

Sainsbury's Human Rights Saliency Report 2021/22

J Sainsbury plc

Welcome from our CEO

As a business, Sainsbury's was founded on the principle of care and always doing what is right and fair for our colleagues, our customers, the communities we serve and everyone working within our supply chains.

We are committed to championing human rights and it is extremely important to us that the people who make or grow our products receive fair pay and have safe and supportive working environments. We have a long history of setting high ethical standards and working collaboratively to make sure that they are met and we are proud of our achievements to date. But we recognise that we have to go further. We must delve deeper into our value chains in a way that will help us to tackle the root cause of any neglect or abuse.

To help us focus our efforts we have completed a Human Rights Saliency Assessment. This report is the result of that assessment and outlines the areas we believe we can make the biggest difference.

This would not have been possible without the significant support of our passionate and knowledgeable colleagues and partners and I would like to take this opportunity to thank everyone for their involvement, particularly the NGOs whose expertise and objectivity has been critical to making this such a comprehensive process.

Identifying our salient risks is just the first step in our enhanced human rights approach. Later this year, we will publish our human rights commitments, including ambitious targets focused on our salient risks. These will sit within the Better for Everyone pillar of our Plan for Better.

This report also sets out the impacts of climate change and how they will be disproportionately felt by the most vulnerable. This assessment sets us on our path to bringing together climate change and human rights issues so that we can work to tackle them in the round and we look forward to keeping you updated on our progress.



Simon Roberts

Chief Executive Officer J Sainsbury plc
6th June 2022



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About Sainsbury's

Driven by our passion for food, together we serve and help every customer

Offering delicious, great quality food at competitive prices has been at the heart of what we do since John James and Mary Ann Sainsbury opened our first store in 1869. Today, inspiring and delighting our customers with tasty food remains our priority. Our purpose is that driven by our passion for food, together we serve and help every customer.

This report covers the identification of our salient human rights risks in our value chain including our brands: Sainsbury's, Argos, Tu, Habitat and our goods not for resale value chains.

Our brands
.....
in-store & online

Sainsbury's



Tu habitat

Our company at a glance

£33,355m
group sales (inc. VAT)

171,000+
colleagues

598
Sainsbury's supermarkets

809
Sainsbury's convenience stores

728
Argos stores (including Argos stores in Sainsbury's)

3
Habitat stores

Our value chain at a glance

Own brand
90
countries we source from

3,000+
suppliers we source from,
operating across over 6,000 sites

60%+
of food suppliers are based in the
United Kingdom, South Africa, Chile,
Spain, Israel and Netherlands

75%+
of general merchandise suppliers are based
in China, India and Turkey

Over **2 million** workers in the first tier of our own-brand value chains
of which 6% are agency workers and 46% are women

Goods not for resale (GNFR)
26
countries we source from

1,800+
suppliers we source from

93%
of GNFR suppliers are based in the UK

We are committed to championing human rights

At Sainsbury's, we are committed to respecting all human rights across our value chain. We have a passion for delivering to our customers not only great products, but great products that are produced to the highest ethical, quality and sustainability standards. Through our due diligence processes, we seek to prevent and, where necessary, remediate adverse human rights abuses when we identify them. However, in order to direct our resources to where they will have the most impact on the people and communities who help create our products, it is important that we understand our most salient risks.

There are millions of people in our extended value chain around the world, helping to make the products we sell. The scale and complexity of our value chain means that, like many large businesses, we need to consider a wide range of human rights. It is critically important that the people who make or grow our products are not being exploited or exposed to unsafe working conditions.

In 2021, we conducted a human rights saliency assessment to help us better manage and respond to human rights risks, and help us to direct our resources to where they will have the most impact on the people and communities who help create our products. This was a systematic assessment and prioritisation of potential human rights impacts that we could cause, contribute to or be connected to across our food, general merchandise and goods not for resale value chains. This exercise was aligned to the framework set out in the UN Guiding Principles for Business and Human Rights and built on our long-standing efforts to identify and prioritise the greatest risks in our value chain.

Respecting the human rights of our colleagues - over 171,000 - is important to us. We are working separately with CGF (Consumer Goods Forum) as part of the Human Rights Coalition to review Human Rights due diligence processes in own operations to ensure rights of colleagues are respected.

We know that the risks that people in our value chain are exposed to are changing. For example, the direct and indirect effects of the climate crisis will have significant implications for the people and communities we rely on. Our saliency assessment also sought to identify and prioritise the evolving issues that have the potential to cause the greatest harm to people connected to our business, now and increasingly in the future.

Now we have identified our salient issues, we are developing new public human rights commitments and ambitious targets which will challenge the business to drive meaningful progress on human rights. These will be published later this year and form part of [Plan for Better](#), our sustainability plan that encompasses both our social and environmental commitments.

What are salient human rights?

Businesses can impact a wide range of human rights in their value chains. 'Salient' human rights are those human rights that are at risk of the most severe negative impact on people through the activities of a business and their business partners. The focus is on where there is greatest actual or potential risk to people, rather than greatest risk to the business. Businesses still have a responsibility to respect all human rights, but by identifying their most salient risks, they can ensure that they *prioritise* their resources on preventing the risks that are greatest to people.



Our human rights commitments are within the **Better for everyone** pillar of Plan for Better, our sustainability plan.



'This assessment not only helps us to understand our present impacts on the people and communities who make our products, but helps us also consider how we work to prevent future risk and drive a fair transition as we deal with the effects of climate change. This is crucial to the future of our business and their livelihoods, only by protecting both will we all thrive and adapt to the changing climate.'

Abi Rushton, Group Head of Social Sustainability



Ensuring a just transition to Net Zero

Our human rights agenda is intrinsically linked to our environmental agenda. As we work to reduce scope 3 greenhouse gas emissions and be a truly inclusive retailer, we will also work to ensure that no workers and communities are left behind by this transition. We understand how intertwined environmental and human rights issues are, and that challenges in both areas cannot be tackled in isolation.

We have committed to reducing our scope 3 greenhouse gas emissions by **30% by 2030**. This includes reducing emissions from purchased goods and services sold, upstream transport and distribution and the direct use of sold products.

We are committed to working seamlessly across our Plan for Better targets to understand the impact on workers and communities, and to address the social consequences of climate change. We will focus in particular on those who are most vulnerable, such as women, children, migrant workers and socially excluded groups. We want to place the people in our value chains at the heart of our move to a low carbon world and to ensure the continued supply of products for our customers.

It is imperative that we reduce carbon within our business and work with our suppliers, including farmers and growers throughout our value chain to help them mitigate and adapt to the impacts of climate change. This is very much a human rights issue within itself. The accelerating effects of climate change are already being felt and will have significant implications for the supply of raw materials and products — and the livelihoods and human rights of those in our value chain.

As part of our overall saliency assessment, we examined how the climate crisis is impacting the human rights risks that our business could be connected to. This relates to both the physical impacts of a changing climate and the ways in

Source: ¹ [WRI](#)

which sectors, businesses and communities are adapting to these changes. It is critical that we anticipate and respond to these changes now if we are to ensure that the transition to net zero is just for the people and communities which we source from.

The climate crisis threatens human rights

The climate crisis is one of the greatest threats humanity faces. We are already seeing the effects of climate change — from increases in extreme weather and natural disasters such as typhoons, to heat stress and increasing water scarcity. These shifts threaten a wide range of human rights from healthy and safe working conditions to livelihoods and adequate standards of living. Climate-induced migration is also increasing risks of human trafficking, forced labour and child labour. The transition to net zero has the potential to exacerbate existing social and environmental injustices. For example, it is fuelling demand for the extraction of minerals which are associated with armed conflict and human rights abuses. Climate mitigation efforts are also accelerating the uptake of automation in sectors such as manufacturing which, if not properly managed, has serious implications for workers' jobs and livelihoods.

Developing countries are subject to **20% more** extreme heat compared to the 1990s. The areas exposed to serious droughts and floods is forecast to **increase to 44% by 2050**. Without ambitious climate action and adaption, global agriculture yields could **decrease by 30% by 2050**. This threatens the health and livelihoods of **500 million** small farms around the world and risks pushing more than **100 million** people below the poverty line.¹

For more information about our identification and management of climate-related risks and how these are impacting our value chain, please see our [2021 CDP disclosure](#) and TCFD disclosure on p17 of our [Annual Report and Financial Statements 2022](#).



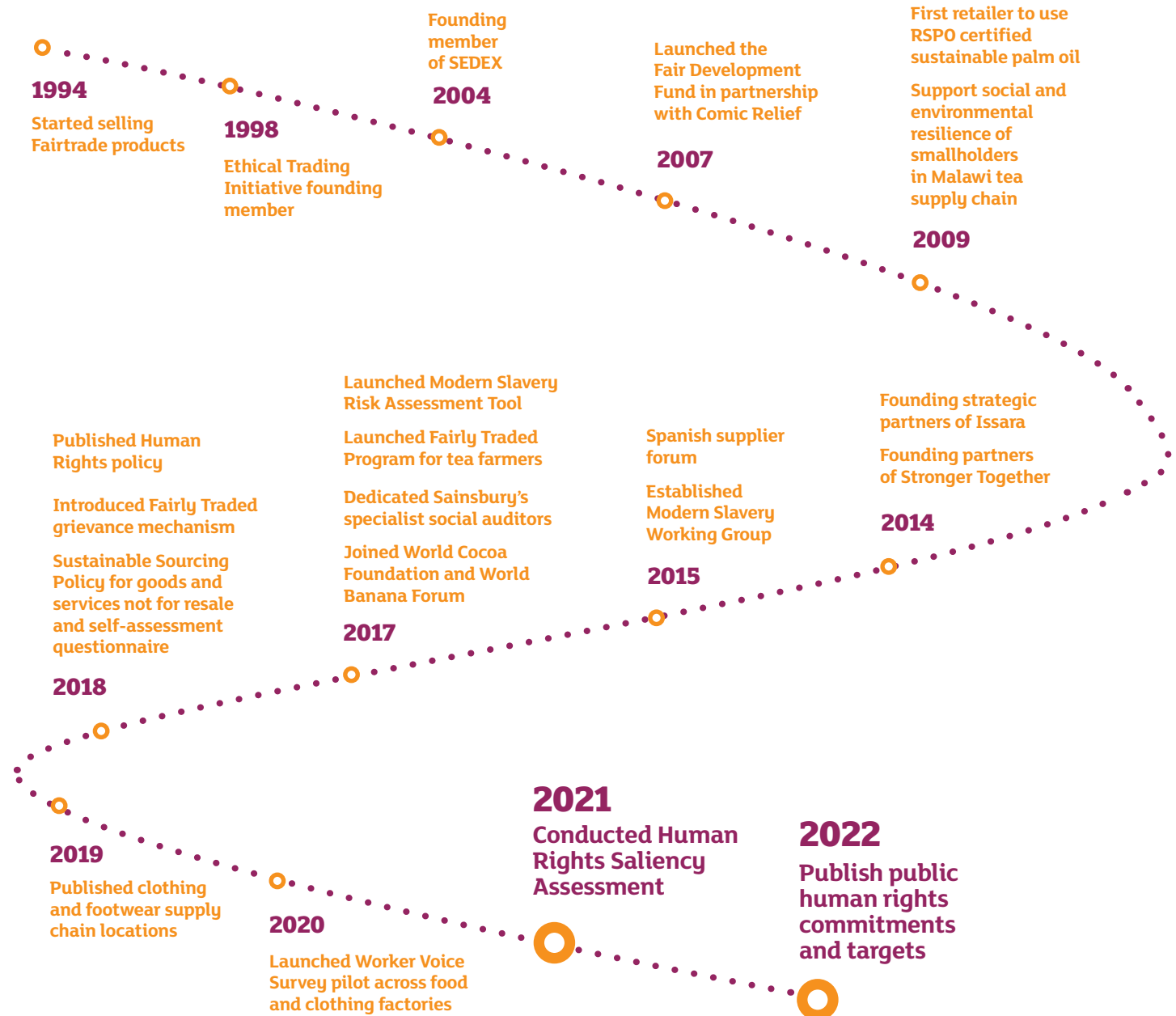
Our human rights journey

We have a long track record of respecting and championing human rights in our extended value chains. The identification of our salient human rights risks is part of a wider enhanced approach to managing and respecting human rights. Our approach goes beyond compliance, and builds on years of effort to better understand where there is most risk of human rights abuses occurring and their impacts.

Our existing approach and due diligence processes equip us with insight into the risks of exploitation and human rights abuses occurring and the prevalence of issues within our value chains. We use a variety of different tools including ethical audits, certifications, and industry collaborations.

We are evolving our human rights due diligence processes to better understand risks to people in our value chains, including in lower tiers where we know human rights abuses can be greatest. For example, our Human Rights Risk Assessment Tool enables us to identify risks in multiple tiers of our value chain across our businesses, so we can take action. Central to our new agenda is to better understand and address the perspectives of rightsholders, in particular how vulnerable groups such as women, smallholders and minority groups are disproportionately impacted. This includes conducting gender responsive due diligence and collecting gender-disaggregated data, implementing worker voice initiatives as well as human rights impact assessments in our high-risk sectors to hear first-hand from our rightsholders the risks they are exposed to.

Our saliency assessment is also part of wider efforts to integrate and consolidate data on suppliers across our business, and to assess and address environmental and social sustainability risks in a more holistic and integrated way, centred on where risks to people are greatest.



Saliency assessment methodology

We worked with external and internal human rights experts to identify and prioritise our most salient human rights risks, following the framework set out in the UN Guiding Principles for Business and Human Rights.

The first step was to understand the range of actual and potential human rights impacts that we could be connected to through our value chain. For this we examined risks associated with three key dimensions:

- risks associated with our products
- risks associated with the countries we source from
- risks associated with our business model, for example sourcing commodities that are priced independent of farmer income or that originate from countries where land ownership may be contested

This assessment was based on a mix of internal and external data sources such as:

- our Human Rights Risk Assessment Tool which uses data from SEDEX to understand risk by sector and country coupled with detailed information about our products, raw materials and ingredients to help us understand our exposure to risk
- country risk ratings, including from FNET, the World Bank, ILO, ITUC and UNICEF among others
- input from colleagues in sourcing and ethical trade teams that build on insights from participating in industry initiatives
- adverse impacts and risks identified in supplier audits for our Food and General Merchandising businesses, and concerns raised through our Rightline whistleblowing facility

We also conducted desk research and expert interviews with human rights experts and NGOs to understand how the risk landscape is changing. In particular, we looked at how the climate crisis is forecasted to create new risks and exacerbate existing risks for people and communities in our value chain.

In the next phase, we used this data to prioritise the most severe human rights risks using the criteria in line with the [UN Guiding Principles for Business and Human Rights](#) (see table opposite).






As part of this we paid particular attention to the impact on vulnerable groups. Prioritisation also considered the likelihood of risks occurring and the extent to which issues are systemic and expected to continue or increase. We also assessed the extent to which issues were affected, or likely to be impacted by climate change or the transition to a net zero economy, to understand the potential impact on workers and communities.

Consulting senior management

The classification and ranking of each issue were developed and verified with the input of our cross-divisional Human Rights Working Group, in addition to the Environmental Sustainability team. We also sought the input of senior management including the Plan for Better Steering Committee, the Operating Board and the CR&S Committee (a plc Board Committee) who were engaged on our revised human rights agenda and agreed on the saliency risk assessment approach and salient risks identified.

The United Nations Guiding Principles on Business and Human Rights

is the authoritative global framework on how states and businesses should prevent, address and remedy human rights abuses committed in business operations

Severity			Likelihood	Transition
Scale 	Scope 	Remediability 		
How grave or serious the adverse human rights impact would be, considering both the potential direct impact, for example on the right to life, and the indirect knock-on impact on other rights.	How many people are or could be affected by the adverse human right impact.	How hard or possible it would be to put the human rights violation right, once it has occurred.	The likelihood of the risk occurring based on prevalence, country and industry context and audit data.	How are rights affected by physical and transitional climate change impacts.



‘Championing human rights is a core part of our Plan for Better. By bringing stakeholders from across our business into the human rights assessment, we made sure to acquire a range of views and perspectives. Only by bringing everyone along with us on the journey can we make sure that the importance of this issue is truly understood and tailored to our business.’

Ruth Cranston, Director of Corporate Responsibility and Sustainability



‘People are central to our business, whether they are in our own workforce or our supply chain. By identifying where the risks to people are greatest, we can begin to take targeted action to address these areas and support communities who need it most.’

Deborah Dorman, Director of Group HR

Collaboration with external stakeholders

Engagement with a range of stakeholder groups has long been a key part of how we identify current and emerging risks and understand the concerns and perspectives of different rightsholders connected to our business.

The prioritisation of our salient risks benefited from consultation with human rights experts and NGOs who brought a comprehensive understanding of the human rights risks across different sectors. They also helped provide the perspective of stakeholders who would potentially be affected. Experts were consulted from a range of backgrounds, including that of suppliers, NGOs and investors:

- **Anti-Slavery International**, an NGO fighting for freedom from slavery, informed by the lived experience of people who have been exploited in slavery
- **The Ethical Trade Initiative**, a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights in global value chains
- **FNET**, a network of food suppliers and retailers working together to identify, manage and respond to ethical risks arising from the global food supply chain
- **IDH The Sustainable Trade Initiative**, a social enterprise that works with businesses, financiers, governments and civil society to realize sustainable trade in global value chains
- **Oxfam**, an NGO fighting inequality to end poverty and injustice globally
- **ShareAction**, an NGO working to create a world where the financial system serves our planet and its people

External stakeholders provided guidance on the overall assessment of our salient issues and prioritisation of issues against the three dimensions set out by the UN Guiding Principles on Business and Human Rights. For example, input included the need for a gender lens and intersectional approach across the salient and evolving issues such as health and safety, land and water rights, and precarious work — recognising that marginalised groups are more vulnerable and face barriers to achieving their rights. As part of this, migrants were highlighted as a growing vulnerable group that face specific risks that need to be addressed.

External stakeholder input has also influenced how we will address our salient issues and the commitments we will set. For example, the role of freedom of association and worker representation was stressed as a fundamental and important enabling right that prevents other serious human rights abuses from occurring and will enable progress on our other salient issues. Other key themes included the need for businesses to prioritise the right and access to remedy, to accelerate action on responsible purchasing practices, and advance traceability and transparency efforts. As a result of this feedback, we have identified a number of 'levers for change' that will help us to unlock progress on our salient issues. These will be central to our human rights strategy and commitments.

Our levers for change

Worker
representation
& freedom of
association

Grievance
mechanisms

Purchasing
practices

Traceability &
transparency

Stakeholders also challenged us to:

- seek out more granular data to assess and target interventions where risks are greatest
- consider our proximity to issues and level of influence
- tackle risks associated with our most significant raw materials

This will be addressed as we further develop our human rights strategy, including how we identify priority value chains and where we focus our work, and as we integrate the findings of our saliency assessment into our key raw materials strategy.

'Sainsbury's has followed a consultative process and sought feedback from various experts in informing their strategy, demonstrating their leading approach to applying the UN Guiding Principles for Business and Human Rights. Responsible businesses should be regularly assessing the salient human rights risks that are related to their business and taking action accordingly.'

Peter McAllister, Executive Director, Ethical Trade Initiative

'Human rights due diligence is both necessary and integral for businesses like Sainsbury's to identify the steps they can take to be better employers, buyers and partners with their suppliers, and to drive the systemic changes needed to transform the lives of workers and farmers for the better. We recognise this is a journey for companies and hope to see progress, as commitments are translated into positive outcomes for the millions of people who produce our food.'

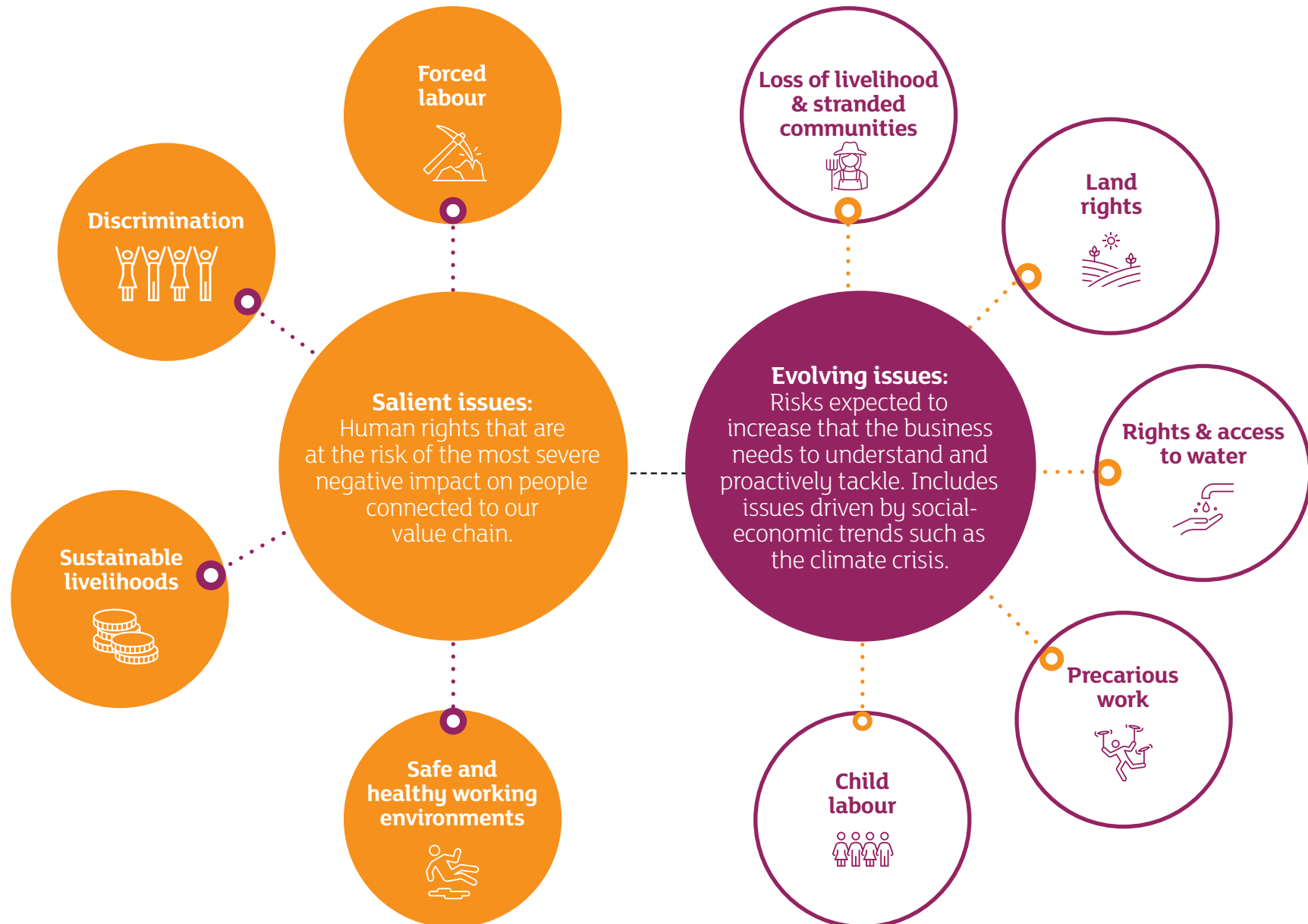
Radhika Sarin, Private Sector Senior Advisor, Oxfam

'Really pleased to see Sainsbury's undertaking a detailed and comprehensive process to prioritise their salient human rights risks and set commitments and targets. Great to see that enabling factors are highlighted alongside the salient human rights risks. Looking forward to seeing the commitments being set, including on Sustainable Livelihoods.'

Martin Buttle, Head of Good Work, ShareAction

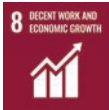


Our human rights risks



Forced labour

Salient issue



Forced labour is any work or service which people are forced to do against their will, under threat of punishment. It is a form of modern slavery and includes situations in which persons, or children, are coerced to work through the use of violence or intimidation, or by more subtle means such as manipulated debt, retention of identity papers or threats of denunciation to immigration authorities.

Forced labour is a serious violation of fundamental human rights and labour rights and is connected to other labour violations such as excessive overtime, abusive working and living conditions as well as intimidation and threats. Unfortunately, it continues to exist in many sectors in all regions of the world and can be connected to the goods and services we procure.

The risk of forced labour is highest in lower tiers of the supply chain, and in particular lower paid, sub-contracted employment. Poverty, lack of access to decent work, gender inequality, and broader socio-economic factors are among many drivers of vulnerability to forced labour. The climate crisis and environmental degradation are also exacerbating existing vulnerabilities to slavery.

The most vulnerable and marginalised in society are disproportionately impacted, including for example women, children, migrant workers and certain ethnic groups. Children make up a quarter of people in forced labour.

You can [read here](#) for more about our identification of forced labour risks in our Modern Slavery statement.

Sources: [anti-slavery](#) and [ILO](#)

25 million adults and children are thought to be in trapped in forced labour worldwide, **over 60%** of those work in the private sector.

Almost **three quarters** of modern slavery victims are women and girls.²

Example high risk countries



Key	Critical	High	Severity			Likelihood	Transition
	Medium	Low	Scale	Scope	Remediability		
Forced labour:							



Discrimination

Salient issue



Discrimination occurs when a person is unable to enjoy their human rights or other legal rights on an equal basis with others.

We all have the right to be treated equally, regardless of our race, ethnicity, national origin, class, caste, religion, gender, marital status, sexual orientation, age, disability, union membership or political affiliation. Discrimination can be extremely detrimental to a person's health and wellbeing, as well as adversely affecting their participation in society and the workforce.

People can be subject to multiple forms of discrimination. Characteristics such as gender, sexuality, ethnicity, race and migrant status can intersect and exacerbate discrimination, resulting in worsened inequality.

The people and groups impacted by discrimination will vary according to different national contexts and specific supply chains. Discrimination can be enshrined in national law and shaped by socio-economic and cultural factors. The growth of climate-induced migration also increases the risks of discrimination and exploitation for workers.

There are approximately **190 million** women working in global value chains.³

The average global gender wage shows that for every \$1 a man earns, a woman typically earns just **\$0.63**.⁴

Almost **1 in every 2** of the world's **164 million** international migrant workers are women.⁵

Caste discrimination is widespread across Asia and Africa, affecting over **260 million** people.⁶

Example high risk countries



Key	Critical	High	Severity			Likelihood	Transition
	Medium	Low	Scale	Scope	Remediability		
Discrimination:							

Sources: ³ ETI, ⁴ Sedex, ⁵ IOM, ⁶ Amnesty

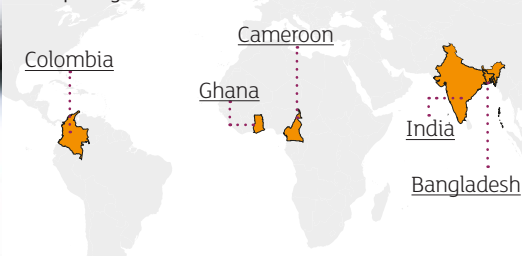




327 million wage earners are paid at or below their local minimum wage.⁷

500 million smallholder farming households are living on less than \$2 a day.⁸

Example high risk countries



Key	Critical	High	Severity			Likelihood	Transition
	Medium	Low	Scale	Scope	Remediability		
Sustainable Livelihoods:							

Sustainable livelihoods

Salient issue



Millions of people working in global value chains earn a wage or income that is insufficient to cover their basic needs.

National minimum wages in many markets are not sufficient to meet the basic needs of workers and that of their families for them to live with dignity. In some instances, workers are even denied the national minimum wage, or are subject to illegal deductions. A 'living wage' is considered the minimum income necessary for a worker to meet their basic needs and the needs of their family, including some discretionary income. Likewise, a 'living income' is defined as sufficient income to afford a decent standard of living for all household members.

The gap between the legal minimum wage, which can remain unchanged for years, and what is considered a 'living wage' is increasing, as the cost of living increases. This can have a significant impact on workers, farmers and their families, as poverty is a root cause for other serious human rights issues — including the right to food and to health. It also increases vulnerability to forced labour and child labour. Child labour is often a consequence of workers and farmers not earning an adequate standard of living to support themselves and their families.

Women, migrants and ethnic minority workers are disproportionately affected as they are over represented in lower paid, labour-intensive jobs. Smallholder farmers and their families, who comprise a large proportion of the world's poor, are especially vulnerable.

The issue of low wages and inadequate income is still prevalent throughout the world, in particular for those working in low paid and labour-intensive work. In high risk supply chains, workers and small scale farmers receive a low share of the total value of products sold to consumers. Climate change risks entrenching vulnerability and inequality, and could push 132 million people below the poverty line by 2030. Smallholder farmers are particularly vulnerable to climate change, as 500 million smallholder farms will be most affected by reduced growth in global agriculture — up to 30% by 2050.

Safe and healthy working environments

Salient issue



Workers in global value chains are exposed to risks which could impact their right to health, in particular in the lowest tiers in the value chain.

Risks workers can face include factory fires, unsafe and unhygienic facilities, exposure to harmful chemicals, excessive heat and inadequate health and safety provisions.

Unsafe workplaces can have severe effects on workers' health and wellbeing — exposing them to risk of injury, sickness and even death.

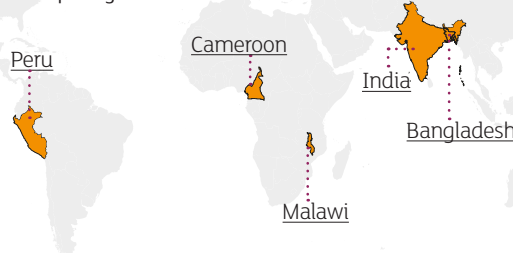
The most severe human rights risks typically occur further down in the value chain, for example the extraction or picking of raw materials. Climate change will also make the working environment more dangerous for workers. Increasing extreme weather and natural disasters such as typhoons, heat stress and increasing water scarcity are already impacting workers' rights to healthy and safe working conditions. Migrant workers, women, and children are especially vulnerable.

Pre-pandemic, **2.78 million** workers die each year from **work-related injuries and illnesses**. Another 374 million suffer from non-fatal work-related injury and diseases.⁹

By 2030, **more than 2%** of working hours worldwide is projected to be lost every year because it will either be **too hot to work** or workers will have to work slower.¹⁰

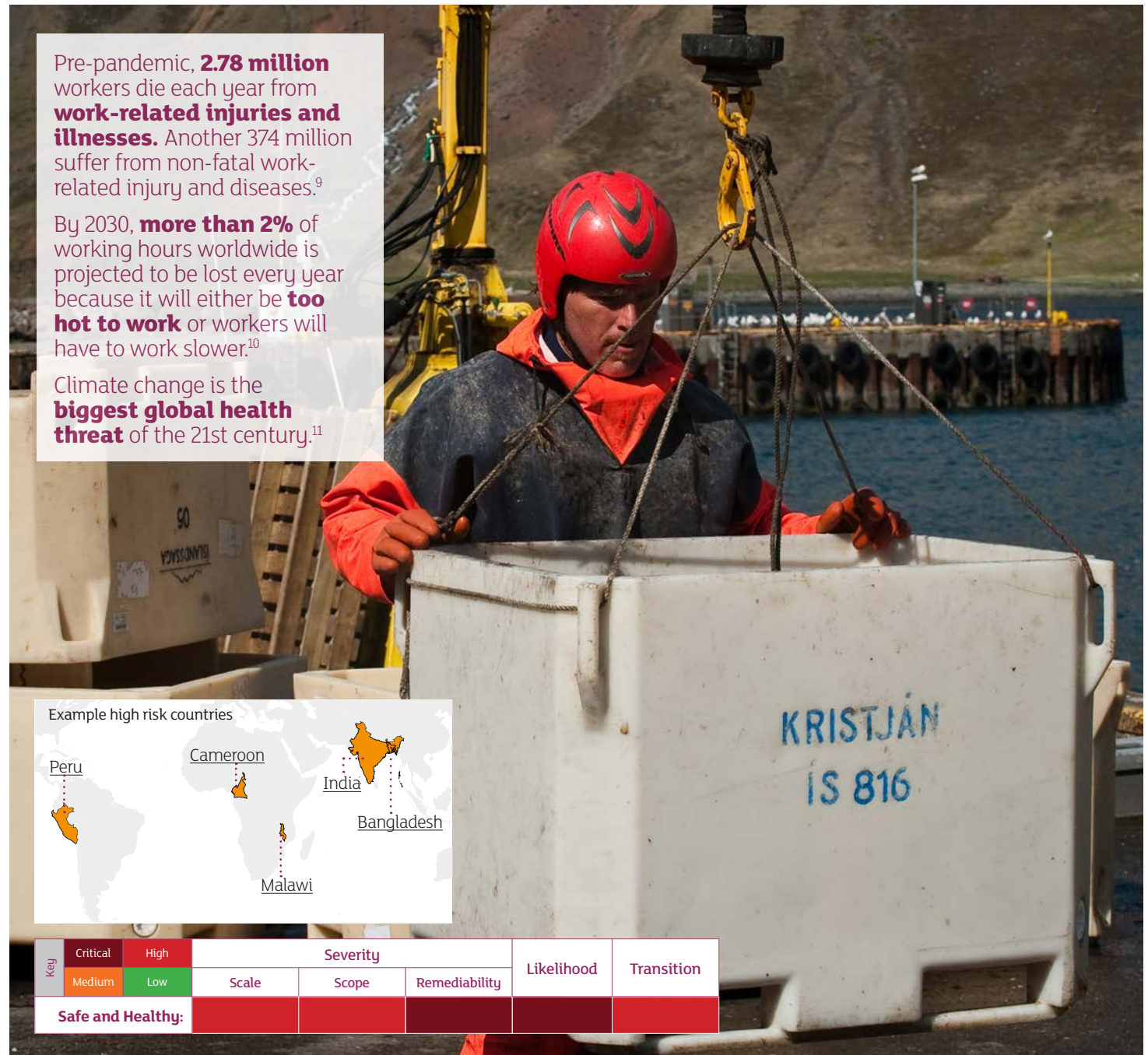
Climate change is the **biggest global health threat** of the 21st century.¹¹

Example high risk countries



Key	Critical	High	Severity			Likelihood	Transition
	Medium	Low	Scale	Scope	Remediability		
Safe and Healthy:							

Sources: ⁹ILO Safety + Health for All, ¹⁰ILO, ¹¹The Lancet Commission



Stranded workers and communities

Evolving issue



There is a very real risk that the people and communities that our business relies on will have their lives and livelihoods transformed by the physical impacts of the climate crisis and the global transition to net zero.

In the same way that the transition to net zero will create 'stranded assets', there is also a risk that the climate crisis and the way in which sectors, regions and countries respond will create 'stranded workers' and leave communities behind.

For example, our suppliers, which range from large agribusiness to smallholder farmers, are already experiencing the challenges of heat and water stress. Industrial strategies linked to decarbonisation, including manufacturing operations, could also result in rapid automation which further jeopardise jobs, which could increase unemployment, poverty, and exploitation.

Climate change risks entrenching vulnerability and inequality, and could push **132 million** people below the poverty line by **2030**.¹²

‘There are very real risks to people in our complex food supply chains, and so it's essential that our human rights saliency assessment dived down into what the biggest dangers are for us as a food retailer.’

Anna Calvert, Director of Technical - Grocery



We know we urgently need to do more to build the resilience of our value chain.

In recent years, temperatures in southern Malawi, where we source our tea, have reached 40°C.

This, combined with winter extremes of heavy rainfall, means tea planted in the 1960s did not survive the stresses of altered growing conditions caused by climate change. This is a significant threat to the continuation of the industry in the country, and could have devastating impacts for tea farmers and their communities. To address this, we have been supporting smallholder tea farmers of the Sukambizi Association Trust to grow heat-resistant tea seedlings. 1.2 million tea nursery seedlings were sold at cost to over 1,100 farmers that will rejuvenate up to 100ha of tea crops.

Land rights



Billions of people depend on access to their land for their livelihood and safe shelter, and for the millions of people in indigenous communities, land relates to all aspects of existence including their culture, spiritual beliefs and identity.

Land impacts directly on a number of human rights.

When tenure is insecure — when communities face the risk that their rights to land will not be recognised or protected in response to competing claims — businesses can inadvertently contribute to severe human rights abuses through land acquisition or forced evictions. These land acquisitions are often accompanied by harassment and violence and can result in the destruction of livelihoods and people's ways of life. In many cases, property systems are based on customary tenure and the inhabitants are often Indigenous or come from ethnic minority groups.

Indigenous people, and women are among the most vulnerable to land acquisitions.

‘We work diligently to mitigate a broad range of risks in the procurement of goods and services not for resale (GNFR), as we source across many different industries which in turn present different risk profiles across those supply chains. Ensuring that the GNFR data we capture links to and is integrated with the human rights saliency assessment gave us unique insights that has enabled us to better focus our efforts where they matter most’



Suzanne Kirk, Director of Procurement

Sources: ¹³Prindex, ¹⁴World Resources Institute

Globally, nearly **1 billion** people have insecure title to the land that they live on and farm.¹³

50% of the world's land is held by Indigenous Peoples and other local communities but they only **legally own 10%**.¹⁴



Rights and access to water



The human right to water entitles everyone to sufficient, affordable, safe water for drinking, cooking and sanitation.

Lack of access to water has a devastating effect on the health, dignity, livelihoods and prosperity of billions of people. Sainsbury's is reliant on water-intensive inputs and processes which could be in competition with local water uses where suppliers are operating in areas of water stress, especially further up the value chain, closer to the raw material stage.

Water availability is becoming less predictable in many places as climate change is further disrupting weather patterns, leading to extreme weather events and exacerbating water scarcity. Communities who are already the most vulnerable to water stress are likely to be worst affected. In some regions, droughts are already exacerbating water scarcity and negatively impacting people's health, productivity and ability to work. Women and girls are often disproportionately affected.

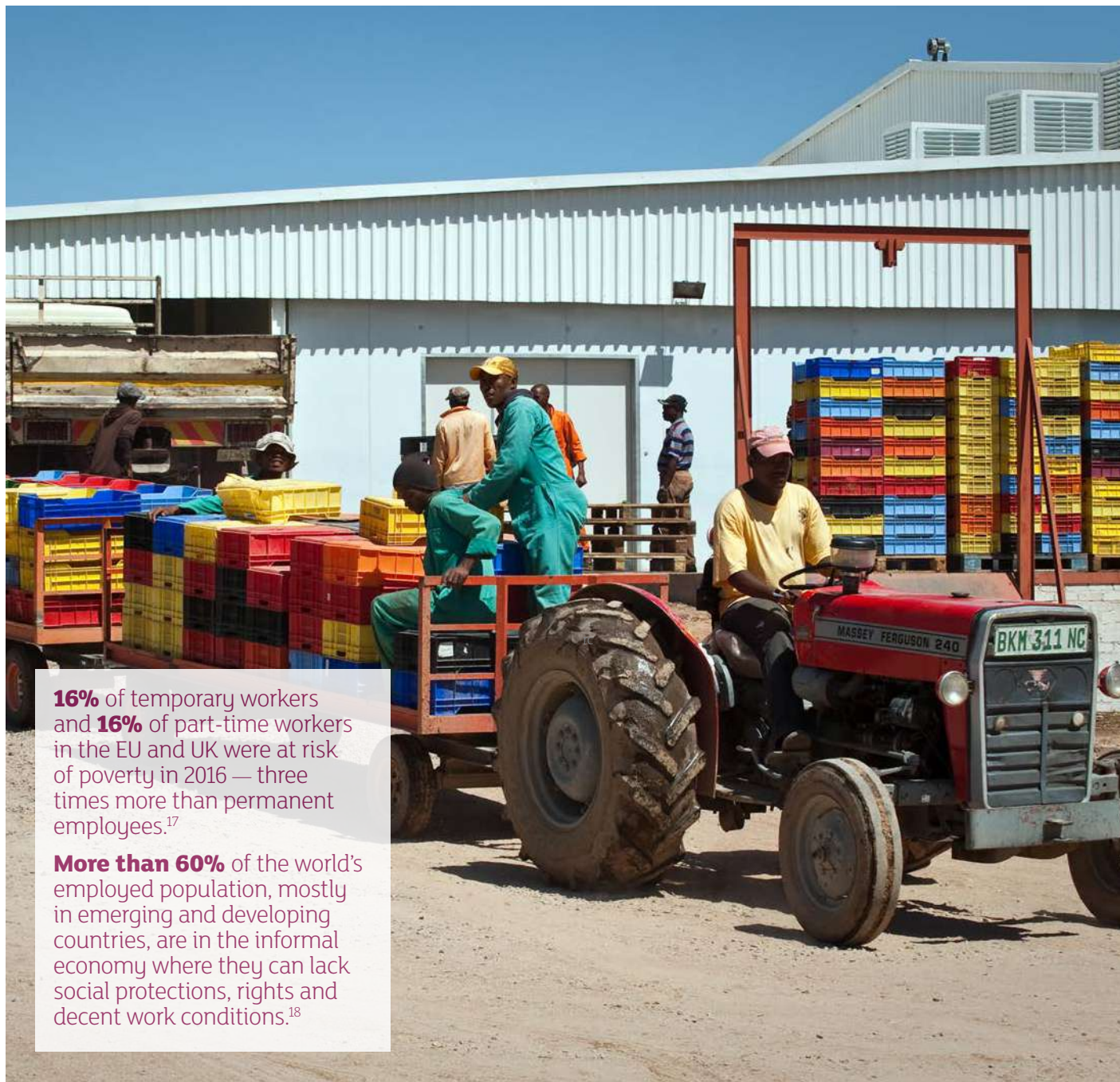


The number of people facing **water stress** could double by 2050 as a result of the climate crisis.¹⁵

700 million people could be displaced by intense water scarcity by 2030.¹⁶

Sources: ¹⁵Carbon Brief, ¹⁶UNICEF

You can [read here](#) for more about our work on identifying water issues in our supply chain.



16% of temporary workers and **16%** of part-time workers in the EU and UK were at risk of poverty in 2016 — three times more than permanent employees.¹⁷

More than 60% of the world's employed population, mostly in emerging and developing countries, are in the informal economy where they can lack social protections, rights and decent work conditions.¹⁸

Precarious work

Evolving issue



Precarious work is when workers access to work is uncertain, and their income unpredictable.

Precarious work, such as fixed-term or zero-hour contracts and temporary agency labour, offers workers and employers flexibility. However, it also means that workers lack job security and are denied access to rights and protections such as social security and freedom of association. In some cases, it can mean workers have no guaranteed minimum wage. Alongside pay, it is a key indicator of what constitutes decent work. Precarious work can also make workers more vulnerable to labour exploitation, and can make women vulnerable to sexual harassment and violence.

Precarious work is also often concentrated in low-wage sectors. Groups particularly overrepresented include women, those with an ethnic minority background, young people, those with low qualifications and with disabilities. Migrant workers are also particularly at risk and overrepresented in precarious work.

Precarious work is on the rise. It has grown dramatically in recent years as employers and employees find themselves operating in a more competitive and uncertain context and has been driven by technology and new business models. The world is only likely to become more uncertain, with far reaching disruption to global value chains expected, driven by trends such as climate crisis. This is expected to negatively impact workers' job security, increasing the prevalence and impact of the issue.

Sources: ¹⁷ [EU](#), ¹⁸ [ILO](#)

Child labour



Child labour deprives children of their childhood, their potential and their dignity, and is harmful to their physical and mental development.

When children are forced into work, it can have a profound, lifelong impact on their future opportunities and can create vicious inter-generational cycles of poverty and child labour.

Child labour is inextricably linked to decent work and wages, and is often a coping strategy when workers and farmers do not earning an adequate standard of living to support themselves and their families.

The risk of child labour is greatest further downstream in our value chain, in sectors such as agriculture, and in the places it occurs it can be endemic.

COVID-19 and the associated economic disruption has endangered progress on child rights. Worryingly, the climate crisis and environmental degradation is forecast to further fuel a spike in exploitative child labour, driven by families' loss of livelihoods, increasing poverty and climate-induced migration.

'Human rights must be respected across our business and supply chains — wherever in the world we source from. With a global supplier base for our general merchandise brands, it was crucial to carefully consider what human rights risks were the most pertinent to this part of our business.'



Paula Nickolds,
General Merchandise Commercial Director

Source: ¹⁹UNICEF ²⁰UNICEF ²¹FAO



According to UNICEF, over **half a billion children** are living in areas with extremely high levels of floods and nearly **160 million** live in areas of high or extremely high droughts.¹⁹

The absolute number of children in child labour has been increasing since 2017 — from **152 million in 2016** to **160 million in 2020**.²⁰

The agriculture sector accounts for **70%** of children in child labour.²¹

Governance

Respect for human rights is integrated into our business.

The Corporate Responsibility and Sustainability (CR&S) Committee oversees the governance of being a sustainable business, including Human Rights. The Committee's principal role is to review the sustainability strategy, ensuring it is aligned with the company's purpose, strategy, culture, vision and values. The Committee also plays a part in monitoring the business's engagement with stakeholders including customers, suppliers, the community, colleagues, shareholders and government on sustainability and corporate responsibility matters.

All levels of our CR&S governance forums have been involved in this saliency assessment and in the approach taken in this as well as in setting the new direction of our approach to human rights.

We will be publishing commitments around these salient risks later in 2022.

J Sainsbury plc Board

Oversight of the sustainability strategy

Chairman: Martin Scicluna, Chairman

Reviews remuneration targets aligned to the sustainability strategy¹.

Chair: Susan Rice, Non-Executive Director

Remuneration Committee

Corporate Responsibility & Sustainability Committee

Reviews the sustainability strategy. It also monitors the business's engagement with colleagues, customers, suppliers, the community, shareholders and government on sustainability and corporate responsibility matters.

Chair: Jo Harlow, Non-Executive Director

Reviews risks and confidence in disclosures aligned to the sustainability strategy¹.

Chair: Adrian Henneh, Non-Executive Director

Audit Committee

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, CEO

Plan for Better Steering Committee²

Leads operational execution of our sustainability plan by overseeing working group activity, ensuring delivery of performance.

Chair: Mark Given, Chief Marketing Officer

Working Groups³

Plan for Better working group, Environment working group and Social working group.

¹ Remit of Committee in relation to the sustainability strategy. For full details on the Committees please read the Remuneration Committee Report and Audit Committee Report in the Annual Report and Financial Statements 2021/22.

² Replaced the Net Zero Steering Committee as of June 2021. Steering Committee meets five times per year. Membership consists of Directors from across the business, with additional Director representation from Audit, Finance and Strategy attending the Committee twice a year to review Corporate Risk Updates including TCFD recommendations.

³ Current working group structure replaced individual pillar working group structure in September 2021. Working groups meet five times per year. Our Diversity & inclusion and Skills & opportunities pillars are managed via the Human Resources Leadership Team and the Community & Partnerships pillar is managed via the Marketing and Loyalty Division.



What's next

The identification of our salient issues is just the first stage of our new human rights agenda and is informing a number of activities which will enable us to drive meaningful progress on human rights in our value chains.

Key next steps include:

- the development of new public human rights commitments, ambitious targets, and KPIs to track progress. These will be published later this year and sit within the Better for Everyone pillar of Plan for Better;
- the commercial integration of our human rights commitments and targets into every part of our business, including awareness, training and specific guidance on practical ways to approach each risk;
- the integration of our saliency assessment findings into our key raw materials strategy to determine areas of shared risk and opportunity and the development of material-specific targets and roadmaps;
- the introduction of new training for suppliers to ensure that they understand our salient human rights risks and how they can support us to address and prevent them from occurring.

We know that collaboration with our external stakeholders — including our suppliers, other retailers, non-governmental organisations, and trade unions — will be essential if we are to tackle our salient human rights risks and achieve our vision of truly inclusive and sustainable value chains.

We will continue to push for progress to protect human rights — today and in the future.

