

J Sainsbury plc (Sainsbury's)

TICKER SBRY MARKET CAPITALIZATION US\$8 billion HEADQUARTERS United Kingdom

DISCLOSURES

UK Modern Slavery Act: Yes

California Transparency in Supply Chains Act: Not applicable

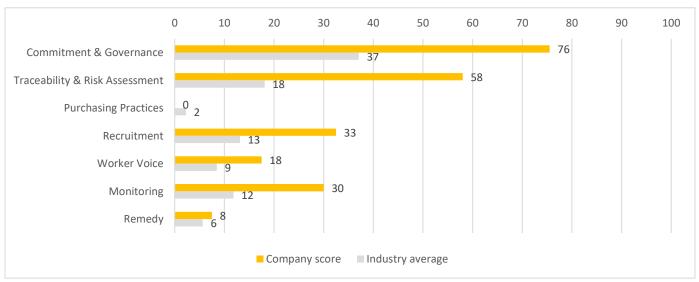
Australia Modern Slavery

Act: Not applicable

6 OUT OF 60

overall score **38** Out Of **100**

THEME-LEVEL SCORES



KEY DATA POINTS

FIRST-TIER SUPPLIER LIST Yes

RISK ASSESSMENT Yes

ENGAGED WITH KNOWTHECHAIN¹ Yes

NO-FEE POLICY Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS

HIGH-RISK COMMODITIES²

Cocoa, coffee, tomatoes and others



SUMMARY

J Sainsbury plc (Sainsbury's), the UK's second largest supermarket,³ ranks 6 out of 60 companies. The company's score is based on its stronger performance on the themes of Commitment & Governance and Traceability & Risk Assessment. Notably, the company is one of only two companies in the benchmark to disclose a full first-tier supplier list, including the names and addresses of suppliers. KnowTheChain identified one allegation of forced labour in the company's supply chains. The company reported it reviewed its modern slavery governance procedures internally and takes part in the Modern Slavery Intelligence Network to work with suppliers and peers to combat modern slavery in its supply chains. However, while the company discloses reviewing its internal processes and engaging with industry on the issue of forced labour, the company neither discloses engagement with affected stakeholders, nor remedy outcomes for workers. The company is encouraged to improve its performance and disclosure on the themes of Purchasing Practices, Worker Voice, and Remedy.

LEADING PRACTICES

Traceability & Risk Assessment: Sainsbury's discloses a first-tier supplier list which it states is a full list of tier one suppliers and includes names, addresses, product type, number of workers, gender breakdown, and whether there is a union or worker committee. The company also discloses a list of its palm oil suppliers covering 95% of palm oil used in its own branded products (and a list of palm oil importers used by its suppliers).

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: To address forced labour risks in its supply chains, the company is encouraged to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment. The company may further consider ring-fencing labour costs from the cost of production. The company should consider integrating <u>responsible buying practices in its contracts</u> with suppliers, to ensure that the responsibility for respecting human rights is shared.

Worker Voice: To support collective worker empowerment, the company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. Further, the company is encouraged to disclose examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers, such as migrant workers. While the company discloses in its supplier list whether unions or worker committees are present, the company is encouraged to disclose the percentage of suppliers' workers covered by collective bargaining agreements. To guarantee protections for supply chain workers on freedom of association and collective bargaining, the company may consider entering into a global framework agreement or enforceable supply chain labour rights agreements with trade unions or worker organisations.

Remedy: While the company provides some information on how it responds to grievances, it is encouraged to disclose details on this process, such as approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers, including with respect to specific allegations in its supply chains.

¹ Research conducted through January 2023 or through April 2023, where companies provided additional disclosure or links. For more information, see the full dataset <u>here</u>. For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre <u>website</u>.

² For further details on high-risk raw materials and sourcing countries, see KnowTheChain's <u>2023 food & beverage benchmark</u> <u>findings report.</u>]

³ European Supermarket Magazine (February 2023), "<u>Top 10 Supermarket Retail Chains in the UK</u>." Accessed 20 June 2023.