

# Modern Slavery and Human Trafficking Statement 2019

# Modern Slavery and Human Trafficking Statement 2019

We understand our duty to respect human rights, we are committed to identifying vulnerable workers and we will not tolerate any form of slavery or servitude in our business or supply chains.

---

Modern slavery and human trafficking are abhorrent practices that still exist in many parts of the world, including the UK. This is our third statement on our efforts to prevent modern slavery in line with Section 54 of the UK Modern Slavery Act 2015.

It details the steps taken during the year ending 28 February 2019 to prevent modern slavery and human trafficking in our business operations and supply chains.

This statement has been approved by both the Bank's and HRG's Board of Directors.

**We are committed  
to identifying  
vulnerable workers  
and we will not  
tolerate any form of  
slavery or servitude  
in our business or  
supply chains.**



# About

## About Sainsbury's Group, Sainsbury's Bank and Home Retail Group Card Services Limited

This statement covers our approach to prevent modern slavery across Sainsbury's Bank and HRG. The Sainsbury's Group statement can be found [here](#).

Our commitment to helping customers live well for less has been at the heart of what we do since 1869.

Today, that means making our customers' lives easier and providing them with great products, quality and service at fair prices, whenever and wherever convenient. We provide our customers with food, clothing, general merchandise and financial services, operating stores in the UK and Ireland, along with major online channels.

We are a multi-product, multi-channel business with fast delivery networks. We have an integrated approach to addressing modern slavery across our business operations and supply chain.

Sainsbury's Bank is a retail bank which is wholly owned by J Sainsbury's plc. Its registered office is in London, with a head office in Edinburgh and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. It has around 1,780 employees and only operates in the UK. The Bank's total income for 2018/2019 was £332m.

Sainsbury's Bank's range of financial products includes credit cards, savings and loans, as well as travel money, mortgages, car, home, pet, travel and life insurance. The Bank offers shoppers great deals, and rewards.

HRG is a subsidiary of Sainsbury's Bank and provides store cards. Turnover for 2018/19 was £130m. Its registered office is in Milton Keynes as is its head office. HRG is regulated by the Financial Conduct Authority.

# Our supply chain

Our supply chain ranges in size from suppliers that are large banks and IT services corporations to SME businesses that provide various marketing and operations services. The majority of suppliers are located within the UK or operate through UK based business units.



# Processes, policies and controls

Our policies and processes reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective frameworks and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

As part of our initiative to identify and mitigate risk we have in place processes and frameworks to:

- Identify and assess potential modern slavery or human trafficking risk areas for any new suppliers
- Reduce the risk of slavery and human trafficking occurring in our current supply chain.

We have a zero-tolerance approach to modern slavery and human trafficking. We want to ensure that all those in our supply chain operate in accordance with our values. To do this, we have a rigorous supply chain management programme consisting of:

- Competitive and ethical sourcing
- Standard contractual terms that include a clause on compliance with the Modern Slavery Act 2015; appropriate action would be taken should any supplier be found in breach of this clause
- Due diligence processes that verify suppliers' compliance with the Modern Slavery Act
- Accountable decision making
- A risk-based supply chain assurance programme that includes a review of Modern Slavery statements for applicable suppliers
- Capability training for those responsible for the sourcing, assurance and management of suppliers.

# Policies

Our existing policies and procedures encourage colleagues to raise any concerns relating to the management of our suppliers or impacts on our supply chain at the earliest opportunity. We have safeguards in place to protect whistle-blowers throughout our organisation, whether their concern is internal or external, through our Whistleblowing Policy.

We are committed to continuous improvement of our policies and processes to enable a deeper understanding of our supply chain and the mitigation of risks relating to modern slavery and human trafficking.



# Recruitment and training

## Recruitment

HRG do not directly employ individuals as all colleagues working at HRG are employed by Argos Ltd or Sainsbury's Supermarkets Limited. The Bank's colleagues are employed by Sainsbury's Bank Plc. Compliance checks are carried out in advance on all candidates offered employment. All colleagues employed by the Sainsbury's Group undergo Right To Work checks in accordance with HMRC guidelines, the Immigration Act 2016 and our Right To Work Policy.

## Training our colleagues

In order for us to address modern slavery and human trafficking, awareness is raised across our business and supply chain, so that responsibility for identification of issues are shared, rather than sitting with a smaller group of experts, or being reliant on external stakeholders. An e-learning course for all colleagues in the Bank and HRG is completed on an annual basis. The training includes guidance on modern slavery and trafficking, how to detect it and how to report it.



# Risk assessment and future approach

PwC and Ergon, who together have significant data analytics capability and human rights expertise, have created a next-generation diagnostic risk assessment tool for us which can be applied across numerous different areas of our business. We are able to analyse complex sets of internal and externally-sourced data, against an updated range of risk indicators to provide an aggregated risk rating for specific products and sectors within our business and supply chains.

This tool offers us unprecedented visibility to the multiple tiers in our supply chains, which is essential if we are to reach the most vulnerable workers. The tool can be applied across the entire range of Sainsbury's Group businesses, with their very different structures and sectors. The tool supports our modern slavery risk assessment strategy, by validating the assurance oversight we deploy to our supply chain and allowing us to direct our assurance and oversight activities to the areas of greatest risk.

# Risk assessment and future approach

## How our tool, developed with PwC and human rights experts Ergon, works:

### 1. Sainsbury's data

Compile spend, location and product/service data from business units including Food Commercial, Sainsbury's Argos, Sainsbury's Bank and Procurement (goods and services not for resale)

### 2. Economic location modelling

Use economic location modelling to fill gaps and unknowns in the Sainsbury's data-set across supply chain tiers

### 3. Modern slavery risk scoring

Develop modern slavery risk index and scoring based on research and subject matter expertise

### 4. MS Tool (tableau)

Present modern slavery risk for each business units using Tableau - an interactive data visualisation software

Together with PwC we can feed new information into our tool, continually improving our approach to identifying and eliminating slavery risks in our supply chain.

We have also enhanced our understanding and assessment of material sub-contractors in our supply chain, which enhances the depth of the modern slavery and human trafficking risk assessment. Processes are now in place to ensure our register of material sub-contractors is maintained on an ongoing basis.

We will continue to monitor and mitigate the risk of modern slavery and human trafficking in our supply chain in 2019/20 using outputs from this diagnostic tool, due diligence activity and ongoing assurance assessments of material suppliers.



**We are committed to mitigating the risk of modern slavery and human trafficking in our supply chain in 2019/20.**

# Modern Slavery and Human Trafficking Statement 2019

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 28th February 2019.



Mike Larkin  
Chief Finance Officer

For and behalf of Sainsbury's Bank plc and Home Retail Group Card Services Limited  
20 June 2019

**Sainsbury's**  
Bank

