

Vote Bulletin – J Sainsbury Plc

Meeting Type – Annual

Meeting Date – 07/07/2022

Vote Decisions – State Street Global Advisors voted AGAINST the shareholder resolution at the 2022 J Sainsbury Plc (Sainsbury's) annual meeting which requested that the company become a Living Wage accredited employer.

Shareholder Resolutions

Item number	Item description	Management recommendation	SSGA vote
21	Shareholder Resolution on Living Wage Accreditation	AGAINST	AGAINST

Voting Rationale

Against – Item 21 – Shareholder Resolution on Living Wage Accreditation

The resolution filed at Sainsbury's represented the first time a United Kingdom publicly listed company was formally requested via a shareholder proposal to become a Living Wage accredited employer. With this unique situation in mind, we engaged with the shareholder proposal proponent in order to better understand the rationale behind the decision to submit the 'real living wage resolution' to a shareholder vote. Topics discussed with the proponent included: 1) The choice of the target company; 2) The proponent's engagement efforts with Sainsbury's; and 3) Sainsbury's actions in response to engagement with the proponent and perceived degree of alignment with the requests.

Our engagement with Sainsbury's included both the Chairman and the CEO, where we discussed: 1) The company's track record with respect to the management of employee wages; 2) Sainsbury's practices in comparison to peer practices; 3) Employee wages in the greater context of the benefits package and wider financial and cost considerations; and 4) Sainsbury's policies on contractor wages.

Ultimately, we voted against the proposal due to the company's strong track record of managing employee wages in comparison to peers.

Overall, the proposal appears too prescriptive. We believe it is the board's responsibility to oversee pay strategies and be accountable for such oversight. The use of a single formula-driven number which companies cannot control creates inflexibility should macro circumstances arise. Additionally, our vote decision was informed by findings from our October 2021 engagement with Sainsbury's conducted as part of our [human capital management-focused targeted engagement campaign](#). We discussed, among other topics, the company's human capital strategy, pay strategies, employee voice and board oversight of human capital management practices and risks. Finally, prior to casting our vote, we ensured Sainsbury's disclosures are aligned with our [Guidance on Human Capital Management Disclosures & Practices](#).

We will continue to engage with Sainsbury's on human capital management issues and will monitor how workforce compensation practices may further evolve over time.

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