

Sainsbury's Modern Slavery Statement 2022/23

Welcome from our Chief Executive, Simon Roberts

Respecting human rights is important to our customers and colleagues and is fundamental to the way we do business at Sainsbury's. We have a commitment to the people who make, grow and distribute our products, to ensure they are not exploited in any way or exposed to unsafe working conditions anywhere in our business or supply chain.

Tragically, modern slavery affects millions of people across the globe and thrives in areas of conflict, climate change, discrimination and disease. Given these complex global challenges, it has never been more important to ensure that we are relentless in our focus to prevent, detect and remedy modern slavery to ensure that everyone's human rights are protected no matter who they are or where they live.

We updated our human rights commitments this year and we take fast, effective action when we detect forced labour in our supply chain. Due to its scale and often hidden nature, collaboration is vital to find and eliminate modern slavery. So, we will continue to work with other retailers, suppliers, governments, investors, and civil society to address modern slavery and help to improve the lives of millions of people worldwide.

I'm proud that the human rights commitments we have set out in our sustainability strategy - Plan for Better – align with the UN Guiding Principles on Business and Human Rights and are built on a robust saliency assessment, which allows us to focus our efforts where they are most needed to protect workers in the UK and internationally. This will help to ensure that as we step forward in our wider efforts on Plan for Better that the people in the communities we serve and source from are at the heart of our decision making.

This is our seventh 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 4th of March 2023 to prevent modern slavery and human trafficking in our own operations and supply chains.

This statement was approved by J Sainsbury's plc Board of Directors in July 2023.



Simon Roberts

Chief Executive Officer J Sainsbury's plc
6th July 2023

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Key activities in 2022/23

Last year, we made progress on strengthening our human rights strategy and engaged in initiatives to address our human rights risks.

New activities include

- The launch of new human rights commitments, including to seek out and address instances of forced labour. This was informed by the human rights saliency assessment conducted previously that considered how forced labour intersects with other salient risks such as discrimination and sustainable livelihoods.
- The publication of our policy on labour standards and code of conduct for ethical sourcing. It sets out our expectations on suppliers to proactively manage modern slavery.
- A refreshed supplier assurance process for goods and services not for resale (GNFR) and we refreshed and relaunched Our Fair Sourcing Statement. This sets out what we require from our suppliers and our commitment to source goods and services not for resale in a fair and responsible manner.
- Conducting a Human Rights Impact Assessment in our Vietnamese prawn supply chain, to better understand actual and potential adverse human rights impacts and their severity.
- Joining with eight other retailers, supported by Sustainable Trade Initiative (IDH), to commit to a living wage for workers in our banana supply chains. This helps to ensure that workers have a decent standard of living thereby reducing their need to work excessive overtime or get into debt, which could lead to them becoming victims of forced labour.
- Collaborating with industry and government to take action to minimise risks to workers coming to the UK through the Seasonal Worker Scheme.
- The launch of an internal audit programme for labour agencies within our supply chain and logistics divisions.

Read more about our human rights commitments [here](#)

You can read our human rights saliency assessment [here](#)



About Sainsbury's

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

At Sainsbury's, we take our responsibility to respect and protect human rights seriously. We are committed to championing human rights across our value chain to ensure that the people who produce our products are not being exploited or exposed to unsafe working conditions and to ensure that our transition to Net Zero is fair and equitable for the communities we source from.

This statement covers our approach to prevent modern slavery¹. For Sainsbury's Bank Modern Slavery Statement, please visit www.sainsburysbank.co.uk.

Definitions for the purpose of this statement

Business / J Sainsbury's 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 energy, 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.



Our company at a glance

£35,157m
group sales (inc. VAT)

152,663
colleagues

595
Sainsbury's supermarkets

814
Sainsbury's convenience stores

709
Argos stores

3
Habitat stores

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

3
Primary hubs and **23** depots

Our supply chain at a glance

60
Countries where we source own-brand products

1,100+
suppliers of own-brand products for food and general merchandise supply chains operating over **1,900+** sites

1,700+
suppliers over **25+** countries in GNFR supply chains managed by our procurement division

95%+
of GNFR spend is with suppliers based in the UK

80%
of supplier sites providing food and grocery products are based in the UK, Spain, France, Italy, Netherlands and Germany

75%
of general merchandise supplier sites are based in China, India, and Bangladesh

890,000+

workers in **first tier** of food and general merchandise supply chain, of which **6%** are agency workers, **14%** are migrant workers and **47%** are women



1. This statement sets out the steps taken by Sainsbury's Supermarkets Ltd, Sainsbury's PropCo A Limited, Sainsbury's PropCo B Limited, JS Information Systems Limited, Sainsbury's Tyne 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

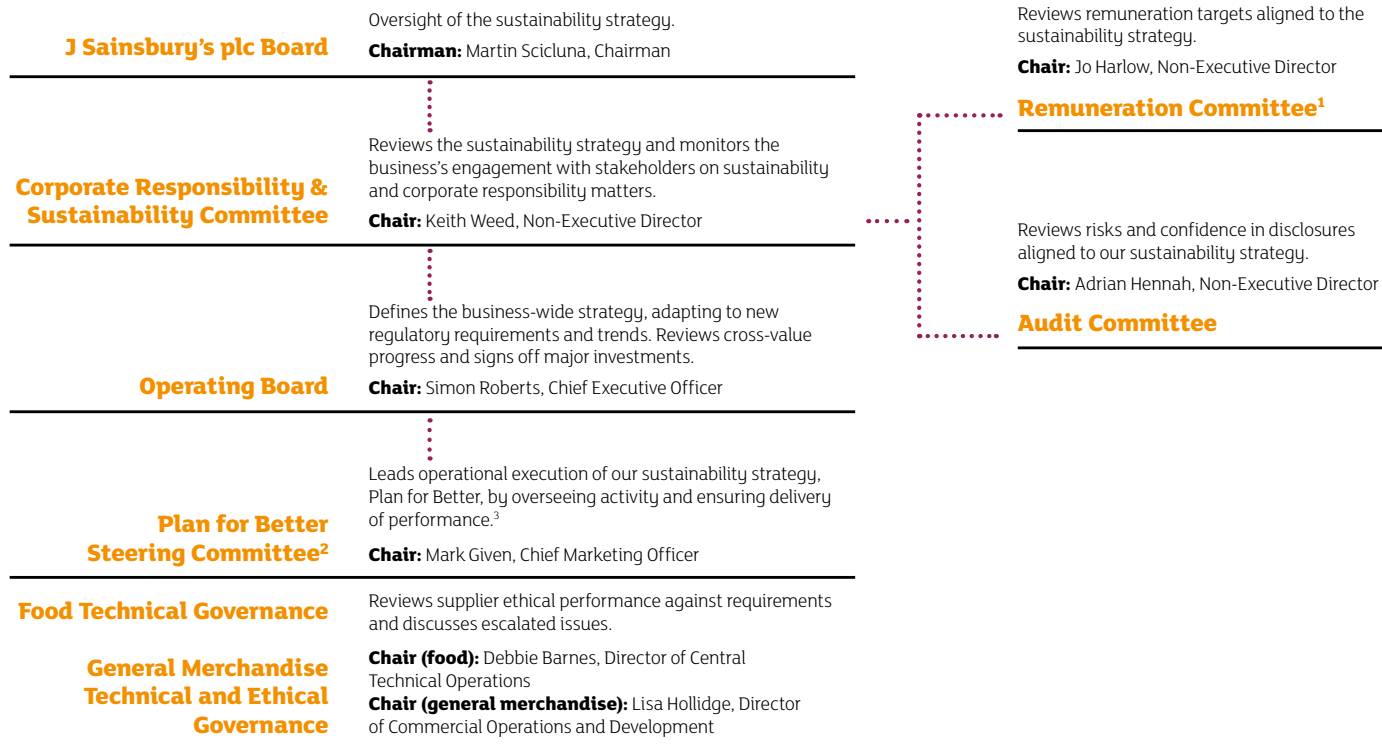
The Corporate Responsibility and Sustainability (CR&S) Committee oversees the sustainability of our business. The Committee's principal role is to review our sustainability strategy - Plan for Better - ensuring it is aligned with the Company's purpose, strategy, culture, vision, and values. The committee 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 People Officer is responsible for our human rights policy and the director of each business division is accountable for implementing our policies and standards throughout our business and supply chains. The Group Head of Social Sustainability leads our human rights strategy and is responsible for monitoring progress.

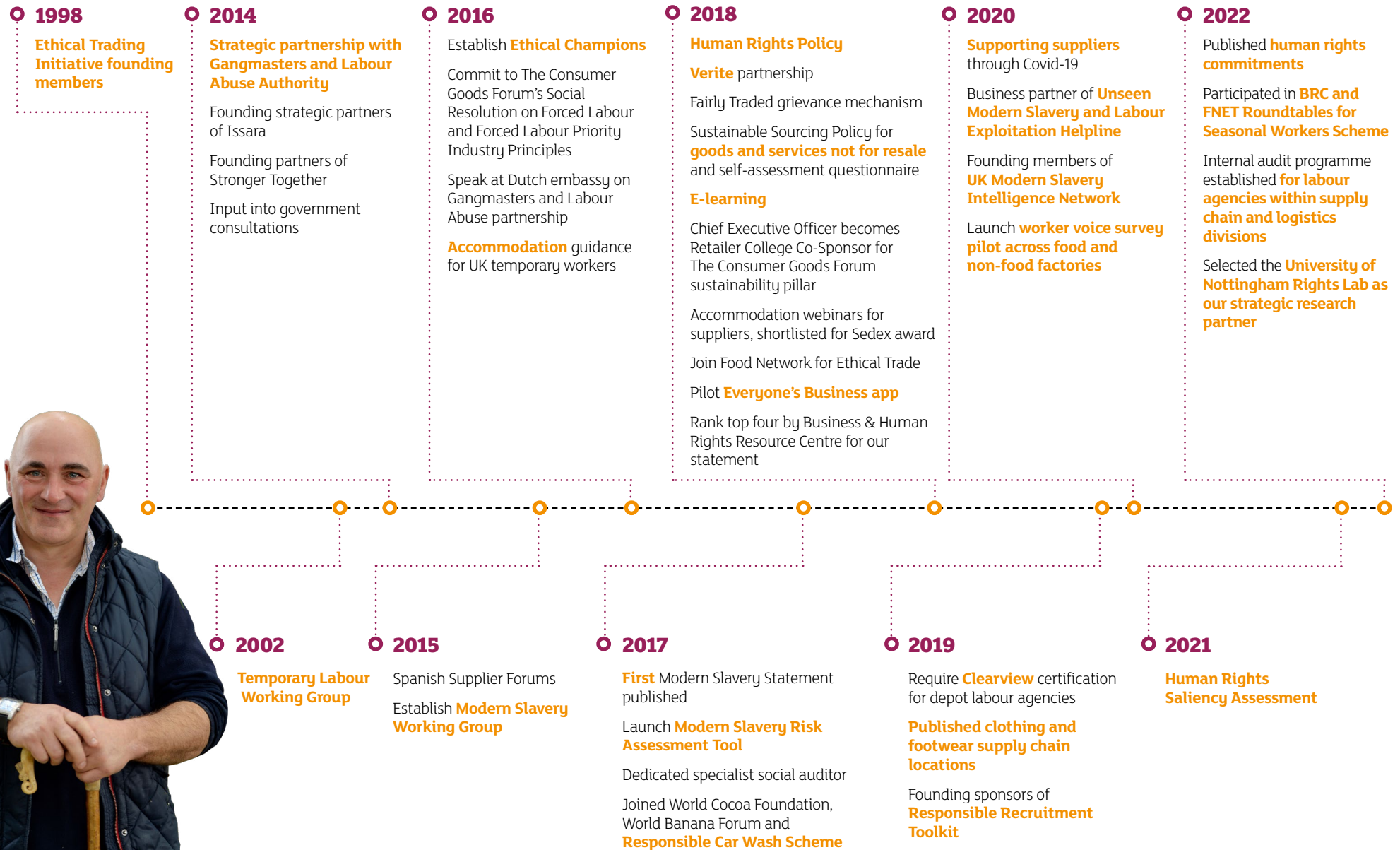
Issues relating to modern slavery and human rights are the responsibility of our technical and ethical trade teams, supported by a central social sustainability team. All four of our general merchandise sourcing offices in Asia have dedicated ethical trade teams, who are responsible for everyday management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

An overview of our governance structure:



¹Remit of Committee in relation to the sustainability strategy. For full details on the Committees please read our [Corporate Governance webpage](#). ²Steering Committee met five times this year. Membership consists of Directors from across the business, with additional Director representation from Finance and Audit periodically attending the Committee to review Corporate Risk Updates. ³Previous working group structure was reviewed and replaced with workstream-specific forums, to support more efficient ways of working.

Our journey so far



Policies

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 infringements, including any form of modern slavery. We are committed to addressing such impacts if they occur.

Policy development, embedding and monitoring

Our policies are reviewed regularly 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 significant volumes or value to the business). 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. All policies receive formal sign-off through our governance processes.

Policies are communicated to Sainsbury's colleagues through our intranet, colleague handbook and line managers. New suppliers must accept our policies through our tender and onboarding processes and current suppliers are alerted to new or updated policies through our supplier specification platforms. Direct suppliers must communicate Sainsbury's policies and positions to their own supply chain partners.

The Food Responsible Sourcing Manual and General Merchandise Supplier Handbook translate Sainsbury's policy position and standards into specific supplier requirements across our business divisions. We manage policy communication to new suppliers to ensure there is a streamlined process across technical, buying, and ethical sourcing teams. Policy Leads in food and general merchandise divisions formalise this process.

We manage policy compliance through contractual terms and conditions and require suppliers to have their own codes of conduct and ethical trade management systems

to manage risks. Supplier compliance with policies is monitored through ethical audits and site visits conducted as part of our due diligence processes.

Group ethical sourcing policy

Published in September 2022, our group policy for ethical sourcing sets out our supplier code of conduct and is aligned to the Ethical Trade Initiative (ETI) Base Code, encompassing International Labour Organisation (ILO) Core Conventions.

The first clause - Employment is Freely Chosen - states there should be no forced, bonded, or involuntary prison labour, that workers should not lodge deposits or identity papers with their employers and that workers should be able to leave employers after a reasonable notice period. Section five in the policy outlines our position on modern slavery, stating our commitment to the Consumer Goods Forum Priority Industry Principles on Forced Labour in our operations and value chains. It also sets out our expectation that suppliers should prevent and mitigate the risk of workers paying fees associated with recruitment processes.

This group-level policy consolidates previous divisional-specific policies to have a clear, aligned position on ethical sourcing across food, general merchandise and GNFR business divisions.

Human rights policy

Our human rights policy outlines our commitment in line with the International Bill of Human Rights, UN Guiding Principles on Business and Human Rights (UNGPs) and ILO Declaration on Fundamental Principles and Rights at Work. We communicate our zero-

tolerance approach to any form of human rights abuses and requirement for suppliers to provide information on their actions to demonstrate compliance with the UK Modern Slavery Act 2015 where necessary.

Supplier whistleblowing policy

Our whistleblowing policy was published in 2022 to support the detection of modern slavery. Our suppliers are required to offer workers a channel through which they can raise concerns relating to criminal offence or miscarriage of justice in the workplace. We expect our suppliers to have their own whistleblowing policy that is communicated effectively to all workers, as well as a confidential, accessible, and independent hotline. Our policy includes information on RightLine, a confidential and independent service, that is available for suppliers to use if they do not have their own hotline. Our Internal Audit team have conducted a review of our whistleblowing processes to ensure they are as effective as possible.

Our colleague handbook

Our colleague handbook is available through our intranet and sets out our principles on creating a working environment where everyone feels valued and respected. The handbook contains our position against any form of discrimination, harassment, bullying or victimisation and provides information on how colleagues can report their concerns. We have further guidance for line managers on fair treatment and on managing sensitive issues such as discrimination and domestic abuse.

Key raw material policies

Specific commodity policies address areas of the highest social and environmental risk within our key raw materials supply chains. These include cotton, cocoa, conflict minerals and man-made cellulosic fibres. We review these policies in consultation with internal teams and with input from external consultants.



Due Diligence

We conduct due diligence to identify and address human rights risks caused by, or connected to, our business and integrate these processes across food, general merchandise and goods and services not for resale business divisions.

Supplier compliance and monitoring in food and general merchandise

Our Human Rights Risk Tool draws on commercial information and risk scores from Sedex's risk assessment tool, Radar, to highlight where there is highest risk of human rights abuses in our supply chain, including the risk of forced labour. The tool is updated annually to ensure it remains relevant.

Across our divisions we take a cross-functional approach to supplier compliance by integrating ethical requirements and monitoring into technical business processes. Supplier compliance and monitoring is focussed on own-brand suppliers, as this is where we have greatest responsibility and impact.

All Sainsbury's, Argos and Habitat suppliers' sites require an unannounced or semi-announced third-party ethical audit from an approved independent auditor. Any new 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. Food and general merchandise supplier sites are allocated a risk rating based on risk indices from Radar and audit history. These elements determine the frequency of ethical audits in food and site visits in general merchandise.

Our technical teams monitor audit delivery and performance and support our suppliers to resolve any issues found onsite. Suppliers are required to immediately resolve any Business Critical non-compliances identified through ethical audits and all non-compliances must be resolved within agreed timeframes. Persistent issues are escalated within the business and Ethical teams support suppliers to draft action plans.

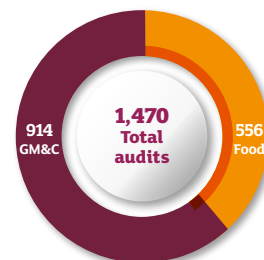
In rare and severe cases where there is no improvement, or willingness to improve, we responsibly delist the supplier in line with Groceries Supply Code of Practice regulations.

Supplier compliance is communicated to our technical teams every two weeks in general merchandise and every period in food. Technical governance meetings review supplier compliance against ethical and technical requirements and discuss escalations.

This year we further embedded ethical monitoring into business practices within the general merchandise technical division. This improved communication channels, risk management systems and escalation processes with suppliers. The development was supported by training to technical teams and we continue to review processes and learning needs of key teams.

In 2022, we updated and simplified our ethical minimum requirements for direct food suppliers. Audit frequency continues to be determined by risk ratings, but low-risk sites now have a minimum audit frequency of four years. We have also implemented a grading of SMETA findings to improve focus on supplier performance and allow us to direct our efforts to where it matters most.

SMETA audits carried out in 22/23



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 pose human rights risks, including modern slavery. We carry out due diligence across our division to ensure we understand and tackle these risks.

In 2022, we launched an updated supplier assurance process for our GNFR suppliers which included the rollout, verification and assessment of an enhanced supplier self-assessment questionnaire (SAQ). The majority of our GNFR suppliers have been invited to complete the questionnaire, covering 90%+ of yearly spend in our Procurement division.

Every procurement sourcing project starts with a risk assessment to identify areas of high human rights and modern slavery risk. Suppliers answer the self-assessment questionnaire that covers key topics, including labour laws and compliance the UK Modern Slavery Act.

Risks identified through supplier responses to the SAQ are investigated by the Social Sustainability Team, GNFR senior management and key buyers, who engage with suppliers to understand and manage the risk.

If there is 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.

This year, our Central Technical Operations team designed and implemented a labour audit programme to assess direct agencies that supply labour in our warehousing and logistics supply chain. Practical Ethics supported us by reviewing and improving our programme over the year.

11
labour providers in our supply chain and logistics network were audited this year across 13 depots

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.

Publishing our tier 1 own-brand supplier lists enables us to promote transparency, collaboration and give the workers in our supply chains a voice. We recognise the need for further traceability and transparency beyond tier 1 suppliers 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 human rights risks and abuses.

We continue our engagement with industry groups and multi-stakeholder initiatives to ensure a coordinated approach to tackle 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, tripartite structures such as the ETI allow us to convene with other retailers, non-governmental organisations and trade unions to agree an approach on investigation and remediation. These forums also provide a valuable platform to understand and address serious climatic or economic events that occur within a sourcing country. Following the devastating earthquakes in Türkiye in February 2023, we fed information from our supply chain into ETI surveys to improve our collective understanding of what impact the earthquake and its aftermath would have on Turkish workers and businesses.

Through our collaboration with the British Retail Consortium's (BRC) Better Retail Better World, we are committed to enhancing employment and recruitment best practice and to ensure that no worker has to pay to get a job. We are also members of the BRC Ethical Working Group which debates issues relating to human rights and modern slavery.

As a member of the Food Network for Ethical Trade (FNET), we benefit from fortnightly group calls where members and external experts share best practice on issues such as managing human rights risks, developing resources to tackle recruitment fees, improving worker representation and human rights due diligence good practice. There is also support on specific food sector issues, including workers' rights in warehousing and logistics, seasonal worker risks and remediation processes.

We have taken part in multiple Sedex working groups and research calls to support development and drive improvement of industry standards. These include the SMETA Technical Advisory Group, Sedex Self-Assessment Questionnaire Working Group, and Sedex Service Provider Working Group.

We are signatories of the International Accord and continue to support assessment and remediation activities in the Bangladesh ready-made garment sector.

Partnership with the Rights Lab

In early 2023, we selected the University of Nottingham Rights Lab to be our strategic human rights research partner. We will partner with the Rights Lab over the next three years to fund 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 partnership will place us at the forefront of thinking on human rights risks and unlock practical and impactful business initiatives to benefit people throughout our business and supply chains.

Human Rights Impact Assessment in Vietnamese prawns

In 2022, along with two other project partners, we co-commissioned a Human Rights Impact Assessment (HRIA) into the prawn supply chain in Vietnam. The HRIA helps us to hear the views of stakeholders across this supply chain and to understand their exposure to risks, root causes and possible solutions.

Although no harsh or inhumane treatment was identified and no workers reported having to pay recruitment fees, the assessments did identify heightened vulnerability for women due to lack of representation. Also, labour rights due diligence carried out by subcontractors who provide workers to suppliers was found to be insufficient. Positive findings included strong policies, procedures and collaborations to address key sectoral issues at a buyer level.

We will continue to work on the recommended action plan to address negative impacts in the coming year.

Better Buying Initiative

For a second year, we invited our general merchandise suppliers to complete a Better Buying survey. This tells us what impact our purchasing practices have on their financial, environmental, and social sustainability. The Better Buying score highlights priority areas we need to address in our purchasing practices.



Stakeholder Engagement

We seek to provide channels to hear directly from workers about their experiences and aim to support activities that enable access to grievance mechanisms.

Engaging with workers to hear their experiences through worker voice surveys

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 will also help to identify where and how we need to take further action to support workers and suppliers.

Through our partnership with Ulula, we use worker voice surveys to get a better understanding of workers' experiences in our general merchandise supply chains. Workers access the surveys through automated phone calls and web-based channels. Ulula helps suppliers to prepare and deploy the surveys with additional support provided by on-site partners to further facilitate communication between workers and managers.

Following worker voice surveys conducted in India early in 2022, we discussed results and key findings with our suppliers. For all issues raised through the survey, we shared guidance documents and supported the development of action plans with each supplier. Lessons learnt from the pilot have been used to strengthen our question bank and improve our methodology for the current phase.



Grievance mechanisms

Grievance mechanisms are a critical factor in helping us achieve human rights 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.

In our own business

Sainsbury's colleagues can raise grievances through our Fair Treatment policy and processes. Colleagues can raise concerns about modern slavery, health and safety or wrongdoing through Rightline, our confidential whistleblowing channel. Our suppliers can also use Rightline to report concerns to us. All cases are investigated and resolution measures put in place.

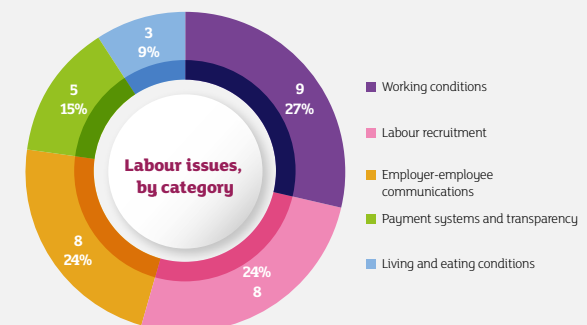
In our supply chains

We support a project with Seafood Ethics Action Alliance, International Pole and Line Foundation and World Wise Foods relating to the Maldivian tuna industry, which provides an important source of income for the island communities and migrant workers. The project will create a smartphone app that gives workers information about their rights and provides a channel through which they can report workplace and recruitment-related grievances and receive access to remediation.

In February 2023, we signed up to the ETI Grievance Mechanisms in Agriculture working group. The purpose of the project is to increase the ability of migrant workers to access appropriate grievance mechanisms within targeted supply chains in Spain and Italy.

We continue our partnership with the Issara Institute to tackle forced labour and human trafficking in Thailand. Issara works with fifteen primary processing facilities and businesses in our fish supply chains. Issara utilises a range of worker voice channels to ensure communication is safe, accessible and inclusive for all workers. In addition to engaging in-person at factories, dormitories, and the community, workers can also exchange information and raise grievances via a phone hotline, Issara's Golden Dreams smartphone app, closed Facebook chats, and Line, Viber, WhatsApp messaging. Over 44,000 workers have access to Issara's worker voice channels and remediation support, and this also helps suppliers to improve their capacity to handle grievances. During the 2022/23 season, there were a total of 33 worker-reported violations; 19 of these have been investigated and resolved and 14 are currently being investigated.

Labour issues raised through Issara's worker voice channels



Risk assessment and management

We have identified forced labour as one of our salient human rights risks. Our human rights saliency assessment included analysis of our key raw materials (those that represent significant volumes or value to the business) against forced labour risks, using information from our Human Rights Risk Tool, compliance data, industry expertise and commercial relationships. This ensures our human rights strategy focuses efforts on areas of highest risk and where we have the leverage and potential to drive positive change.

As part of our human rights strategy we have committed to seeking out and addressing all instances of forced labour by:

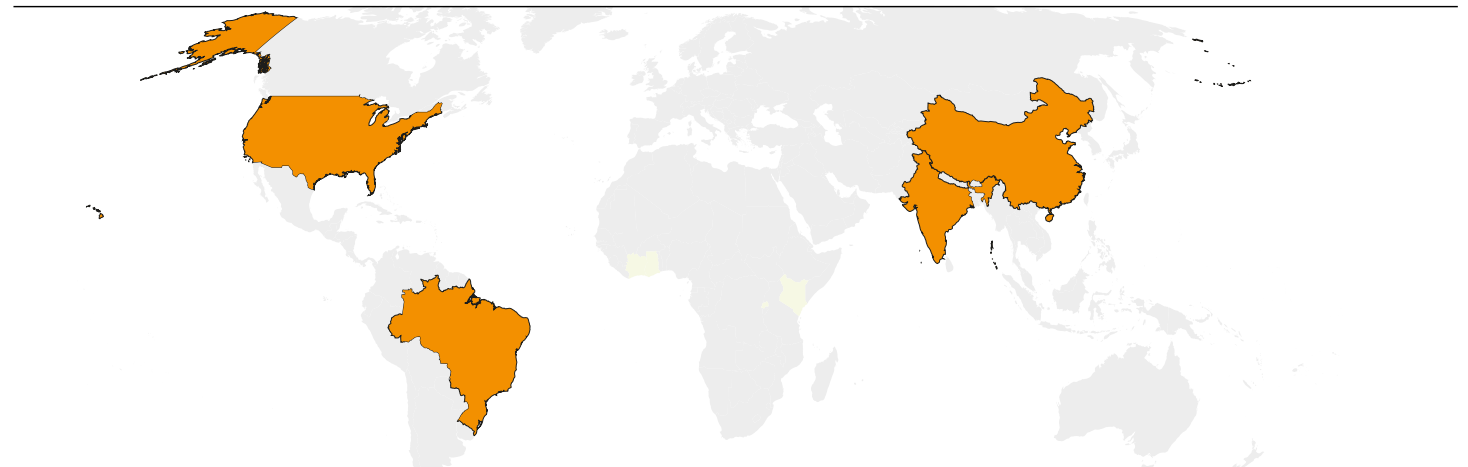
- Scaling action to detect current and emerging indicators of forced labour.
- Supporting access to remedy for those abused.
- Providing incentives for suppliers with effective, proactive approaches and supporting suppliers with inadequate approaches to improve.

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 are examples of risk areas and how we are taking action to address these risks.

Cotton

Example sourcing countries:
Brazil, China, India,
United States



Cotton represents critical value to our business as it is used across general merchandise and non-food grocery and is the most widely used fibre in our Tu clothing range.

We recognise the multiple environmental and human rights challenges in sourcing cotton, with ongoing forced and child labour allegations in cotton growing regions such as Turkmenistan and Xinjiang province in China.

We also commit to sourcing 100% of our cotton as 'more sustainable cotton' by 2025. This commitment is communicated to our suppliers through our cotton policy, which states that suppliers must source cotton through one of our accepted independent

standards agencies, which include the Better Cotton Initiative and Fairtrade, and that they must not knowingly use any cotton fibre sourced from Turkmenistan. We expect all reasonable efforts be made to identify fibre origin and the route of cotton through the supply chain and we collect this information through our supplier reporting platform. This includes a declaration on whether cotton is sourced from Turkmenistan or Xinjiang.

Better Cotton's Principles and Criteria covers decent work as defined by the ILO and producers must ensure that there is no forced or compulsory labour, including bonded or trafficked labour. Better Cotton does not

operate in regions where there is high risk of state-imposed forced labour, including Turkmenistan or Xinjiang. From March 2022 to March 2023, Better Cotton Farmers benefited from more than USD\$ 2 million additional profitability thanks to our sourcing of Better Cotton.

End-to-end traceability of cotton is often not possible as it is sourced through the mass balance system. We endorse efforts to gain greater traceability of cotton sourcing and seek to engage with industry initiatives to drive standards and adopt more sustainable practices.

Fresh Produce

Example sourcing countries:

United Kingdom,
South Africa, Spain,
Morocco, Peru

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

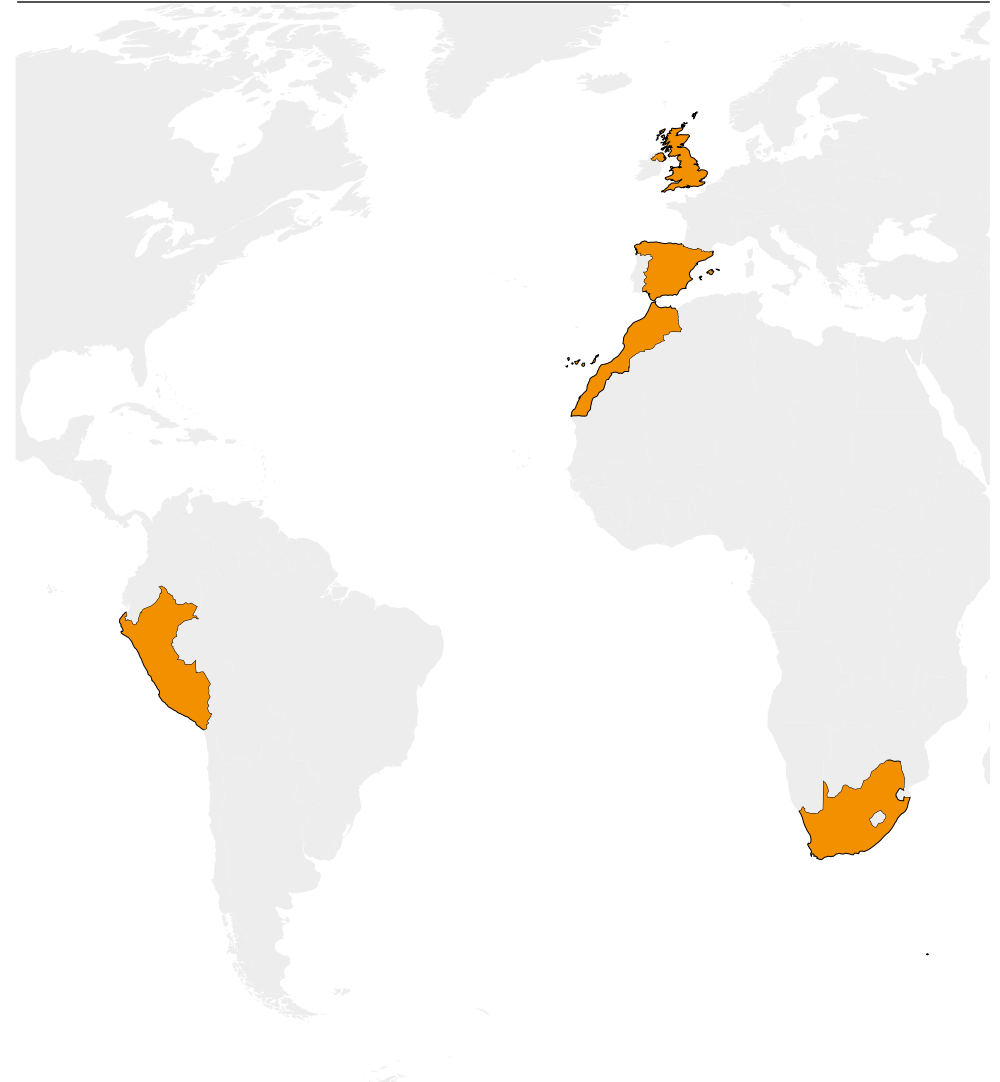
This year we have seen reports of unethical recruitment practices in the UK fresh produce industry, linked to the Seasonal Worker Scheme. This scheme enables businesses in the horticulture and poultry sectors to use approved operators to find workers, who are granted a visa of up to six-months to work in the UK. Reports found that migrant workers from countries such as Nepal and Indonesia paid high fees to agencies to secure work in the UK. This, together with the lack of guaranteed minimum hours of work, put many workers at high risk of debt bondage.

To find industry solutions to safeguard workers coming into the UK through the scheme, Sainsbury's co-funded and participated in the Seasonal Worker Scheme Roundtables which consisted of UK retailers, BRC, FNET, Fresh Produce Consortium, ALP, growers, recruiters, and non-profit organisations. We took outputs from the roundtables to support internal teams to take actions with suppliers.

Outputs from the Roundtable included:

- Supplier guidance and training on worker accommodation and transport
- Development, translation and expansion of the Just Good Work app, which aims to provide workers with information during the recruitment process. 19,290 jobseekers and workers downloaded the mobile app in 2022, the majority in their home country, pre-application or pre-departure.
- Government engagement to support scheme and policy improvements.
- A methodology to enable high quality and consistent assessment of the scheme's operators.

The initiative was recently re-launched as the Seasonal Worker Scheme Taskforce. Sainsbury's will continue to fund and participate in workstreams and projects to prevent, mitigate and remediate negative human rights impacts in the coming season.



Coffee

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

Coffee producers' incomes are highly susceptible to fluctuations in global market prices, making them vulnerable to poverty when prices are low.

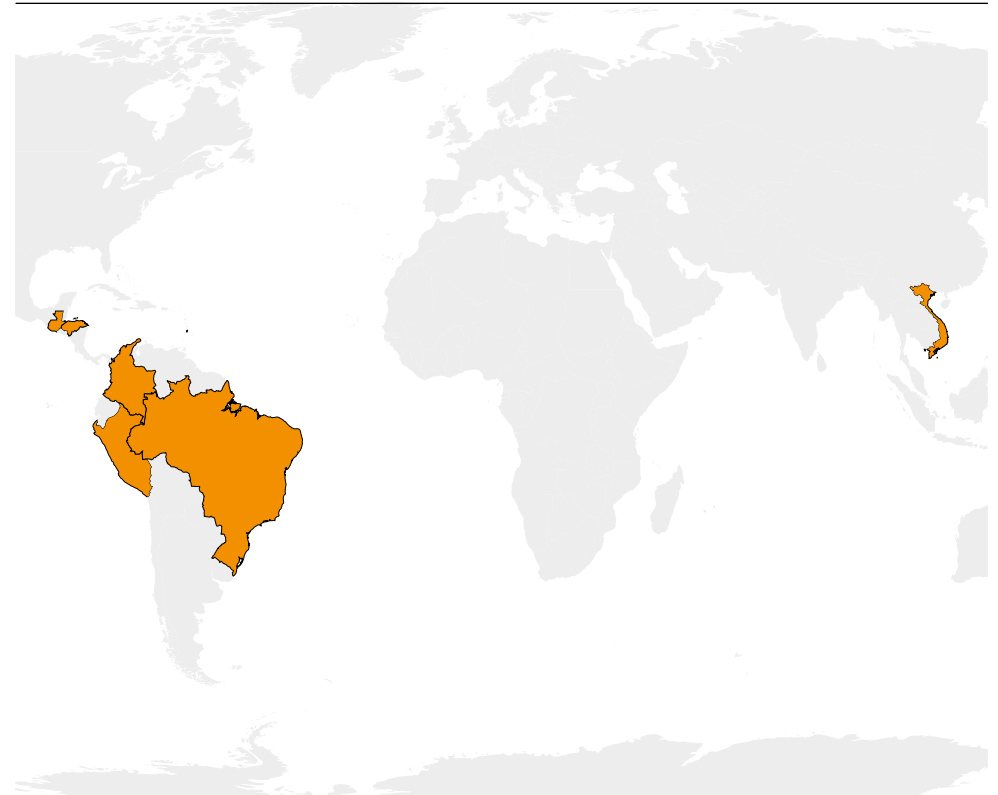
Coffee harvesting is labour intensive and maintaining the quality of the bean during processing is time sensitive. Producers need to bring workers in quickly, often on a temporary and casual basis. Both migrant and local workers are vulnerable to forced labour, as migrant workers can be trafficked or recruited through labour brokers who charge high fees and local workers can be subjected to illegal pay deductions.

We have sold 100% own-brand Fairtrade roast and ground coffee for over 10 years. The use of forced labour in any Fairtrade operation is strictly prohibited. The Fairtrade Standards have minimum entry requirements based on the ILO conventions on forced labour and the UN protocol to prevent trafficking, as well as no gender-based violence and bullying and harassment.

In 2022, we invested USD \$760,806 back into the coffee supply chain through the Fairtrade Premium*, which is invested into business and community projects that are chosen by farmers and workers.

In 2009, we set up the APECAFEQ sun-dried community coffee project in Quinchia, Riseralda in Colombia to enhance the positive impact of our trade. We pay USD \$2 per pound in weight in addition to the Fairtrade Premium, which has enabled further investment in community programmes and productivity increases.

* Amount invested back into the supply chain through the Fairtrade Premium in the 2022 calendar year.



Sugarcane

Example sourcing countries:
Belize, Eswatini and Paraguay

Sugarcane is the main source of sugar globally. Sugarcane production provides an important source of employment and income but has been linked to forced labour, land grabbing and workplace health and safety risks. Sugarcane supply chains are often complex and involve many actors, making it difficult to get full traceability and transparency of human rights risks.

25% of our own-brand sugar is Fairtrade certified. Fairtrade works to improve access to markets for smallholder producers and supports farmers and farming communities through the Fairtrade Premium. In 2022, we invested USD \$339,517 back into the sugarcane supply chain through the Fairtrade Premium*, to be invested into business and community projects that are chosen by farmers and workers.

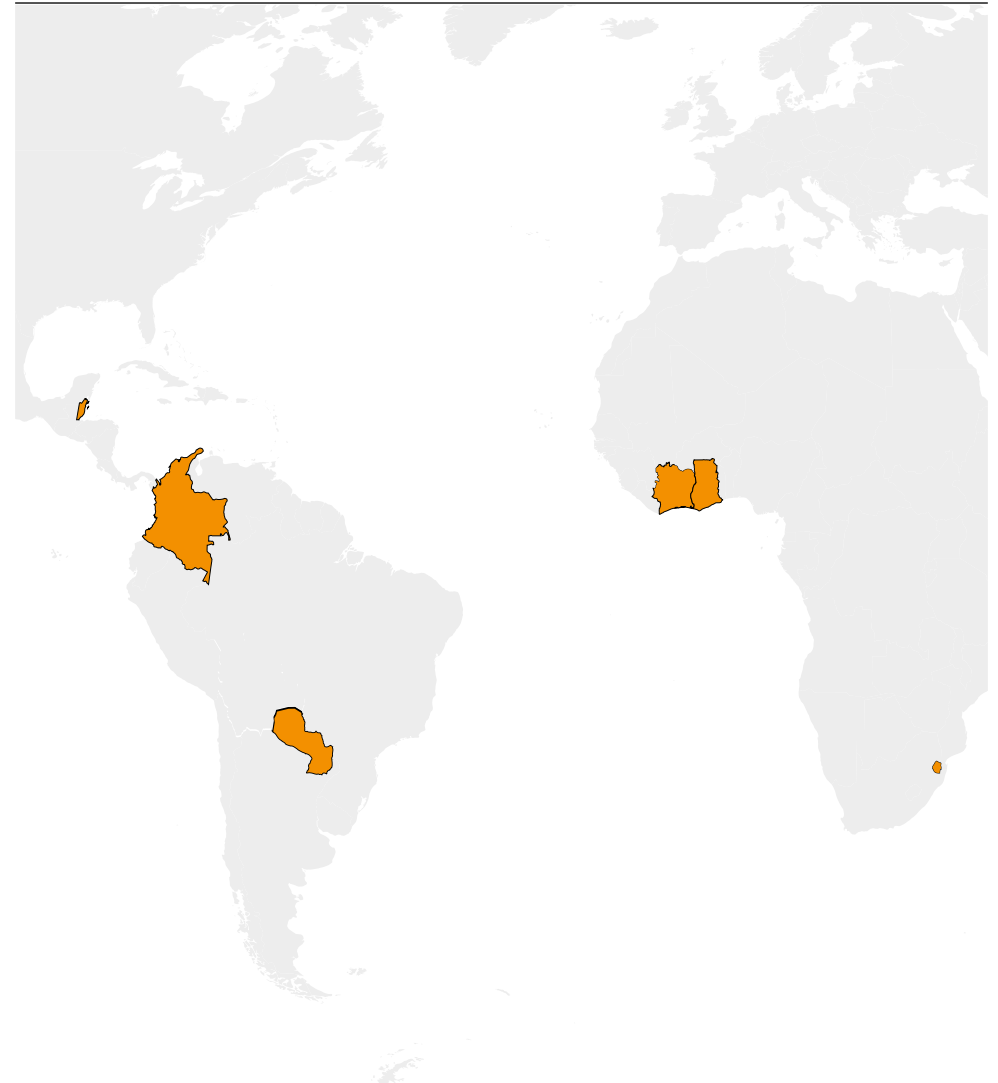
* Amount invested back into the supply chain through the Fairtrade Premium in the 2022 calendar year.

Cocoa

Example sourcing countries:
Ghana, Ivory Coast, Colombia

Cocoa producers, on low incomes, often need to take out loans for agricultural inputs or transportation and can easily fall into debt. Cocoa farms tend to be isolated, increasing the risks to vulnerable and migrant workers who may be subjected to low pay and poor living and working conditions.

Many of our cocoa products are Rainforest Alliance certified. The Rainforest Alliance uses an assess-and-address approach to tackling forced labour, which focuses on prevention, engagement, continuous improvement and incentivising farmers to tackle forced labour. Cocoa farmers receive an extra USD \$70 per metric tonne of cocoa through the Sustainability Differential and get further support through the Sustainability Investment, in which farmers draw up investment plans for continuous improvement.



Tea

Example sourcing countries:
Kenya, Malawi, India

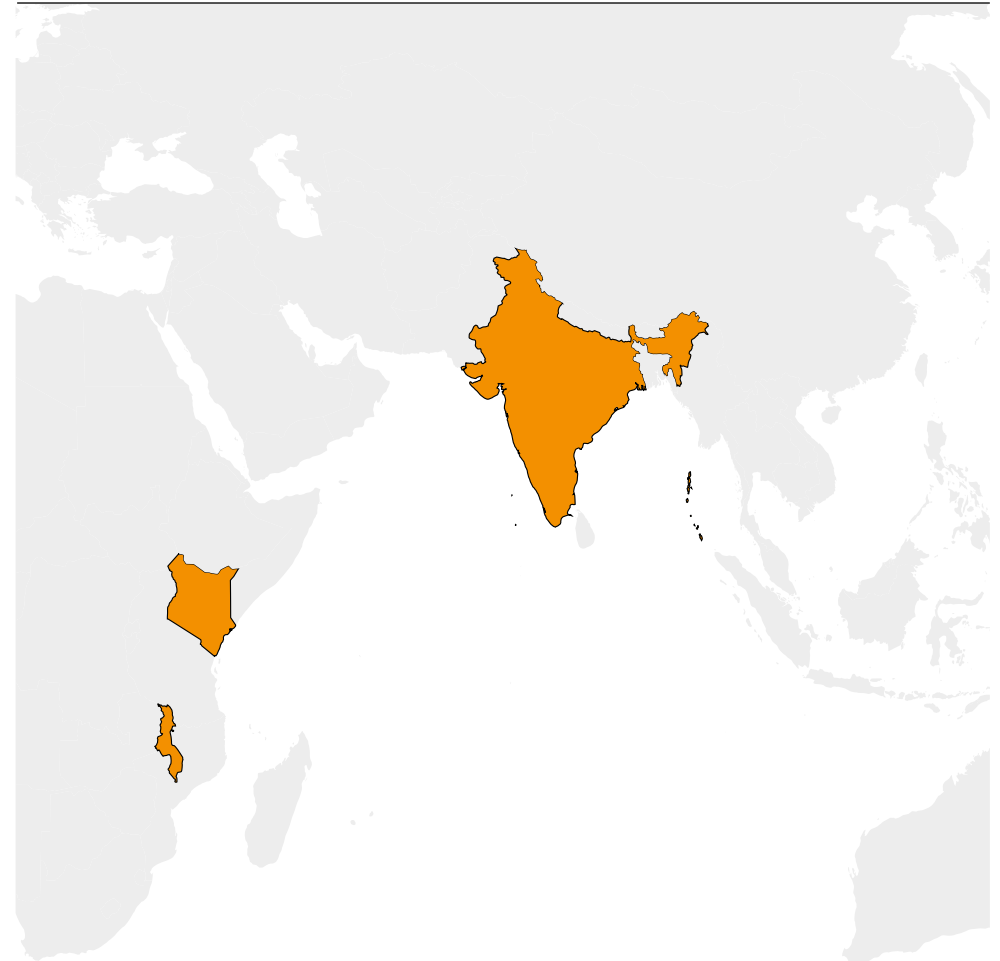
Tea is grown on both small-scale farms and larger tea estates. Plucking and maintaining tea bushes is labour intensive, but incomes for tea producers and workers are often low and below living wage levels. Low wages exacerbate the risks of bonded labour, particularly if workers have to take out loans from their employers to pay for basic services such as housing and healthcare, which can lead to bonded labour. Women workers may be subjected to gender-based violence and harassment and are often paid less than men. Collaboration is central to our approach to tackling human rights abuses in the tea sector. We work in conjunction with suppliers, industry bodies and non-governmental organisations to take coordinated action whilst ensuring that there are experts on-the-ground investigating issues and to support and protect impacted workers.

Almost all of our black tea is certified with either Rainforest Alliance or Fairtrade, except for our Assamese tea where there are currently unavailable quantities of Fairtrade certified tea. In Assam, we work with our supplier and Impactt to ensure standards align to the ETI Base Code, that payments for tea are above the Fairtrade Minimum Price, that we continue to pay a premium equivalent to the Fairtrade Premium, and that Premium Committees are running in line with Fairtrade standards.

The Rainforest Alliance certification programme sets up committees to assess and address child labour, forced labour, discrimination and sexual harassment.

The Fairtrade Minimum Price supports a stable income for tea producers while market prices fluctuate. The additional Fairtrade Premium of USD \$0.50 per kg of black tea also helps to build up a fund that goes towards meeting the needs of local communities. In 2022, we invested USD \$223,813 back into the tea supply chain through the Fairtrade Premium*.

* Amount invested back into the supply chain through the Fairtrade Premium in the 2022 calendar year.



Training on modern slavery

We continue to provide modern slavery training for 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.

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 who could bring them 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.

Commercial and Technical colleagues in general merchandise have access to the Everyone's Business app, delivered by Carnstone. This is downloaded to prepare for and use during site visits. Everyone's Business gives guidance and information on responsible sourcing principles and local context and helps colleagues learn how to spot potential issues at suppliers' sites.

Our Ethical Trade Managers train our food and general merchandise Technical teams on our ethical standards, policies, and processes to support monitoring of supplier compliance and detection and resolution of issues.

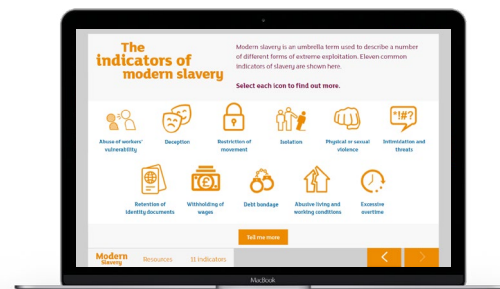
We developed and released new e-learning materials on forced labour as part of our communication to colleagues about our salient risks and new human rights commitments. This included a user-friendly factsheet that outlines what we mean by the term "forced labour", why it is important to address it and how we are taking action as a business.

Upskilling our suppliers on modern slavery detection, reporting and responsible recruitment

We offer modern slavery training tailored to our suppliers that is designed to build knowledge on what modern slavery is, how to spot the signs and how to report any concerns. The training is available to our food suppliers through our supplier training platform and was extended to GNFR suppliers, providing access to tailored modern slavery training to all our direct supplier base.

We continue to partner with Stronger Together to deliver free 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 UK Consumer Goods Programme.

We will review our modern slavery colleague and supplier training offer this year to make sure it remains accurate and relevant and we will continue to assess the training needs of key teams and suppliers.



4,609
Colleagues completed Sainsbury's Modern Slavery training

10
Colleagues have attended modern-day slavery focussed training offered by Stronger Together



Allegations and management



We are made aware of allegations through several channels that are available to stakeholders across our business and supply chains. All modern slavery or forced labour allegations and whistleblowing cases are monitored through an internal tracker, which is managed by Ethical Trade and Social Sustainability Managers. Issues are escalated immediately to heads of department. This year, we were alerted to 27 complaints relating to labour abuse through grievance mechanisms or whistleblowing channels.

All allegations reported to us are investigated thoroughly and remediation support given where required. We take a collaborative approach and engage with stakeholder and industry forums to ensure that coordinated action is taken that is in the best interests of potential victims.

Channel	Cases	Countries
Unseen Helpline	11	UK
ETI	3	Chile, Kenya, Malawi
Media channels	4	UK, Kenya
Rightline (cases escalated to Ethical Trade team)	3	UK
Issara (cases escalated to Sainsbury's)	3	Thailand
Other	3	UK

Key performance indicators

The indicators below enable us to monitor and measure progress against our commitment to protect workers.

Activity	Status 2021/22	Status 2022/23
Modern Day Slavery E-Learning courses completed by key colleagues	3,429	4,609
Unique business entities in our supply chain that completed Stronger Together Modern Slavery Training		
UK	201	243
South Africa	46	67
Spain	7	20
Number of Responsible Recruitment Toolkit trainings completed by our suppliers ²	98	139
Non-compliances identified ¹		
Employment is freely chosen	49	37
No harsh or inhumane treatment	80	79

¹ 2022/23 status is the number of trainings carried out between 31st of March 2022 and 31st of March 2023

² 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.

Workforce Disclosure Initiative (WDI)

The Workforce Disclosure Initiative mobilises investors to push for better jobs. They score companies annually on workforce disclosure. This year we achieved a 97% disclosure score, an increase from 92% in 2021/22 and remaining above the UK average of 75% disclosure.



Respecting human rights through sustainable sourcing

In December 2022, we reached 98% cotton sourced to an independent sustainability standard.

We are committed to ensuring our own-brand products are deforestation and conversion free by 2025, with a cut-off date of 2020.

All the palm oil used in our products is certified by the Roundtable on Sustainable Palm Oil (RSPO) standard, which includes social criteria such as respecting the rights of Indigenous Peoples and local communities and respecting

workers' rights and conditions within palm oil plantations, including vulnerable groups such as women and children.

92.1% of timber and paper-based products are sourced to independent sustainability standards, including international standards for environmental and social sustainability such as the Forest Stewardship Council® (FSC®), which states: "There is an extensive due diligence process to ensure that slavery and human trafficking is not part of the production process of FSC®-certified products".



Looking forward



This coming year we will make progress against our commitments to seek out and address forced labour and discrimination and to promote sustainable livelihoods and safe and healthy working environments in our supply chains.

Human rights commitments

We will make progress on our roadmaps to reach our human rights commitments, which include our continued engagement with IDH to address living wages in bananas and developing our discrimination strategy.

Due diligence

We will continue to review and refine our due diligence processes and ensure that our sustainability strategy is embedded within business functions and priorities. All newly published and updated policies and requirements will be accompanied with training for colleagues and suppliers.

We plan to further enhance our human rights due diligence and guidance for suppliers in GNFR supply chains by releasing minimum standards guidance for labour agencies. We will work with suppliers to assess compliance against these standards.

Worker engagement

Worker voice surveys are planned across our general merchandise and food supply chains to ensure that our strategy is informed by worker feedback and experiences at work.

We are continuing our general merchandise worker voice surveys in India with Ulula and extending the programme to factories in Sri Lanka and Türkiye. Türkiye is one of our key sourcing countries and in Sri Lanka we seek to understand how the economic crisis and civil unrest has impacted workers. Surveys are adapted to be suitable for different countries.

In our food business, in collaboration with other retailers, we will survey workers in the South African fruit sector. In addition, we will roll out worker surveys to selected berries and cherries suppliers in the UK as well as tomato growers in Italy, which will be in partnership with a supplier.

Collaboration

Our participation in the Seasonal Worker Scheme Taskforce will be a key area of work in the UK fresh produce industry as we collectively seek to improve worker protection and remediation processes. This includes funding continued development of the Just Good Work app and supporting efforts around policy improvement.

Over the next three years, we will work with the University of Nottingham's Human Rights Lab to undertake research into our evolving human rights risks. Their expertise in the intersections between human rights, development and the environment will provide valuable insight into how we will address our evolving human rights risks and to ensure we are proactive in our human rights approach. We look forward to reviewing initial research outcomes and recommendations for improvements to our human rights strategy in the coming year.








Better for everyone





Collaboration overview

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

Partner	Purpose
	&Wider uses engagement technologies to hear directly from workers about their experiences and working conditions. This enables us to understand and support improvements in our supply chain.
	Better Buying enables our suppliers to give us feedback on our purchasing practices and helps us to forge partnerships with trust and respect that are critical to build resilient supply chains.
	British Retail Consortium - Ethical Labour Working Group. The working group facilitates the sharing of best practice with UK retailers on tackling modern slavery, the responsible use of labour providers and other topics related to the human rights of workers in our supply chains.
	Better Cotton 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
	We are members of The Consumer Goods Forum (CGF) Sustainable Supply Chain Initiative (SSCI) and Human Rights Coalition of Action. The SSCI offers a global benchmark for third-party audit and certification programmes, and as a member of the SSCI Steering Committee, we help recognise these programmes for meeting industry expectations for sustainability. The Human Rights Coalition is working to eradicate forced labour from the consumer goods industry by advancing human rights due diligence. Through our policies and practices, we help advance this mission and respect the CGF's Priority Industry Principles Against Forced Labour.

Partner	Purpose
	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.
	Being members of the Food Network for Ethical Trade (FNET) enables us to work alongside 55 suppliers and retailers to use our collective leverage to bring about positive change in global food supply chain working conditions by providing guidance, resources, training and opportunities for collaboration.
	The Accord is an independent, legally binding agreement between brands and trade unions to work towards a safe and healthy textile and garment industry. Its purpose is to enable a safe working environment through independent inspections and remediation, training programs and a complaints mechanism for workers. The agreement recognises the rights of workers to organise, refuse unsafe work and raise health and safety concerns. Sainsbury's has been a member of the Accord since it launched in 2013 as the Bangladesh Accord.
	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 feedback, partnership and innovation. Sainsbury's has been a member of the Issara Strategic Partners Program since its inception in 2014.
	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 in the industry, protecting workers and improving outcomes for those directly impacted.

Collaboration overview

Partner	Purpose
	The Retailer Cocoa Collaboration is a group of eleven UK and European retailers working together on a pre-competitive basis to support industry efforts to drive environmental and social improvements in the cocoa sector. Their principle activity is the Annual Trader Assessment which is a robust process that assesses major cocoa traders on their sustainability progress across topics such as deforestation, traceability, gender equality, farmer incomes and child and forced labour.
	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 seek to improve working standards.
	We actively engage with the Supplier Ethical Data Exchange (Sedex) to develop industry tools and we use their platform to risk-assess our suppliers and manage their social audits and non-compliances. We have joined the Sedex SMETax Technical Advisory Group, Sedex SAQ Working Group and Sedex Service Provider Working Group.
	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.
	We are project sponsors of Stronger Together, a multi-stakeholder business-led initiative aiming to eliminate modern slavery, particularly forced labour, labour trafficking and other hidden third-party exploitation of workers. This year, Responsible Recruitment Toolkit (RRT) became part of Stronger Together. RRT provides access to guidance and training to our suppliers and their labour providers, as part of our efforts to ensure responsible recruitment in our supply chains.

Partner	Purpose
	The Sustainable Trade Initiative (IDH) convenes, co-creates and co-finance inclusive and sustainable market-driven solutions that create value for people and the planet. We participate in their work on living wages.
	Ulula is a direct worker survey and grievance technology company that enables 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.
	The Rights Lab is our strategic human rights research partner. Over the next three years the Rights Lab will do research into our salient and evolving human rights risks. The partnership will help to drive impactful business decisions benefits throughout our business and supply chains.
	Sainsbury's supports the UK's Modern Slavery and Exploitation Helpline which is a free, independent and confidential service, operated by Unseen and available 24/7. Portal members get notified through the Helpline Business Portal when allegations relating to their business or supply chain are raised and all cases are investigated collaboratively with Unseen and law enforcement, where necessary. Our partnership and membership of Unseen's Business Portal gives us access to intelligence on modern slavery and exploitation reports linked to either our own operations or supply chains in the UK (where appropriate). We also receive anonymised information about other 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 keep modern slavery out of our business and our supply chain.
	Sainsbury's is an active member of the World Cocoa Foundation (WCF), an international membership organisation representing the global cocoa supply chain. Its members include farmer cooperatives, cocoa processors, chocolate manufacturers, supply chain companies, and other companies worldwide. WCF is a catalyst for a thriving, healthy and equitable cocoa value chain that is collaborating to improve farmer income, reverse deforestation, and combat child labour.