



# Modern Slavery and Human Trafficking Statement 2021-2022

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At Sainsbury's Bank and HRGCS, we are committed to championing human rights. It is extremely important to us that the people involved in our business – whether through our operations or in our supply chains – aren't being exploited and have their human rights respected. We recognise the hidden nature of modern slavery risks and we are committed to respecting human rights, identifying vulnerable workers and we will not tolerate any form of slavery or servitude in our business or supply chains.

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As a business, we stand against all forms of modern slavery and the exploitation of people for personal or commercial gain. Modern slavery and human trafficking are abhorrent practices that still exist in many parts of the world, including the UK. We take our commitment and duty to tackle these critically important issues seriously. In the past 12 months we have strengthened our approach by drawing upon insights and knowledge into modern slavery risks facing our business and enhancing our due diligence activities. Additionally we have:

- Trained 95.5% of our colleagues on how to spot the signs of modern slavery, and how to report it within our business.
- Strengthened our due diligence processes through the identification and planned introduction of Hellios, as outlined below.
- Ensured our environmental, social and governance (ESG) approach for the Bank is aligned with our wider Group strategy on human rights and modern slavery.

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

# Modern Slavery and Human Trafficking Statement 2021-2022

This is a joint statement by the Bank and HRGCS on our efforts to prevent modern slavery in line with Section 54 of the UK Modern Slavery Act 2015. It details the steps taken by the Bank and HRGCS during the year ending 28 February 2022 to prevent modern slavery and human trafficking in our business operations and supply chains. It was written in collaboration with Sainsbury's Supermarkets, recognising our broader Group strategy on human rights.



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

**We are committed  
to identifying  
vulnerable workers  
and we will not  
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# 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 HRGCS. The Sainsbury's modern slavery statement for 2021/22 can be found [here](#) and all previous Sainsbury's modern slavery statements can be found [here](#).

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 and the communities we serve and source from. Our commitment to Help Everyone Eat Better and our strong sense of social, environmental and economic responsibility has been at the heart of what Sainsbury's do since 1869.

Today, for Sainsbury's Group, 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.

Across the Group, we take an integrated approach to addressing modern slavery risks across our business operations and supply chains, whilst recognising the unique profiles of each of our brands. As the first supermarket bank to open in

Britain, Sainsbury's Bank offers an award-winning blend of financial products and attractive rewards to Sainsbury's shoppers and is aligned to our Group-wide sustainability plan: [Plan for Better](#). Plan for Better incorporates our social and environmental commitments.

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 it is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. It has around 2300 employees and only operates in the UK. The Bank's total income for the financial year ended 28 February 2022 was £247m.

Sainsbury's Bank offers a range of financial products including credit cards, savings and loans, as well as travel money, mortgages and car, home, pet, travel and life insurance.

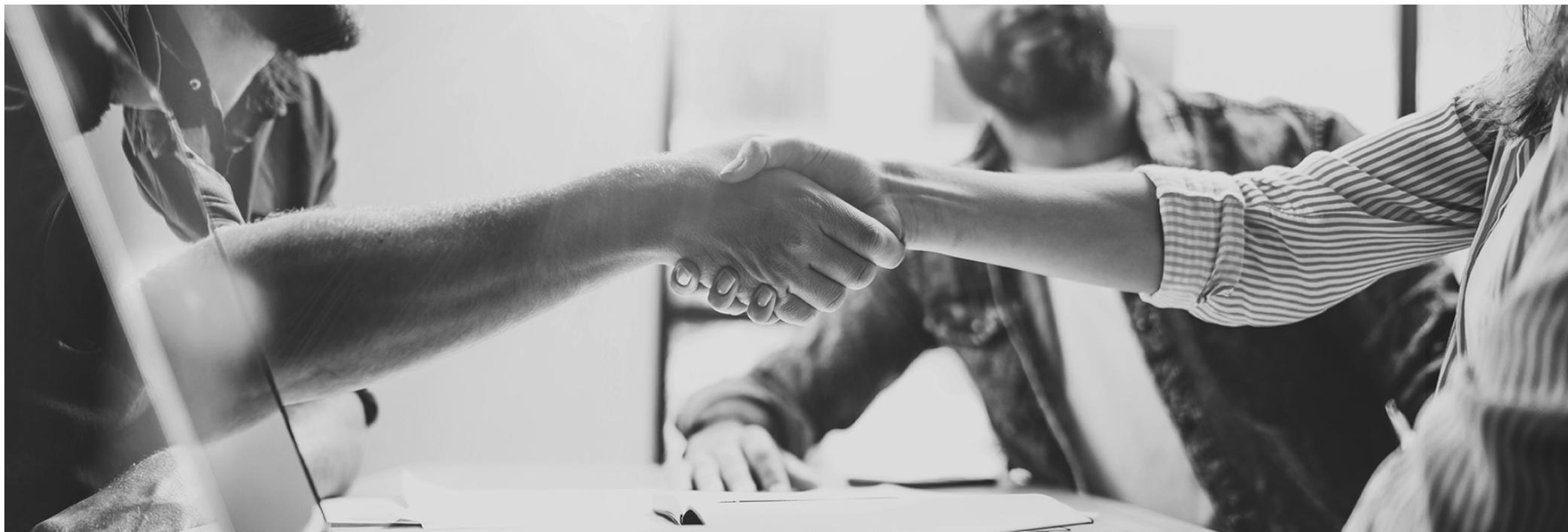
HRGCS is a subsidiary of Sainsbury's Bank and provides store cards and associated credit plans (such as "Buy Now Pay later" and "Monthly Payment Plan"). Turnover for the financial year ended 28 February 2022 was £136.2m. Its registered office is in Milton Keynes, as is its head office. HRGCS is regulated by the Financial Conduct Authority.

# Our supply chain

We recognise that, although we deem the risk of modern slavery to be low within our own UK-based, financial services organisation, we may be indirectly exposed to modern slavery risks through our supply chain.

Our supply chain consists of around 170 active suppliers. These range from large banks and IT services corporations to SME businesses that provide various

marketing and operations services. We work as collaboratively as possible with our suppliers and build relationships with them over time so that we are aware of what is happening in their business and how it can affect ours. The majority of our supplier relationships are long term. The majority of our suppliers are located within the UK or operate through UK-based business units.



# Our processes, policies and controls on slavery and human trafficking

Our processes, policies and controls are centred around the people at the heart of our business and doing our utmost to respect and uphold their human rights. They 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 risk identification and mitigation approach, we have in place processes and frameworks to:

- identify and assess potential modern slavery or human trafficking risk areas for any new suppliers; and
- 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. In order to ensure that all those in our supply chain operate in accordance with our values we have a rigorous supply chain management programme consisting of:

- competitive yet 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 (outlined below) 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; and
- capability training for those responsible for the sourcing, assurance and management of suppliers, completed by 100% of the Supply Chain Management team.

# Due diligence processes

Whenever a new supplier is required for either the Bank or HRGCS, due diligence is carried out to ensure that that supplier can not only provide the right product or service at a competitive price but that its actions do not conflict with the values of the Sainsbury's Group. An extensive questionnaire is completed by each new contracting party either at tender or onboarding stage to ensure that the business values align. We complete an initial check on whether all applicable suppliers have prepared and published a Modern Slavery statement and, where they are not required to do so by law, whether they have done so by choice. There is an ongoing assurance check that relevant suppliers have continued to publish a Modern Slavery statement and continue to answer our assurance questions in relation to our overall Environment, Social and Governance goals.

We continue to review our due diligence processes to identify vulnerable or at-risk workers, including taking into consideration the inherent risk of particular countries and sectors.



# Policies

Our [Human Rights Policy](#) is applicable across the Sainsbury's Group. 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.

Our existing policies and procedures also encourage colleagues to raise any concerns relating to the management of our suppliers or impacts in our supply chain at the earliest opportunity. We have safeguards in place to protect whistle-blowers throughout our organisation, whether their concern is in respect of internal or external activity, through our Whistleblowing Policy. The Whistleblowing Policy not only outlines ways for colleagues to report concerns within the business but also points them to Rightline, a secure, independent platform for reporting concerns.



# Recruitment and employment

We have robust and proportionate recruitment processes and procedures in place to mitigate against modern slavery risks, including eligibility checks to work legally in the UK.

HRGCS does not directly employ individuals and those working at the Bank have different employers depending on how and when they started supporting the business. All colleagues working at HRGCS and the Bank are employed by either Argos Ltd, Sainsbury's Supermarkets Limited or Sainsbury's Bank Plc. In advance of any candidates being offered employment, we carry out compliance checks, including a financial health check. All colleagues undergo Right To Work checks in accordance with HMRC guidelines, the Immigration Act 2016 and our

Right To Work Policy. The Right to Work Policy includes not only checking that people can legally work for us but also that anyone joining us, whether in a temporary or permanent role, are doing so of their own volition. Each team in the Bank also has wellbeing volunteers who are there to help support any who reaches out for help.

Of the 2385 colleagues employed by Sainsbury's Bank, 2214 are permanent or fixed-term employees and 171 are on temporary contracts. When sourcing for temporary staff, we only source from reputable recruitment agencies, and, recognising the risk of precarity of work and income, we don't make use of zero hours contracts.



# Training our colleagues

We recognise that in order for us to address modern slavery and human trafficking risks, we must ensure that our colleagues understand what modern slavery is, what the indicators are, and how to report concerns. We aim to raise awareness throughout our business and with our supply chain, so that responsibility for identification of issues is shared, rather than sitting with a smaller group of experts, or being reliant on external stakeholders.

Since we started delivering training on modern slavery across the Bank and HRGCS business in 2016, we have consistently seen completion rates of over 95%. If annual completion rates drop below 95%, the Talent and Learning teams would investigate to find out why colleagues were not completing the training and if that presented any concerns.

We have recently redeveloped our colleague modern slavery training across the whole of Sainsbury's Group, giving clearer direction on what colleagues should do if they suspect modern slavery as well as how to spot the signs. This training is mandatory for all colleagues within the Bank and HRGCS. This year the training course was completed by 95.5% of colleagues.

# Risk assessment



*Sainsbury's Bank Human Rights Risk Map, tier 1*

Over the past year, we have continued to refresh and refine our Human Rights Risk Assessment Tool. Since its conception in 2017, this industry-leading tool has been providing us with insights across all Sainsbury's Group supply chains.

We have continued to enhance the level of detail within our tool, this year improving our risk matching across our categories and products. This is giving us industry-leading knowledge of our supply chain, not only at product and service level but also for individual elements of that service, or for the various consumables in use.

Using the tool, we can identify and ultimately mitigate human rights risks by engaging with our suppliers to collaborate within our supply chains that are most likely to be exposed to human rights risks, including modern slavery.

The Bank and HRGCS have continued this year to interpret the data from the new expanded tool to inform our human rights strategy.

We analysed data from category and product point of view for products and services over £1million spend. Nearly all of the Bank's supply chain is based in the UK. Higher risk categories include Banking ATMs, courier services and IT software. These fields make significant use of contract labour and also, in the case of IT, off-shore call centres in countries like India.

In order to complement and enhance our understanding of those high risk supply chains, in early 2022 we decided to source a new financial services-specific tool to gain more in-depth data on our suppliers' activities: Hellios. This provides standardised data on suppliers across a community of similar organisations, in this case financial organisations, in order to help those organisations meet their regulatory and governance requirements. Using the Hellios portal will allow the Bank and HRGCS to more actively monitor risks on human rights and modern slavery across our supply chain. We intend to implement and roll out the Hellios portal before the beginning of the next financial year and will report on our findings in subsequent statements.



**We will continue to champion human rights across our business and supply chains and will continue to monitor and mitigate the risk of modern slavery and human trafficking.**

# Key performance indicators

Percentage of Sainsbury's Bank and HRGCS colleagues trained on modern slavery:

**95.5%**

Number of reported incidents received either internally or through Rightline of suspected trafficking, modern slavery or forced labour:

**0**

Number of suppliers found to be in breach of our standard contractual term relating to compliance with the Modern Slavery Act 2015:

**0**

We will continue to review our KPIs to ensure they accurately assess the effectiveness of our actions.

# Future approach

We will continue to champion human rights across our business and supply chains and will continue to monitor and mitigate the risk of modern slavery and human trafficking across 2022/23. We will strengthen our approach to ensure we are responsive to the ever-changing modern slavery risk landscape.

## **In particular, we will continue to:**

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- Gain insights from the Sainsbury's Group Human Rights Risk tool
- Conduct our due diligence activities and ongoing assurance assessments of material suppliers
- Raise colleague awareness of modern slavery and human trafficking through our mandatory modern slavery training

## **Within the next year, we will:**

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- Roll out and implement the new Hellios portal
- Engage with Sainsbury's Group human rights specialists to align our environmental, social and governance (ESG) activities with ongoing Sainsbury's Group activities on human rights

# Modern Slavery and Human Trafficking Statement 2021-2022

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 28 February 2022.



Mike Larkin  
Chief Finance Officer

For and behalf of Sainsbury's Bank plc and Home Retail Group Card Services Limited  
Date: 10 August 2022

**Sainsbury's**  
Bank

