sugarcane	Cocoa
China	Brazil	South Africa	Brazil	Belize	Ghana
Indonesia	China	Spain	Colombia	Paraguay	Côte d'Ivoire
Thailand	India	United Kingdom	Guatemala		
United Kingdom			Honduras		
Vietnam			Vietnam		

## Risk assessment and management (continued)

As part of our forced labour strategy, we are working to seek out and address all instances of forced labour by:

- Progressively increasing detection of indicators of forced labour.
- Conducting and facilitating training on good practices for suppliers and colleagues.
- Collaborating and advocating with industry partners on innovative approaches and projects.
- Supporting remediation efforts on identified cases of forced labour.
- Reporting publicly on identified cases of forced labour and action taken.

As a result, we will be better prepared to prevent forced labour and have the ability to support victims when it does occur. Our suppliers will be supported to improve and rewarded for doing the right thing to protect workers.

The following pages spotlight examples of risk areas and how we are taking action to address these risks.

## **State-imposed forced labour**

We stand against all forms of modern slavery, including forced labour. In some cases, forced labour can be state imposed. This means that the government requires compulsory labour by citizens, or by prisoners. State-imposed forced labour (SIFL) can be indiscriminately applied, or discrimination can be a leading force in determining who is forced to provide labour by the state. In either case, this is a breach of fundamental human rights.

Over the last year, we have made significant progress in understanding SIFL and identifying areas of risk in our supply chain, as part of our work in establishing our country risk list and prohibited sourcing regions. We have also explored the challenges surrounding SIFL, including situations in which a case is irremediable and how to address this. We have raised awareness across the business and continue to monitor how the risk is evolving and consider how best to manage it. Over

the coming year, we will work to define and enhance and define our approach to addressing SIFI.

#### **Seafood**

Forced labour and human trafficking in the fisheries sector is a significant concern.
Fishers, many of them migrant workers, can be vulnerable to being deceived and coerced by brokers and recruitment agencies, and forced to work on board vessels under the threat of force or by means of debt bondage. Working hours are often long, and the work is intense, hazardous, and difficult.

Recognising that seafood is a key area of risk, we have sought the Rights Lab's support in jointly reviewing our seafood HRDD strategy. This work will help us to develop a more granular risk assessment, beyond just countrylevel, looking at fishing regions and types of fishing. This will enable us to better understand and address human rights risks in this supply chain and develop appropriate due diligence measures.

As mentioned earlier in the statement, we commissioned a human rights impact assessment of yellowfin tuna sourced from the Republic of Korea distant water fishing fleet.

#### Fresh produce

Agricultural production of fresh fruits and vegetables often relies on seasonal migrant labour. Migrant workers can be vulnerable to forced labour from debt bondage through payment of high recruitment fees.

There are concerns of unethical recruitment and employment practices in the UK fresh produce industry linked to the Seasonal Worker Scheme (SWS). This scheme enables businesses in the horticulture and poultry sectors to use approved operators to find workers, who are granted a visa of up to six-months to work in the UK. Identified risks include deceptive recruitment practices, lack of knowledge of UK standards and laws, and high travel costs, all of which can put workers coming through the scheme at increased risks of debt bondage.

Sainsbury's continues to co-fund and participate in the SWS Taskforce to find industry solutions to safeguard workers coming into the UK through the scheme. Activities included:

- Supporting the Employer Pays Principles (EPP) Feasibility Study. We see this as a crucial step to improving our understanding of the costs and benefits of an EPP model, and in what format it could be applied within the context of the SWS. We are on the multistakeholder EPP Project Advisory Group to provide advice and technical input during the course of this studu.
- Contributing funding towards improving operational-level grievance mechanisms and supporting the development of an independently operated multilingual support line. These efforts aim to ensure that seasonal agriculture workers are able to raise grievances and access remedy where routes are absent or inadequate at their place of work.
- Supporting the development of the Independent Seasonal Worker Survey, as an ongoing regular and independent survey of UK seasonal workers, to identify actions that can be taken in-season to address working, living and human rights challenges.
- Supporting active engagement with government and strategic policy development, which we see as key to enable the improvements needed to the scheme for the industry and for workers.
   This included our participation in the development of policy recommendations, together with other stakeholders.
- Contributing to the <u>UK food retailer</u>
   statement supporting the common
   Scheme Operator Responsible
   Recruitment Progress Assessment to
   reduce duplication of due diligence efforts
   on scheme operators and to support
   progress on responsible recruitment.

Additionally, in the 2024 season, the SWS Taskforce organised six in-person regional grower shows, which included supervisor train-the-trainer sessions, to reduce risks and enhance the recruitment and on-farm experience of seasonal workers. There has also been further development and outreach of the UK seasonal worker version of the Just Good Work worker information app, which aims to help protect workers from hidden exploitation risks during recruitment and on farm. Increased operator outreach efforts were reflected in the uplift in app users from the previous year. In 2024, over 15,000 seasonal workers accessed the app whilst in the UK, which is an increase of 81% from 2023.

As part of our work to address risks within fresh produce, we also co-funded a project co-ordinated by Banana Link to support Peruvian agro-industrial workers' capacity building for social dialogue on safe and decent work, living wages and responsible purchasing practices. This included the delivery of a two-day intensive workshop for worker representatives to embed the practice of social dialogue as a means of achieving socio economic and workplace improvements for those employed in the industry.

Sainsbury's will continue to fund and participate in workstreams and projects to prevent, mitigate and remediate negative human rights impacts in the year ahead.



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## **Allegations and management**

We monitor allegations through various channels available to stakeholders across our business and supply chains. These channels include whistleblowers, grievance mechanisms, due diligence activities such as audits and visits, reports from the Modern Slavery Helpline (Unseen), media, NGOs, Civil Society Organisations or intelligence bodies.

Modern slavery or forced labour allegations are managed by experienced and trained colleagues following an established internal Human Rights Incident Management process. This is to ensure all allegations reported to us are thoroughly investigated and remediation support given where required. The allegations that we capture are governed through an internal incident tracker, managed by Ethical Trade and Human Rights Managers, and escalated to the relevant stakeholders and governance forums.

As part of our ongoing efforts to enhance our internal management processes, we are evaluating how to adopt a consistent approach within our business regarding our role in remediation. In line with the UNGPs, we aim to better identify where we have caused, contributed to, or are linked to human rights impacts and determine where we should provide for or cooperate in remediation. Over the next year, we will engage a third-party to review our analysis. We have been encouraged by, and are supportive of, the positive momentum towards the development of clear processes and protocols for managing forced labour allegations and serious incidents. This has for instance been reflected in the development of the UK Serious Incident Escalation Protocol and SMETA 7.0's introduction of a new classification of non-conformance — 'Collaborative Action Required'. This is important to ensure workers are protected and to limit any unintended consequences.

The following case studies highlight the actions we have taken to address and resolve issues related to forced labour within our supply chain.

## Case study: Collaborating on remediation efforts

In September 2024, supplier A alerted Sainsbury's of several forced labour indicators found at indirect supplier sites. These indicators were identified through in-depth worker interviews conducted on sites as part of their due diligence. Supplier A provided evidence of issues related to recruitment fees, document retention and excessive working hours.

In response, a working group was formed, which included impacted suppliers and retailers - in line with the best practice set out in the UK Food Supply Chain Serious Incident Escalation and Management Protocol. This Protocol outlines processes for suppliers and retailers to collaborate in the handling of cases of modern slavery such as forced labour, human trafficking, debt bondage and other forms of serious worker exploitation. It promotes good practices in resolving these issues. Learnings from this process will be used to strengthen the protocol going forward.

A timebound action plan was co-developed by the working group to address the issues identified and their root causes, and to provide remediation to affected workers. Sainsbury's is actively participating in this working group, which is chaired by an independent third-party to monitor progress.

## Case study: Engaging workers in the remediation plan

During a recent SMETA audit, supplier B received a non-conformance related to migrant workers paying fees to recruitment intermediaries in their home country. To understand the extent of the issue, Supplier B conducted in-depth interviews with all migrant workers across their operations. Workers reported paying fees for work permits, visa costs, flights and travel, passports, pre-departure training, insurance for overseas workers and health checks - despite some of these costs having already been paid by Supplier B.

Supplier B proactively developed a corrective action plan, with support from Sainsbury's, expert consultants, industry groups and governments. This plan included reviewing their recruitment practices and due diligence on agencies. They agreed at board level on a remediation plan to repay recruitment fees to all migrant workers, which was verified by an expert consultancy. Supplier B approached its customers to support their remediation plan including the repayment of a proportion of the recruitment fees, and as part of this process, Sainsbury's contributed financially.

Supplier B held group and individual meetings with all affected workers to further understand their outstanding debts, explain the payment plan and provide support. A third-party expert conducted an independent review of the remediation payments. Supplier B continues to conduct due diligence on new recruitment including ongoing risk mapping of labour routes.

## Case study: Supporting the repayment of recruitment fees

In November 2024, our ethical team identified recruitment fees issues through worker interviews at Supplier C. Following further investigation, the supplier identified a total of 13 workers, hired by contractors, who were being charged a monthly recruitment fee.

We worked with Supplier C to develop a repayment plan to reimburse all workers and implement a corrective action plan to ensure that workers are not charged recruitment fees going forwards.

Sainsbury's ensured Supplier C communicated the repayment plan to the impacted workers to make sure they understood the process. In April 2025, we reviewed evidence of bank transfers to workers to verify the reimbursement and also carried out further worker interviews.

## **Allegations and management (continued)**

We take a collaborative approach and engage with stakeholders and industry forums where possible to ensure that coordinated action is taken that is in the best interests of potential victims. Allegations and the actions we took in response are outlined in the table below:

Risk	Channel	Country	Action	Status
Sexual Harassment	RSC	Bangladesh	Ready-Made Garment Sustainable Council (RSC) investigation did not substantiate the allegations. A supplier improvement plan including training for all workers has been completed.	Remediation completed
Intimidation and threats	Unseen	UK	Independent third-party investigation completed which did not substantiate the allegations. Supplier improvement plan completed.	Remediation completed
Recruitment fees	Sainsbury's Audit	India	Sainsbury's internal investigation confirmed 13 workers paid recruitment fees. Repayment of recruitment fees was completed and verified. A responsible recruitment action plan is in place.	Remediation completed
Sexual Harassment	RSC	Bangladesh	The supplier and RSC investigation substantiated some of the allegations of sexual harassment. The disciplinary process was completed, and a training plan is in place.	Remediation completed
Forced resignation	RSC	Bangladesh	RSC investigation substantiated the allegations of excessive overtime and forced resignation. Disciplinary actions, training plan and compensation for the worker were completed.	Remediation completed
Forced Resignation	Direct whistleblower	India	Sainsbury's investigation confirmed allegations of forced resignation of trade union members. Remediation is in progress to reinstate all workers and pay money back.	Remediation in progress
Multiple indicators of Forced Labour	Unseen	UK	Independent third-party investigation completed which did not substantiate allegations. Collaboration with the supplier and other retailers to implement an improvement plan.	Remediation in progress
Trade Union repression	RightLine	Türkiye	Third-party unannounced visit confirmed concerns of trade union repression and unfair dismissal due to union activities. Corrective action plan is in place to promote social dialogue and remediation plan for impacted workers is in progress.	Remediation in progress
Multiple indicators of Forced Labour	Sainsbury's Audit	India	Third-party unannounced investigation confirmed concerns of excessive working hours, illegal temporary labour, discrepancies in payment of wages and benefits. Corrective action plan and remediation plan are in progress.	Remediation in progress
Recruitment Fees / Debt bondage	Issara	Thailand	Supplier investigation substantiated the allegations. An action plan is in place and the supplier is working towards a zero recruitment fee model.	Remediation in progress
Poor Accommodation	Supplier	UK	Independent third-party investigation substantiated allegations of poor accommodation. A collaborative action plan is being implemented by the supplier.	Remediation in progress
Abusive working and living conditions	Unseen	UK	GLAA and police investigation did not substantiate the claims. Further concerns were identified and investigated internally. A supplier improvement plan is in progress.	Remediation in progress
Multiple indicators of Forced Labour	Supplier	South Asia	Supplier investigation and in-depth worker interviews confirmed concerns of recruitment fees, document retention and excessive working hours. Supply chain stakeholders are working together to provide remediation to workers and prevent issues from reoccurring.	Remediation in progress
Multiple indicators of Forced Labour	NGO	India	NGO Transparentem investigation highlighted systemic forced labour and child labour risks in Indian cotton supply chain. Sainsbury's joined FLA Harvesting the Future initiative to address the issues and provide remedy.	Remediation in progress
Multiple indicators of Forced Labour	LBL	Pakistan	Multiple grievances received from Labour Behind the Label (LBL) related forced overtime, excessive working hours, harsh treatment, heat stress. Case under investigation.	Under investigation
Multiple indicators of Forced Labour	RightLine	UK	Third-party investigation unsubstantiated the allegations. Further concerns were raised outside the initial whistelblower which are being investigated internally.	Under investigation
Recruitment Fees / Debt bondage	SWS Taskforce	UK	Collaborative investigation with supplier and third-party substantiated recruitment fees paid by workers. Case referred to the Gangmasters and Labour Abuse Authority (GLAA) for further investigation.	Under investigation
Child Labour	NGO	Bangladesh	The Rights Lab and GoodWeave research found systemic child labour risks in Bangladesh garment sector. Sainsbury's is gathering information on impact and engaging with industry to take collaborative action on remediation.	Under investigation
Recruitment Fees / Debt bondage	SWS Taskforce	Uzbekistan	GLAA investigation in progress to address concerns of recruitment fees paid by workers prior to recruitment event registrations.	Under investigation
Poor Accommodation	Colleague	India	Poor dormitory conditions at a branded supplier under Sainsbury's investigation.	Under investigation
Forced Resignation	RSC	Bangladesh	Notification of workers' forced resignation and excessive working hours. Currently under internal investigation.	Under investigation
Multiple indicators of Forced Labour	Unseen	UK	GLAA investigation closed due to lack of information. Collaborative approach with retailers to investigate concerns of poor accommodation and forced contract changes.	Information gathering
Multiple indicators of Forced Labour	Trade Union	UK	Concerns of recruitment fees and harsh treatment under review. Collaborative initiative across retailers and suppliers to gather information ahead of investigation.	Information gathering
Multiple indicators of Forced Labour	Unseen	UK	Victim was exploited outside of work and was placed under National Referral Mechanism via the Modern Slavery Helpline.	No action needed for Sainsbury's
Multiple indicators of Forced Labour	Media	UK	Sainsbury's was not directly impacted as the supplier had been delisted. Learnings from the case were used to improve our due diligence and intelligence sharing.	No action needed for Sainsbury's
Trade Union repression	Trade Union	Türkiye	Collaborative investigation with other retailers found the allegations to be unsubstantiated.	No action needed for Sainsbury's
Forced overtime	RSC	Bangladesh	RSC investigation did not substantiate the concerns of forced overtime or excessive working hours. Ongoing monitoring by Sainsbury's team is in place.	No action needed for Sainsbury's

## Training on modern slavery

We continue to provide modern slavery training to our colleagues and suppliers. Our online training is tailored to each audience and brings to life how modern slavery risks are rising globally and how it impacts our business and supply chains. The course is designed to help our colleagues and suppliers spot the signs of modern slavery, including the 11 indicators of forced labour, and how to report any concerns. We continually assess the training needs of key teams and suppliers.

# Giving colleagues the tools to understand and detect modern slavery

Our modern slavery training is compulsory for all store managers, depot managers, and key colleagues working with our suppliers across technical, commercial and supply chain functions. A mapping exercise identifies colleagues closest to modern slavery risks within our supply chain, thereby having the most opportunity to identify and act on signs of modern slavery. The training is available through our online learning platform so all colleagues can have the opportunity to complete it. We also have e-learning materials on forced labour as part of our communication to colleagues about our salient risks and human rights commitments.

In collaboration with a specialist human rights consultancy, we developed a comprehensive training programme on human rights for our food technical team. The Heads of Technical attended a one-day workshop which covered issues such as modern slavery, HRDD, incident management and remediation. A half-day workshop was delivered to technical managers in April 2025. The intention is to continue to roll out this training across technical and commercial teams within food and general merchandise.

We ran the mandatory team training for procurement colleagues in GNFR to provide an understanding of key principles of human rights and ethical trade. This year for the first time, we delivered follow up deep dive sessions on specific risks for buyers in high-risk areas such as labour and resourcing, construction, goods from high-risk countries and road transport. This tailored content was developed together with a human rights consultancy and the feedback from the training was very positive. The elevated level of awareness

amongst the procurement team was reflected in the increased number of questions being raised internally and with suppliers, with regards to potential human rights risks.

This year, we worked with Stronger Together to train 68 managers within our Construction team, as construction has been identified as a high-risk area for modern slavery.

The half day training covered topics such as: how modern slavery occurs in the construction sector, the potential risks, impacts, how to spot the signs, and included a response and incident exercise.

In August, we ran a training session with our Employee Relations (ER) team on detecting ethical concerns in ER cases. This training focused on how these indicators of concern might be raised and identified within wider grievance or whistleblowing cases reported by our colleagues.

# Engaging with and upskilling our suppliers on modern slavery detection and reporting

We offer modern slavery training to our food and GNFR suppliers that is designed to build knowledge on what modern slavery is, how to spot the signs and how to report any concerns.

We continue to partner with Stronger Together to deliver specialist training on modern slavery and responsible recruitment to Sainsbury's agricultural suppliers in Spain and South Africa, as well as to our UK suppliers through the Stronger Together Consumer Goods Programme and the Responsible Recruitment Toolkit.

Following our HRDD gap analysis, we have started to review the training programme for suppliers.

## **Key performance indicators**

The indicators below enable us to monitor progress in our work on forced labour.

	Status	
Activity		2024/25 FY
Modern Day Slavery E-Learning courses completed by key colleagues	2,305	2,231
Unique business entities in our supply chain that completed Stronger Together Modern Slavery Training		
UK South Africa Spain	184 53 12	175 46 2
Number of Responsible Recruitment Toolkit trainings completed by our suppliers	47	62
Critical non-compliances identified through third-party ethical audits linked to indicators of forced labour <sup>1</sup>	329	366

This year we worked with the Rights Lab to develop Human Rights KPIs to drive our Human Rights commitments. We will implement and start tracking these KPIs internally in 2025.



Workforce Disclosure Initiative (WDI)

The Workforce Disclosure Initiative mobilises investors to push for better jobs.

They score companies annually on workforce disclosure.

Highlights

91%

disclosure score

**Above** 

the UK average disclosure score of 72%

<sup>1</sup> Suppliers are required to have an agreed corrective action plan to resolve non-compliances against the ETI Base Code and local law within a set timeline. Actions are monitored by our ethical and technical teams. We have broadened disclosure of non-compliance to include Critical and Business Critical issues linked to forced labour.

## **Looking forward**

This coming year we will make progress against our commitment to seek out and address all instances of forced labour.

#### Collaboration

We will focus on progressing our efforts to tackle forced labour risks in our business and supply chains through the key collaborations and partnerships we have invested in this year. These include:

- Participating in and progressing projects with the Seasonal Worker Scheme Taskforce to improve conditions for scheme participants, such as the Employer Pays Principles feasibility study and improving grievance mechanism for seasonal workers.
- Working with the Global Commission on Modern Slavery and Exploitation on recommendations to tackle Modern Slavery in global supply chains.
- Making the most of our third year of partnership with the Rights Lab, to research our evolving human rights risks and develop best practice ways to respond.
- Participating in ACT's Brand Survey to identify strengths and weaknesses with regards to our purchasing practices, to support us in establishing best practices.

## Supplier engagement and partnership

- Developing our supplier training approach and supporting them to implement effective HRDD in our supply chain.
- Building on our commitment to establish long-term, open and fair relationships with our suppliers, next year we plan to further develop our partnership approach. This will include our work with Fairtrade on building resilience across our supply chains and extending our commitments to producers.

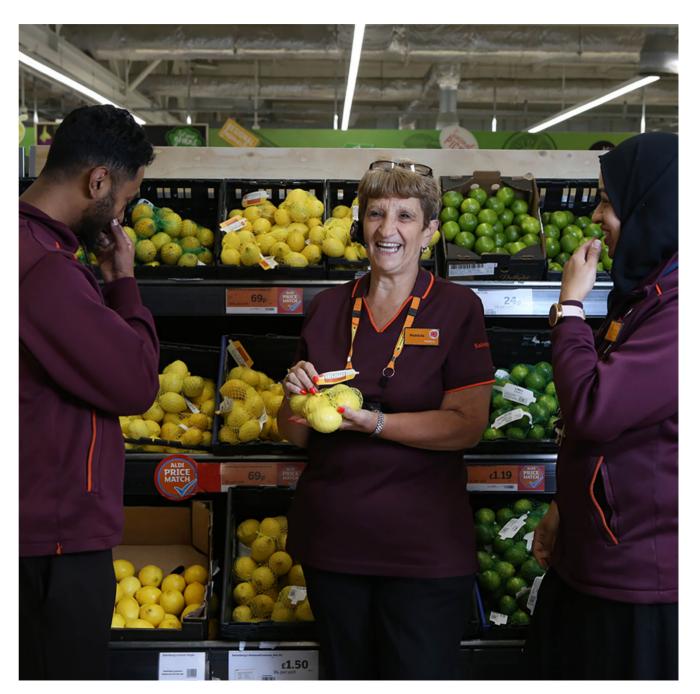
#### **Human rights commitments**

- Refreshing our saliency assessment, with a particular focus on general merchandise and GNFR to review and update priority areas.
- Continuing to roll out training to our internal teams (technical and commercial) to increase awareness of risks and to implement effective HRDD across the business.
- Implementing our HRDD action plan, to learn from and scale our good practices as well as close any gaps against international good practices and standards.
- Implement our new Human Rights KPIs internally, to drive our human rights commitments.
- Carry out a strategic review of our Human Rights policies, as well as review the governance processes around these policies. This process will include the development of remediation and responsible exit provisions in our policies.
- Implement our Human Rights Incident Management Procedure to ensure we are managing human rights as effectively as possible, and mitigating risks for workers and our business.

#### Risk assessment

Following the development of our country risk list and prohibited sourcing countries, we will continue to roll out our high-risk country enhanced due diligence approach. This will include piloting in depth assessments in high-risk supply chains across food and general merchandise and strengthening associated governance processes.

We welcome the new Home Office guidance to Section 54 of the Modern Slavery Act. We will review our progress and commitments in line with this guidance and incorporate the recommendations into our HRDD action plan. We will report on this in our next statement.





#### &Wider

&Wider uses worker engagement technologies to hear directly from workers about their experiences and working conditions, which will enable us to understand and support improvements in our supply chain.



#### Action, Collaboration, Transformation

ACT brings supply chain actors together to drive meaningful industry collaboration and sustainable wage growth, creating win-win solutions for a future-proof industry and paving the way for living wages for workers in garment, textile and footwear supply chains.



## Association of Labour Providers

Association of Labour Providers is a not-for-profit trade organisation that promotes responsible recruitment and sustainable practices of labour providers.



### **Better Buying**

Better Buying, now part of Cascale, enables us to gain information from our suppliers about our purchasing practices and supports us in fostering trusted and respected partnerships that are critical to building resilient supply chains.



#### **Better Cotton**

Better Cotton 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 Better Cotton 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.



#### **BRC**

The British Retail Consortium (BRC) is a trade association for UK retail representing over 200 major retailers and brands. Leveraging its expertise, the BRC influences government policy, provides collective media responses, develop standards, and offers insights, training and market intelligence through its communities and networks.



#### **Consumer Goods Forum**

We are members of The Consumer Goods Forum (CGF), Human Rights Coalition, and Forest Positive Coalition. The Human Rights Coalition strives to make human rights due diligence the industry norm in companies own operations and supply chains, connecting the people and planet agendas. Forest Positive Coalition drives collective action to remove deforestation, forest conversion and degradation from commodity supply chains. Through our policies and practices, we help advance this mission and support the CGF's Priority Industry Principles Against Forced Labour.



#### ETI

We are founding members of the Ethical Trading Initiative (ETI), working closely with other companies, non-governmental organisations, and trade unions to develop innovative and collective responses to worker exploitation and forced labour. We participate in several ETI working groups focusing on priority supply chains where there are opportunities to improve working conditions through collaboration.



#### **Fairtrade**

Fairtrade works with farmers and workers in more than 1,900 producer organisations, across 68 countries, so they can improve their living standards and invest in their communities and businesses. We continue our collaboration with Fairtrade to support farmers and workers and address key risks in our banana, tea and coffee supply chains.



#### **FNET**

Being members of the Food Network for Ethical Trade enables us to work alongside 78 peers (10 largest UK food retailers and 68 food manufacturers, producers, and hospitality companies many of who are our suppliers) 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. We participate in the Climate Change and Human Rights Working Group, Raw Materials and Services Working Group, Developing Common Due Diligence Tools Working Group and the Responsible Recruitment Working Group.



#### **Fresh Produce Consortium**

The Fresh Produce Consortium (FPC) is the UK's fresh produce trade association. Sainsbury's are an active member of the quarterly FPC Sustainability / corporate social responsibility meetings, as well as providing input and support for the FPC Accommodation Guide.



## Sustainable Trade Initiative (IDH)

IDH transforms international markets and local practices through convening, co-creating and co-investing.

We participate in the UK retail commitment on living wages in the banana sector coordinated by IDH.



#### **International Accord**

The International Accord is a legally binding framework agreement between brands and trade unions to ensure worker health and safetu in the textile and garment industry. Currently, its country programs in Pakistan and Bangladesh aim to ensure a safe working environment for garment factory workers through independent factory inspections and remediation, a training program, and a complaints mechanism for workers. The agreement recognises the rights of workers to organise, refuse unsafe work, and raise health and safetu concerns. Sainsbury's has been a signatory since the International Accord was first established in 2013 as the Bangladesh Accord. We are currently signatories to both the Bangladesh Safety Agreement and the Pakistan Accord.



## Spanish Ethical Trade Forums

We support the Spanish Supplier Ethical Trade Forums (Foros Comercio Ético). They organise 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.



#### **Issara Institute**

Issara Institute is an independent, not-for-profit organisation that works to transform the lives of millions of workers across Southeast Asia through worker voice, partnership and innovation. Sainsbury's has been a member of the Issara Strategic Partners Program since its inception in 2014.



#### **MSIN**

A non-profit collaboration in the UK food and agriculture sector. MSIN was formally launched at a conference in June 2022. Information generated by the network is used to detect, prevent and disrupt modern slavery and labour exploitation activity in the industry, protecting workers and improving outcomes for those directly impacted.



#### **SEA Alliance**

We participate in the Seafood Ethics Action Alliance which provides a platform for businesses to work together on human rights and labour standards in the seafood sector by improving human rights due diligence, advocating to governments for improved regulation and enforcement, and by supporting projects in the supply chain that are seeking to improve working standards.

## Seasonal Worker Scheme Taskforce

The Seasonal Workers Scheme
Taskforce is made up of industry
trade bodies, retailers, growers,
suppliers, scheme operators and
non-profits. The Taskforce's mission
is to work collaboratively to develop
and implement tangible actions to
help safeguard and ensure access to
workers' rights in the UK Seasonal
Worker Scheme (SWS) and wider UK
horticulture. Sainsbury's participates
in workstreams that aim to improve
worker access to information and
grievance mechanisms and improving
worker finances.



#### **SEDEX**

We actively engage with the Supplier Ethical Data Exchange (SEDEX) to develop industry tools, and we use their platform to risk assess our suppliers, manage their social audits and non-compliances.

## stronger t\(\text{gether}\)





## Stronger Together Consumer Goods Programme + Responsible Recruitment Toolkit (RRT)

Stronger Together is an impact driven not-for-profit working towards a vision of a world where all workers are recruited responsiblu and have fair work free from exploitation. Through Sainsbury's sponsorship, colleagues, suppliers, labour providers, and service providers gain free access to training workshops, resources, and tools to tackle hidden labour exploitation and promote responsible recruitment practices. In 2024, Stronger Together's Consumer Goods Programme merged with the Responsible Recruitment Toolkit Sponsorship programme Sainsbury's sponsors the combined programme across the two workstreams addressing forced labour and responsible recruitment.



#### Ulula

Ulula deploys technology-based worker voice surveys that enable us to hear directly from workers about their working conditions. We use the results to understand worker wellbeing and see where we can support improvements in our supply chain.



## University of Nottingham Rights Lab

We have partnered with the University of Nottingham Rights Lab to support research into our evolving human rights risks, interpret how these risks will affect our business in the future, and understand how Sainsbury's can respond. This three-year partnership places us at the forefront of thinking on our human rights risks and unlocks practical and impactful business decisions to create benefits to people throughout our business and supply chains.



#### Unseen

Sainsbury's supports the UK's Modern Slavery & Exploitation Helpline which is a free, independent and confidential service, operated by Unseen. Our partnership and membership of Unseen's Business Portal gives us access to sanitised intelligence from reports raised through the Helpline linked to either our own operations or supply chain (where this is appropriate). This is invaluable in helping us build up a picture of risk so we can work to keep modern slavery out of our business and our supply chain.



## World Cocoa Foundation (WCF)

The World Cocoa Foundation (WCF) is an international membership organisation representing the global cocoa and chocolate sector. Its members include cocoa processors, chocolate manufacturers, supply chain companies and farmer cooperatives. WCF's vision is to be a catalyst for a thriving and equitable cocoa sector, playing a leading role throughout the cocoa sector in partnership with producing country governments, specifically in improving farmer income, helping to end deforestation and promoting reforestation, and combatting child labour.

# J Sainsbury plc