



Independent Limited Assurance Report to the Directors of Sainsbury's Supermarket Ltd

The Directors of Sainsbury's Supermarket Ltd ("Sainsbury's") engaged us to provide limited assurance over the information described below for the 52 weeks to 10 March 2018.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the 52 weeks to 10 March 2018 has not been prepared and reported, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of our report.

Selected Information

The scope of our work was limited to assurance over the "total Sainsbury's Fairly Traded Social Premium Funds raised through the purchase of Sainsbury's Fairly Traded products from our suppliers", marked with the symbol (A) on page 21 in the 'Sourcing for sustainable development: Sainsbury's 2018 Update Report' ("Sourcing for Sustainable Development Report").

Our assurance does not extend to any other information presented in the Sourcing for Sustainable Development Report.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits and Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal controls, and the procedures performed in response to the assessed risks.

Our Independence and Quality Control

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multi-disciplinary team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with the Reporting Criteria, which Sainsbury's is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are as at 16 July 2018, and are available on Sainsbury's website¹ at

www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/making-a-difference/sourcing-for-sustainable-development-update-2018.pdf.

Materiality

We set thresholds for materiality at the planning stage and reassessed them during the engagement. These helped us to determine the nature, timing and extent of our procedures and to evaluate the effect of identified misstatements on the Selected Information, both individually and in

aggregate. Based on our professional judgement, we determined an overall materiality level to be 5% of the Selected Information as well as misstatements below that level that in our view, warranted reporting for qualitative reasons.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of Sainsbury's management;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information. This included visiting Sainsbury's tea supplier, selected on the basis of materiality to the Selected Information, to understand the key processes and controls for reporting commodity specifications and volumes for purchases from Supply Chain Parties;
- performed limited substantive testing on a selective basis of the Selected Information at corporate head office to check that data had been appropriately measured, recorded, collated and reported; and
- considered the disclosure and presentation of the Selected Information.

Sainsbury's responsibilities

The directors of Sainsbury's are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- designing, implementing and maintaining internal controls over social premium payments to Supply Chain Parties (including indirect payments through suppliers);
- ensuring suppliers comply with Sainsbury's Fairly Traded supplemental clauses;
- establishing objective Reporting Criteria for preparing the Selected Information;
- measuring and reporting the Selected Information based on the Reporting Criteria; and
- the content of the Sourcing for Sustainable Development Report.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Sainsbury's.

This report, including our conclusions, has been prepared solely for the Board of Directors of Sainsbury's in accordance with the agreement between us, to assist the Directors in reporting Sainsbury's Fairly Traded performance and activities. We permit this report to be disclosed online at www.about.sainsburys.co.uk/~media/files/s/sainsburys/disclaimer-pdf/pwc-limited-assurance-report-2018.pdf in respect of the 52 weeks to 10 March 2018 to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and Sainsbury's for our work or this report except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
16 July 2018

¹ The maintenance and integrity of Sainsbury's website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or the Reporting Criteria when presented on Sainsbury's website.