

Welcome to your CDP Climate Change Questionnaire 2020

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Our purpose is to help our customers live well for less. It's about helping our customers get the most out of life, no matter how much money or time they have. We do this by giving them easy, affordable access to the things they need: like healthy food, quality clothes, stylish homewares, the latest technology and more ways to manage their money. We do all of this sustainably, so we can help our customers live well today and tomorrow.

We offer our customers distinctive, quality products at competitive prices across food, general merchandise, clothing and financial services. Driving efficiency in our day-to-day operations enables us to invest in our customer offer in areas that they value: choice, quality, low prices, convenience and great service. We have created a multi brand, multi-channel business that provides choice, flexibility and convenience for our customers. We will continue to invest in both our digital offer and our stores so that customers can buy more and save time as well as money by shopping with us.

We recognise that living well means living sustainably. This year sees the conclusion of our 2020 Sustainability Plan and we are proud of the progress and achievements we have made against our commitments. Our activities have spanned our five values, governed by our Value Management Groups, to help customers live healthier lives, make a positive difference to our communities, source with integrity, have respect for our environment, and create a great place to work for our colleagues. Highlights include reducing our absolute carbon emissions by 46 per cent against our 2005 baseline (reaching our 30 per cent target a year early), and achieving our water reduction targets early as well, saving one billion litres since 2005. We are the only UK food retailer to receive an A rating in the Climate Disclosure Project for six consecutive years. We were also the first retailer to achieve The Carbon Trust Water Standard in 2017 as well as this past year achieving the Climate Disclosure Project A-rating for water disclosure.

This year we announced our commitment to achieve Net Zero across all our operations by 2040 and that we will invest £1 billion over the next 20 years to support seven commitments that focus on reducing carbon emissions, food waste, plastic packaging, water usage and increasing recycling, biodiversity and healthy & sustainable diets. The Board is accountable for the delivery of the seven pillars of our Net Zero plan and we will report progress against each of them at our interim results in November. In a further demonstration of the importance we place on helping customers to live sustainably, we became signatories of the Task Force on Climate related Financial Disclosures, to provide consistent information to our stakeholders.

We have committed to reduce carbon emissions within our own operations to net zero greenhouse gas emissions by 2040, increasing the use of renewable energy. As part of our Net Zero strategy, we will work with the Carbon Trust to assess emissions and set science-based targets for reduction, publicly reporting on progress every six months. The targets will align the business with the goal to limit global warming to 1.5°C, the highest ambition of the Paris Agreement. We have also committed to minimise the use of water in our own operations, driving towards water neutrality by 2040.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	March 11, 2019	March 10, 2020	No

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Bangladesh
- China
- China, Hong Kong Special Administrative Region
- India
- Ireland
- United Kingdom of Great Britain and Northern Ireland

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

- GBP

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

- Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	<p>This year we launched our Net Zero Strategy and, along with it, a new governance process.</p> <p>At the PLC Board level, the Board Chair was responsible for signing off on the Net Zero strategy. In terms of a climate-related decision, this individual is ultimately accountable for delivering on our commitment to become a net zero emissions business across our direct operations by 2040. Our CEO is a member of the Operating Board and chairs the Corporate Responsibility and Sustainability (CR&S) Committee, which reports directly into the PLC Board.</p> <p>The CR&S Committee sets our overall environmental and climate change strategy and meets every 12 weeks to discuss progress against our climate change strategy and targets.</p> <p>We have set up Commitment Working Groups for each of our seven Net Zero strategy focus areas (including for carbon), with clear objectives and leadership. These Working Groups report into a dedicated Net Zero Steering Group, which is chaired by our Retail and Operations Director and our Commercial Director. The Steering Group reports quarterly into our CR&S Committee, which is chaired by our Non-Executive Director and our CEO.</p> <p>The CR&S Committee provides regular updates to the PLC Board on the strategy and progress against our targets.</p> <p>The role for all of our committees is to support the delivery of our Net Zero strategy by embedding our revised commitments into the way we operate and has representatives throughout the business including property, logistics, retail and our goods for resale sourcing and packaging teams.</p>

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain

<p>Scheduled – all meetings</p>	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>Sustainability is embedded at all levels across the Sainsbury's business.</p> <p>We have set up Commitment Working Groups for each of our seven Net Zero strategy focus areas (including for carbon), with clear objectives and leadership. These Working Groups report into a dedicated Net Zero Steering Group, which is chaired by our Retail and Operations Director and our Commercial Director. The Steering Group reports quarterly into our CR&S Committee, which is chaired by our Non-Executive Director and CEO.</p> <p>The CR&S Committee provides regular updates to the PLC Board on the strategy and progress against our targets.</p>
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C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

This year we launched our Net Zero Strategy and, along with it, a new governance process. We have set up working groups for each of our seven focus areas, with clear objectives and leadership and they meet every four weeks to discuss progress. These are Carbon, Water, Health, Plastic, Recycling, Food Waste and Biodiversity.

These Commitment Working Groups are chaired by our company Directors and supported with representatives across the business, including Property, CSR, Own Brand, Agriculture, Finance and Strategy. These working groups report directly into a Net Zero Steering Group, chaired by our Retail and Operations Director and our Commercial Director. This Steering Group reports into the CR&S Committee once a quarter to discuss strategy and progress against our Net Zero targets. Also reporting into our CR&S Committee are our Value Groups.

Our Respect for our Environment (RFOE) value is temporarily chaired by our Director for Property, Procurement and Cost Transformation. This group reviews and guides our overall environmental and climate change strategy and meets every 8-12 weeks to discuss progress and issues that may be arising. The RFOE has representatives throughout the business including property, logistics, retail and our goods for resale sourcing and packaging teams, which is why the responsibility for climate change lies within this team and with the CEO. The role for all our committees is to support the delivery of our Sustainability Plan – and going forward, our Net Zero strategy - by embedding our revised commitments into the way we operate.

Our Sourcing with Integrity value has an integrated Steering Group chaired by the Director of Non-food Commercial for Sainsbury's Argos, who has direct responsibility for sustainability in sourcing products. This group meets to ensure the building of resilient supply chains by sourcing products ethically and sustainably.

The steering group directors also sit on our CR&S Committee and provide regular updates to board members through both these committees and board meetings. The Committee's principal role is to review the Group's sustainability strategy for alignment with the Group's culture, vision and strategy and assist the work of the Operating Board. With the Board, the Committee also plays a part in monitoring Group engagement with stakeholders, including customers, suppliers, communities and colleagues. The chair of the RFOE provides updates to the CR&S Committee on the progress towards our targets.

Our Director for Sainsbury's Brand also plays a large part in co-ordinating our climate change mitigation efforts. They are a Non-Executive Director of the Environment Agency and sit on the Board of Trustees for Farm Africa, the Matt Hampson Foundation, and the Executive Board of The Princes Trust Accounting for Sustainability Project. They are also an ambassador for the Woodland Trust. They are a fellow of both the Institute of Food Science and Technology (IFST), and the Royal Society of Arts and Manufactures (RSA), for the last 5 years has Co-Chaired the Government's AgriFoodTech Council and sits on the Food and Drink Sector Council.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	N/A

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Financial Officer (CFO)	Monetary reward	Emissions reduction project	Our Chief Financial Officer receives a financial bonus resulting from the performance of the Property Division. Targets for performance of the Property Division include our 2020 carbon reduction targets, and going forward, will include our progress against our Net Zero strategy.
Board/Executive board	Monetary reward	Emissions reduction project	Our incentivised performance indicators consider delivery against our corporate values, one of which is environmental performance. The Deferred Share Award (DSA) targets are set at the beginning of each financial year, covering financial performance, return to shareholders, relative performance against peers and delivery of our business strategy. 'Our values make us different', along with the 4 other elements of our strategy, are all broadly considered in determining the DSA provided to department directors and more senior positions in the Company at the end of the financial year. Ultimately, the DSA recognises and rewards for delivery of short-term strategic and financial objectives (including around emissions reductions) which contribute towards the long-term sustainable growth of the Company. Performance is measured over one year, after which award is made as conditional shares deferred for two financial years. This year will see the conclusion of our 2020 Sustainability Plan and we expect that the DSA (or an equivalent) will be offered for our Net Zero strategy as well.

Business unit manager	Monetary reward	Emissions reduction project	<p>We have a number of incentivised performance indicators, one of which is the Deferred Share Award (DSA). Targets for the DSA are set at the beginning of each financial year, covering financial performance, return to shareholders, relative performance against peers and delivery of our business strategy. 'Our values make us different', along with the 4 other elements of our strategy, which are all broadly considered in determining the DSA provided to department directors and more senior positions in the Company at the end of the financial year. Ultimately, the DSA recognizes and rewards for delivery of short-term strategic and financial objectives (including around emissions reductions) which contribute towards the long-term sustainable growth of the Company. Performance is measured over one year, after which award is made as conditional shares deferred for two financial years. This year will see the conclusion of our 2020 Sustainability Plan and we expect that the DSA (or an equivalent) will be offered for our Net Zero strategy as well.</p>
<p>Other, please specify</p> <p>Store Managers</p>	Monetary reward	Emissions reduction project	<p>In early 2014 we embedded a target into store budgets, enabling greater visibility and reward for reducing energy consumption. There is a financial incentive for store managers to deliver energy reduction and this is a bonus rewarded action for stores. This bonus award follows the Deferred Share Award process with 50% of the total bonus awarded in shares deferred for two financial years.</p> <p>We support our managers with store activity packs that give practical advice and tools to colleagues on ways to reduce electricity use. We reinforce these messages every year. Internally we also benchmark and encourage progress through store league tables. Energy use reports are provided to stores on a weekly and four-weekly basis.</p>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	N/A
Medium-term	5	15	N/A
Long-term	15	50	N/A

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

At the Group level, we have identified 'Environment and Sustainability' as a principal risk and source of uncertainty. Our risk assessment considers both reputational and financial impacts in context Group's strategic objectives.

We define substantive financial impact across our direct operations as a material expenditure or drop in revenue due to a disaster, change in market conditions, or other events beyond the control of management.

One of the key quantifiable indicators we use to measure substantive financial or strategic impact is the ability of a facility to continue to generate revenue for our business and ensure the safety of our customers and colleagues. We define the threshold for substantive change at a site level across our direct operations as loss of business continuity, or when a site must be closed due to climate-related impacts.

One event that we consider having the potential to cause a substantive impact to our business is flooding as a result of climate change, and another is the lack of available freshwater. They can both lead to the closure of our facilities – the former due to physical damage, the latter because we would not legally be allowed to operate our workplaces as we could be liable to criminal prosecution and/or fines if we cannot provide an adequate supply of drinking water for all our employees. This definition risk applies to the direct operations of our facilities in the UK & Ireland. Impacts at the corporate level may become substantive depending on the proportion of business units or facilities affected, the size of the impact(s), the results of the impact(s), and

our business' dependency on those business units or facilities (e.g. key distribution centres), etc.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Our risk management process is designed to identify key short, medium and long-term risks that could have a substantive financial or strategic impact on our company, and to provide assurance that these risks are fully understood and managed in line with management's risk appetite, for direct operations as well as upstream and downstream from our direct operations.

We define substantive financial impact when identifying or assessing climate-related risks at a site level as a risk that could result in a loss of business continuity or resulting in a site needing to be closed.

The Audit Committee reviews the effectiveness of our risk management process at least once a year, and the Operating Board maintains an overall corporate risk map, which is reviewed six-monthly by the Audit Committee and formally discussed with the Board. The risk map captures the most significant risks faced by the business and identifies the potential impact and likelihood at both a gross level (before consideration of mitigation controls) and net level (after consideration of mitigation controls).

The Operating Board discusses and agrees the level of risk that the business is prepared to accept for each key corporate risk. The target risk position is captured to reflect management's risk appetite where this differs to the current net position. The Operating Board reviews the risk map every six months and there is a quarterly

standard agenda item for risk. This enables the Operating Board to agree and monitor appropriate actions as required. The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums. Operating Board members certify annually that they are responsible for managing their business objectives and internal controls to provide reasonable, but not absolute, assurance that the risks in their areas of responsibility are appropriately identified, evaluated and managed. Internal Audit provides the Audit Committee with a risk management update twice a year which provides detail of the key risk activities undertaken at Management Board, Group functions, governance forums and divisional and corporate levels.

This procedure enables us to identify risks that could have a substantive financial or strategic impact and provide assurance that these risks are fully understood and managed for the entire group's direct operations, as well as upstream and downstream from our direct operations. It also enables us to develop procedures, policies and actions to prevent or mitigate impacts.

We undertake distinctive, but linked, risk assessments that feed into the company-wide risk management process. These separate assessments are undertaken at different time intervals.

Our flood risk assessments illustrate how we apply our risk management process to a physical risk related to climate change. The water cycle, which is vital to our business operations, is expected to undergo significant change as a result of climate change. We assess flood risk for new sites; however, this happens on an ad hoc basis as and when we open new stores. We take appropriate action depending on the risk(s) identified, such as investing in flood defence systems.

We also work with external consultants and use the WRI Aqueduct tool to assess water risk in our direct operations as it provides a wide range of outputs tailored across the various sections of our operations (supermarkets, offices, logistics, etc.). The tool generates projections for future (25+ years) water stress, seasonal water variability, water supply and water demand across our portfolio, which are informed by two different climate-related scenarios and two shared socioeconomic pathways. We have used the WRI Aqueduct tool for parts of our supply chain in the past - the results from the tool were used for several purposes, for example by our commercial teams to identify locations where supply may be disrupted in the future.

We work with our suppliers – both direct and indirect - across different key materials to ensure that climate change risks and opportunities with the potential to have a substantive financial or strategic impact are identified and addressed where possible. Through the Sainsbury's Fairly Traded tea pilot for example, smallholder farmers in Rwanda have been trained in the use of an online risk tool provided by Sainsbury's and its partners, which has raised considerable future business risk where soil erosion exists in their farming area. Sainsbury's has supported the farmers with funding and expertise to develop and implement a project which will improve drainage and mitigate the progress of erosion.

We have also signed up to engage with 500 of our suppliers by next year as part of CDP.

Our risk assessment process and resulting risk map (described above) also capture transitional risks, such as developments with carbon and energy-related legislation (including cost- and implementation-related implications from these), and increased climate impact reporting requirements. A recent area of focus has been potential increase in carbon taxes and uncertainty around the impact of leaving the EU on these areas.

We have a variety of methods to assess and manage short-, medium- and long-term climate-related opportunities in our direct operations as well as upstream and downstream from our direct operations, including those that could have a substantive positive financial or strategic impact on our company. We have adopted a similar bottom-up approach to our risk management process for this purpose. Opportunities are continually monitored by our Carbon Commitment Working group; if an opportunity is lucrative, it is presented to the Net Zero Steering Group, then the Operating Board, and finally the CR&S Committee, who will make the ultimate decision about whether or not to pursue the opportunity.

For example, we identified an in-store physical climate opportunity, and developed The Greenest Grocer programme, which is our premier in-store colleague engagement scheme that encourages simple changes in behaviour to save energy to reduce environmental impact. Following a successful pilot, in 2016 we rolled out the campaign across all our stores, saving over 25,000 tCO₂e to date. Sainsbury's Argos has also implemented a colleague engagement programme, building on our successful Greenest Grocer programme.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so climate-related risks related to current regulations are always assessed. As part of this bottom-up process, we have identified the failure to anticipate and prepare for increases to GHG pricing via the CCL (and previously via the CRC) as a risk related to the topic of current regulation. We have also identified the failure to meet targets to remove F-Gas as part of the F-Gas Regulations, in other words specific refrigerants, from stores as a risk related to the topic of current

		regulations. As part of our risk assessment procedure, we have identified a number of controls, such as our scheme to phase out harmful HFC refrigerants, to mitigate that risk, detailed in the sections below.
Emerging regulation	Relevant, always included	The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so climate-related risks related to emerging regulations are always assessed. As part of this bottom-up process, we have identified the failure to meet the SECR regulation as a risk related to the topic of emerging regulations, as this is the first year we are carrying out reporting activities in this area. As part of our risk assessment procedure, we have identified a number of controls to mitigate that risk; our approach is outlined above.
Technology	Relevant, always included	The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so climate-related risks related to technology are always assessed. Specifically, we have identified the reduction or interruption in UK energy generating capacity, resulting in shortages and cost increases, as a key climate-related risk relating to technology affecting our business, and as such have put in place a number of controls, including back-up technology generation capabilities, as well as our innovative 'Connected Buildings' initiative, to mitigate this risk.
Legal	Relevant, always included	The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums. As an example of this, we have identified not complying with energy- and climate-related legislation, such as the SECR or ESOS, and resulting litigation-related penalties, as a risk to the business. As such, we have put in place a number of controls, described below, to mitigate this risk.
Market	Relevant, always included	The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so climate-related risks related to the market, e.g. shifts in supply and demand for certain products or services, are always assessed. As an example of this risk type, we have identified changing consumer preferences around sustainable products (particularly packaging) as a risk and are implementing several mitigation controls highlighted in the sections below.
Reputation	Relevant, always included	The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums,

		so climate-related risks related to our reputation, are always included within these risk assessment processes. As an example, we identified shifting consumer preferences due to increased awareness of environmental and climate change issues as a key climate-related risk relating to reputation affecting our business. We have also identified the reduction or interruption in UK energy generating capacity, resulting in shortages and cost increases as a key risk, as it could, as a key climate-related risk relating to reputation affecting our business. This risk could impact our ability to keep our stores open, which could affect our reputation. As such, we have put in place several controls, including back-up technology generation capabilities, to mitigate this risk.
Acute physical	Relevant, always included	The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so climate-related risks related to acute events are always included within these risk assessment processes. By way of example, we have identified the risk of increased flooding events impacting our direct operations, and one-off major drought events impacting our supply chain as key climate-related risks and have put in place relevant control measures to mitigate these risks, described in our CDP Water Security response.
Chronic physical	Relevant, always included	The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so climate-related risks related to chronic physical events are always included within these risk assessment processes. By way of example, we have identified the risk of changing long-term weather patterns as a result of climate change as a key climate-related risk and have put in place relevant control measures to mitigate this risk, described in our water climate change response.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Energy legislation in the UK has seen several changes recently, with the CRC being replaced by an increased CCL and introduced Streamlined Energy and Carbon Reporting (SECR). The CCL will remain a risk for Sainsbury's, as this imposes a carbon levy on energy consumption. In addition, due to a variety of factors, including climate change mitigation, we expect energy prices to continue to increase. This affects Sainsbury's operating costs both now and in coming years.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

14,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The CCL will cost Sainsbury's approximately £14 million in 2020. This figure has been calculated by and provided to us directly by Inenco and is based on multiplying our applicable energy consumption by the CCL rate.

Cost of response to risk

20,000,000

Description of response and explanation of cost calculation

In July 2014 Sainsbury's announced that it had entered a £200m 'Green' bank loan with proceeds to be invested in ongoing carbon reduction and sustainability projects including, for example, our award-winning project Graphite programme.

Project Graphite is focused on improving energy efficiency in our existing stores and investing in onsite renewable energy. This includes measures such as replacing existing lighting with energy efficient LED lamps, producing renewable heat from Ground Source Heat Pumps and installing Photovoltaic Solar Panels on our roofs.

Proceeds from the Green Loan will be used to further fund clean energy generation, energy efficiency, and carbon reduction through refrigeration gas replacement and water saving projects.

The key activities undertaken by Sainsbury's during the financial year 2019/20 were as follows:

- Aerofoils have now been rolled out across the entire estate (400,000 aerofoils) in 296 stores
- Energy Efficiency and LED lighting in 160 existing stores, two new supermarkets and 13 new convenience stores
- Installation of over 11,000 water saving taps
- The installation of a Combined Heat and Power plant in one new supermarket
- Refrigeration system gas replacement to natural refrigerant (Carbon Dioxide) in 29 stores;
- Increasing renewable technology in stores to a total of 237 PVs, 31 Ground Source Heat Pumps and 97 Biomass boilers.

The full year effect of this work saves over 18.6 million kWh, which is equivalent to the annual electricity use of 10 mid-size supermarkets.

The budget for the above measures for 2019/20 was over £20,000,000, which is the figure used for capturing the cost of response to this risk.

Comment

N/A

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased capital expenditures

Company-specific description

Climate change is expected to affect precipitation extremes in the UK over the 21st century, increasing the frequency and intensity of flood events. A recent report commissioned by the Committee on Climate Change (Climate Change Risk Assessment 2017) reported a potential increase of 60% in Expected Annual Damages from floods by 2080, under a 2°C warming scenario with no population growth. In the short term, a significant increase in flood risk is expected to occur within the next 10 years. Our stores are located across the UK and in several cases are located in areas that are at risk of flooding. Flooding affects our stores directly but also indirectly by hindering access for our customers and suppliers.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,000,000

Potential financial impact figure – maximum (currency)

3,000,000

Explanation of financial impact figure

The cost of a flood event will depend on the store and the magnitude of the flooding experienced. Cleaning, restocking, refurbishing and loss of business costs will be dependent on severity of the incident, ranging from approximately £1 million, up to £3 million per supermarket store for a serious event.

Cost of response to risk

1,000,000

Description of response and explanation of cost calculation

To actively manage this risk the Board carries out reviews of the significant risks facing the business and the Operating Board maintains an overall corporate risk register to

identify the potential impact and likelihood of risks. We continually review and improve our procedures for managing flood events during and after flood events and have used GIS mapping software to identify stores that are in areas at most risk of flooding. For these stores, we have formalised management response procedures in place that are activated during flood events in order to maintain a fast response time for a smooth recovery process. Our primary focus is customer safety and to support the community with the aftermath with items such as mops and buckets and other essentials. We have also installed flood barriers at several stores. One of these is our Superstore in Sherbourne, which we identified as being at risk of flooding from a nearby stream. During refurbishment, removable flood barriers were installed to mitigate the risk from further flood events. At another store in Carlisle, we have lifted the building services plant on stilts to prevent flooding. It is difficult to determine the cost of management of this risk because it is mostly incorporated within our general planning & location assessment costs. The cost of flood barriers is between £500,000 and £1,000,000 depending on the size of the site. We have included a cost of management figure from the far end of this range.

Comment

N/A

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

Sainsbury's primarily sells groceries, consumables and other foods, with our own brand products sourced from the UK and more than 70 countries around the world.

A significant physical climate change risk to the business relates to the market volatility and supply of commodities as a result of induced changes in natural resources.

The IPCC estimates that all aspects of food security are potentially affected by climate change, including food access, utilisation, and price stability. Climate change could have an impact on the availability, quality and long-term security of supply of many of our key products.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

810,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Based on current conditions, USDA's Economic Research Service's Consumer Price Index for all food is projected to increase in 2020 by 2-3%. The USDA notes that this may increase if large disruptive weather events occur in key food producing regions. A 2.5% increase would have a substantial impact on our supply chain costs. Applying this factor to our retail revenues could cause a financial impact of £810m.

Cost of response to risk

1,000,000,000

Description of response and explanation of cost calculation

By the end of 2020 we will be concluding our 2020 Sustainability Plan and have already launched our new strategy to become Net Zero across our own operations by 2040. We have committed to investing £1 billion over the next twenty years for this purpose, and already started to develop a revised set of targets for the sustainable sourcing of our products, which build on our successes and recognise existing and future challenges. We mitigate climate-related risks in our supply chain primarily through the development and deployment of policies to our supply base. These cover mainly our own-brand products and require suppliers to source certain materials and commodities in a sustainable way. We require that certain materials and commodities associated with environmental risks in our products be sourced to an independent, certified standard (e.g. 99.1% of the palm oil in our own-brand products is sourced to an independent sustainability standard and 100% of our farmed seafood is independently certified as sustainable).

We also recognise the importance of working collaboratively with others to address climate-related risks. We work with other retailers on the Palm Oil Transparency Coalition in order to minimise the impact of palm oil on deforestation and land change and promote its sustainable sourcing across the industry. Through the Retailer Cocoa Collaboration, we have committed to support the Cocoa & Forests We are also working as part of the Consumer Goods Forum Forest Positive Coalition of Action to accelerate

efforts to remove commodity-driven deforestation from our supply chains.

Building on over ten years of collaboration with our growers and suppliers through our Crop Action Groups, we have launched Grower Interaction Groups, which bring diverse growers together to find solutions to shared challenges. We also introduced a Wheat Development Network linking our colleagues and suppliers to combine expertise.

Through projects such as this we are working with our suppliers to stabilise our supply base and manage the risk of price fluctuations resulting from climate change.

We have calculated the cost of managing this risk as £1bn as our Sustainability Plan is a £1 billion plan made up of a number of programmes that will ensure we remain at the forefront of sustainability. The Sustainability Plan is concluding in 2020, and will be replaced by our Net Zero Commitment, under which we are allocating a further £1 billion to manage risks such as this one.

Comment

N/A

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Reputation

Shifts in consumer preferences

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Consumers are becoming increasingly aware of environmental and climate change issues. A survey by the Carbon Trust recently found 56% of UK consumers saying they would be more positive about a brand if they were shown to be reducing the carbon footprint of their products. If Sainsbury's is not seen to be responding positively to climate change, our reputation would undoubtedly be damaged. Brand and trust are key components to customer loyalty; damage to Sainsbury's brand may cause customers to choose alternative supermarkets and shops, which would impact on our financial performance.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

30,000,000

Potential financial impact figure – maximum (currency)

40,000,000

Explanation of financial impact figure

The exact impact of reputational brand damage is difficult to quantify. A fall in sales volumes as a result of reputational brand value could be significant. Sainsbury's underlying Group sales stood at £32,394m for the most recent financial year. If Sainsbury's do not continue to mitigate and lead on climate change action, a fall in revenue of just 0.1% could result in a £30-40 million loss in sales.

Cost of response to risk

1,275,000

Description of response and explanation of cost calculation

Sainsbury's manages this risk through the implementation and communication of our Sustainability Plan (which will be replaced by our Net Zero Commitment). To support our Sustainability Plan we have appointed dedicated teams to manage its implementation. Apart from direct action on our own footprint, Sainsbury's is also active in sponsorship of NGOs and academics to engage with stakeholders and understand consumer behaviours. For example, we are developing future reduction scenarios through our partnership with Imperial College London to develop our ambitious 'future stores' plans. Together we are researching and creating practical ways to reduce our carbon footprint by developing low carbon technology solutions. To make sure our customers are aware of our activities, we engage with suppliers, customers and colleagues, and publicise as much of these interactions as possible. We publish all sustainability results in quarterly and annual filings, as well as in the CDP Climate Change, where we have consistently been among the best performers. Sainsbury's Energy, Carbon and Engineering teams, who are responsible for managing this risk and ensuring Sainsbury's upholds its reputation, equate to internal costs of between £750,000 and £1.2 million a year. Costs of sponsorship, ventures with Business in the Community, Grantham Institute, University of Cambridge and Imperial College are estimated to be in the region of £300,000 a year. Our calculation for the cost of management if we take the mid-range of the figures is £1,275,000 ($750,000 + 1,200,000 = 1,950,000$; $1,950,000 / 2 = 975,000$; $975,000 + 300,000 = 1,275,000$).

Comment

N/A

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Technology

Transitioning to lower emissions technology

Primary potential financial impact

Increased capital expenditures

Company-specific description

In the past year we have been working towards gaining a deeper understanding about the energy consumption of our highest-consuming assets. BEIS states that 46% of electricity in businesses is used outside of standard operating hours, due to unnecessary practices and bad habits. Not understanding the energy patterns of our estate can put us at risk of paying high costs associated with consuming energy inefficiently. For example, non-essential lighting may be left on overnight or be overridden to work during peak tariff times and thus lead to higher overall energy costs.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,300,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Increasing energy costs would impact the entire Sainsbury's estate and increase the cost of doing business. It has been calculated that the Connected Buildings Programme saved Sainsbury's approximately £1.3 million in 2020, which would be equivalent to the financial implications associated with not having the energy-saving programme.

Cost of response to risk

3,444,000

Description of response and explanation of cost calculation

Connected Buildings is a smart building management platform that was developed with the desire to better monitor and control the Sainsbury's estate, and understand more about our highest energy consuming assets.

We have alerts to tell us if the lights are being left on overnight or being overridden, as well as functionality that can enable us to turn off non-essential lighting during peak tariff times. As part of this programme we are also rolling out a lighting solution that allows more autonomous control over our lights, including at peak demand tariff prices. This is currently in 238 stores and we hope to target 250 by October 2020. We believe we can save £1.3 million this year just by having better autonomy over lights in store, reducing the lux levels and turn non-essential lights off during peak tariff times. Overall, through better data and insights, we can drive behaviour change in store as well as write capability to control assets remotely if and when required.

So far Connected buildings has saved 1,186,000 kWh and aim to save £300K by end of year through alerts alone. The future of Connected Buildings is to connect to assets such as ovens, PV, refrigeration, sensors and overlay it with other meaningful data such as weather data to drive behaviour change, energy and carbon savings and efficiencies through actionable insights. The cost of response to risk figure is based on the costs associated with the running of the Connected Buildings programme in 2019/20.

Comment

N/A

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Returns on investment in low-emission technology

Company-specific description

Sainsbury's is committed to lowering the carbon emissions of our stores through innovation of new technologies to ensure Sainsbury's is utilising the very best in energy saving initiatives throughout the estate. We see this as an opportunity, not because it will enable us to reduce our carbon emissions, but because we will receive returns on our investments through these innovative technologies. One pillar of our innovation programme is centred around refrigeration, an example of which is the Formula 1 inspired aerofoil technology, a retrofit on our fridges which aids in reducing our environmental impacts and energy costs whilst at the same time ensuring our customers enjoy warmer aisles.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

370,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We have calculated the potential opportunity in energy savings via reduced refrigeration energy costs of installing aerofoils to be around £370,000 for 2019/20, saving up to 15% of the refrigeration consumption/cost of a store.

Cost to realize opportunity

1,000,000

Strategy to realize opportunity and explanation of cost calculation

To actively manage this opportunity, Sainsbury's has a dedicated project to install aerofoils across stores. The installations are delivering a 15 per cent refrigeration consumption/cost reduction per store. Sainsbury's were the first to develop and pilot aerofoil technology with Williams F1 back in 2017. Aerofoils are attached to the front of the fridge and use aerodynamic technology to prevent cold air from leaving fridge cabinets, re-directing it back into the fridge to save energy, keep aisles warmer and reduce food waste.

We have applied this technology across the entire estate this year, deploying 400,000 Aerofoils, which delivers emissions savings of around 9,000 tCO₂e each year. This also has a substantial impact on reducing our energy costs. We have invested close to £8 million in deploying Aerofoil technology. This includes the cost of equipment and installation.

We spent almost £1m (£931,856) in 2019/20 for the installation of aerofoils across 296 stores, saving approximately 732 tCO₂e and £370,000 this year alone. We are continuing to look at additional innovative technology to generate further carbon and energy savings.

Comment

N/A

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Sainsbury's is committed to lowering the carbon emissions of our stores through increasing our investment in low-carbon and energy efficiency programmes, such as our move to install LED lighting throughout our stores. We see this as an opportunity, not only to reduce our carbon emissions but through the move to more efficient buildings, we can also save on both operational and maintenance costs. In 2019/20 we have installed LED lighting in 160 existing stores, two new supermarkets and 13 new convenience stores. By the end of 2022 all Sainsbury's stores will be 100% lit by LED.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

8,500,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We have calculated the potential opportunity in energy savings via reduced energy and maintenance costs of moving to LED lighting to be around £8.5m, as it saves circa 50% of the electrical lighting load of the store. We have applied this across the number of stores we have installed these in during this financial year, which will have a substantial impact on reducing our energy costs.

Cost to realize opportunity

40,000,000

Strategy to realize opportunity and explanation of cost calculation

We have installed LED technology in over 300 stores during 19/20 financial year, which will have a substantial impact on reducing our energy costs and carbon emissions. To actively manage this opportunity, Sainsbury's has dedicated programmes to fit LED lighting across stores. Over £40m in LED upgrades have taken place in 19/20, which includes a variety of costs, from equipment to project management, dependent on the programme. Fitting LED lighting reduces the electrical lighting load of the store by up to 50%. Installations completed in 2019/20 will realise potential annual carbon savings of c15,000 tCO₂e and costs savings of c£8.5m p/a, offering an attractive return on investment over the lifetime of the project. We have a further LED lighting programme in 20/21 and all Sainsbury's stores will be lit by LED lighting by 2022.

Comment

N/A

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Reduced water usage and consumption

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

The IPCC (AR5 WGI, 2013) expects that under a changing climate, periods of drought could become longer and more frequent in the UK. This could lead to increased strain on water supplies and may drive up water prices in the future. However, by anticipating these changes ahead of competitors and implementing water efficiency and harvesting measures, Sainsbury's has an opportunity to make savings in operational costs and simultaneously gain a competitive advantage.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

213,468

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Ofwat estimates that England and Wales will see annual water price increases of 3.5% up to 2020. By investing in water efficiency measures across our estate we have calculated to have saved an estimated £213,468 in 2019/20. This figure is estimated based on the price associated with avoided water at a typical facility, measured for each water saving technology.

Cost to realize opportunity

745,580

Strategy to realize opportunity and explanation of cost calculation

Having achieved our 2020 target to reduce absolute water consumption by 30 per cent compared to 2005/6 – one billion litres – we are now focused on making further savings in line with our Net Zero effort. With the water market opening in 2017, we saw the opportunity to make our water accounting more efficient. With more accurate up to date readings this has allowed us to identify leaks faster. Some of the measures currently being installed across our estate include rainwater harvesting, low flow taps and waterless urinals. Rainwater harvesting installations are a standard specification for new stores. Our stores in Leicester and Weymouth are completely water neutral through these measures in combination with offsetting our small mains water consumption with local schools. Per annum, these stores save around 25 million litres of water.

The cost to realise this opportunity is calculated by the amount we have spent on water savings measures this year. Installing our latest water saving measures across the estate cost around £745,580, leading to approximately £213,468 in cost savings.

Comment

N/A

Identifier

Opp4

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Ability to diversify business activities

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Sainsbury's sees a huge opportunity in helping customers make better, more sustainable choices. Consumers are becoming increasingly aware of climate change and reducing their own carbon emissions, leading to an increased demand for low-carbon, environmentally-friendly and sustainably-sourced products. Focus has been placed specifically around single-use plastics (as part of our net zero commitment we have set a target to reduce our plastic packaging by 50% by 2025).

Sainsbury's has a role to play in offering consumers the ability to change their behaviour and offer a range of energy efficient and lower carbon products, as well as sustainably sourced products that improve resilience in the supply chain. The range of sustainable

products Sainsbury's stocks is increasing year on year and so presents a great opportunity to continue to react to the increased demand and generate sales.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

32,400,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The exact impact of reputational brand enhancement is difficult to quantify. An increase in sales volumes as a result of reputational brand value could be significant. Sainsbury's underlying Group sales stood at £32,394m for the most recent financial year. If Sainsbury's continue to lead and act on climate change, an increase in revenue of just 0.1% could result in a £32.4 million increase in sales. We have calculated this figure by multiplying our group revenue by the associated percentage increase.

Cost to realize opportunity

10,000

Strategy to realize opportunity and explanation of cost calculation

We actively manage this opportunity by communicating regularly to our customers and listening to the type of products they like to see on our shelves. Our approach is to work collaboratively to tackle climate change, reduce the environmental impact of our raw materials, advance respect for human rights across our supply chain and improve the livelihoods of our farmers, growers and suppliers.

Back in 2009 we were the first supermarket to go to 100% cage-free for eggs, and all our own-brand eggs already come from RSPCA approved farms across the UK. We are now also the first major supermarket in the UK to move all of our eggs to free range. This helps us meet growing demand from our customers for free range eggs.

We are also committed to removing unnecessary plastics from our business and reducing our packaging waste (our target is to reduce plastic packaging by 50% by

2025). We are also planning to introduce a plastic free filter on our online groceries website so that customers can choose from products that are plastic free, which will engage with every customer who shops with us online. In our efforts to reduce our packaging waste, we have now increased our range of loose fruit and vegetables. Alongside this, we also reduced the price of most loose items, now making them cheaper than most other comparable packaged products. Following a successful trial in our Kidlington and Lincoln stores, we have replaced our loose produce and bakery plastic bags with reusable alternatives in all our stores.

Customers in our supermarkets can now bring their own containers for loose fruit and veg, or buy a reusable bag made from 100% recyclable materials for 30p and use paper bags for bakery items.

We will also be the first retailer to replace black plastic trays from chilled ready meals, with a recyclable alternative, as we work towards meeting our goal of reducing, reusing, replacing and recycling more plastic. The aim is to replace the black pigment material previously used for ready meal trays with natural CPET, a form of recyclable plastic.

The financial costs of managing this opportunity are included in our normal operational spend. We estimate the cost of stocking one product versus another to be minimal at less than £10,000 a year.

Comment

N/A

Identifier

Opp5

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Ability to diversify business activities

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Sainsbury's sees a huge opportunity in helping customers make better, more sustainable choices. Consumers are becoming increasingly aware of climate change and reducing their own carbon emissions, leading to an increased demand for low-carbon and sustainably-sourced products, specifically for plant-based and meat-free alternatives. Sainsbury's has a role to play in offering consumers the ability to change their behaviour and offer a range of energy efficient and lower carbon products, as well as sustainably sourced products that improve resilience in the supply chain. The range

of sustainable products Sainsbury's stocks is increasing year on year and so presents a great opportunity to continue to react to the increased demand and generate sales.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

32,400,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The exact impact of reputational brand enhancement is difficult to quantify. An increase in sales volumes as a result of reputational brand value could be significant. Sainsbury's underlying Group sales stood at £32,394m for the most recent financial year. If Sainsbury's continue to lead and act on climate change, an increase in revenue of just 0.1% could result in a £32.4 million increase in sales. We have calculated this figure by multiplying our group revenue by the associated percentage increase.

Cost to realize opportunity

10,000

Strategy to realize opportunity and explanation of cost calculation

As part of our goal to develop and deliver healthy and sustainable diets for all we will be driving sales of healthy and healthier products, nudging customers towards the Eat Well guide. The changes to current intakes in order to achieve the Eat Well guidelines as presented at our Farming Conference in September 2019 is a 78% reduction in red meat, an 86% increase in beans, pulses and legumes, and a 54% increase in fruit & veg. In order to deliver healthy sustainable diets for all we are currently investing in tools to track multiple metrics, which will include our protein diversity.

We actively manage this opportunity as we have invested in innovative new ranges of meat-free alternatives to meet the demands of our customers following flexitarian, vegetarian and vegan diets and are proud to be encouraging our customers to live healthier lives with increasing the amount of these products available to them.

We continue to expand our Love Your Veg! range with 13 new launches in 2019, and more planned for 20/21. The brand criteria for this range is it always must contain at least 1 of your 5 a day of vegetable portions to help increase vegetable consumption. With over 200 plant-based products in our ranges such as ‘Love Your Veg’ and ‘Plant Pioneers’, we continue to expand our vegan and vegetarian ranges for customers who want more alternatives to meat. We outperform the market in meat alternative, plant-based food ranges, catering for the increasing number of people who choose to limit their meat consumption for health or lifestyle reasons. It is difficult to estimate the financial costs of managing this opportunity as this is included within our normal operational spend.

We estimate the cost of stocking one product versus another to be minimal at less than £10,000 a year.

Comment
N/A

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
RCP 8.5 Other, please specify 1) Future Energy Scenarios (National Grid); 2) UK Clean Growth Strategy (BEIS); and 3) Grantham Institute Study	We have undertaken several scenario analyses. We collaborated with Imperial College and produced a Strategic Carbon Roadmap for Sainsbury’s, using the scenarios outlined by Future Energy Scenarios produced by the National Grid, and the UK Clean Growth Strategy from BEIS. This scenario analysis covered our entire store estate and our direct operations. The Roadmap provides modelled scenarios up to 2050, indicating when and where investments with adequate returns should take place to meet our environmental targets. It contributed to our understanding of the level of investment required according to

technology and energy market projections, ensuring the business makes targeted investments that are aligned to carbon mitigation efforts. The long-term time horizon (up to 2050) is appropriate for us because we take a proactive approach to ensuring that we prepare our business for a number of potential long-term climate-related outcomes. In terms of how the analysis has informed our business objectives and strategy, they have outlined the optimal renewable technology type and quantity for each store. In terms of how the results have directly influenced our business objectives and strategy, they have supported us in making the most appropriate commercial decisions regarding the type and number of renewable technologies we roll out at our locations.

We recognise the potential of climate change to alter patterns of water availability across our operations, so we carried out a scenario analysis using the WRI Aqueduct tool to model our projected water stress, informed by the climate scenario SSP2 RCP 8.5 (“business as usual”). For our analysis we considered the likely impact of this scenario on water stress for our current portfolio of distribution centres and central locations. This is because these facilities have a high commercial value within our operations and represent a large proportion of our overall water withdrawals. The time horizon considered is up to 2040, because we take a proactive approach to ensuring that we prepare our business for a number of potential long-term climate-related outcomes. In terms of results, the number of our distribution centres in areas of high (40-80%) water stress will increase from 41% to 62% from 2020 to 2030 and remain constant from 2030 to 2040. These results have informed our business objectives and strategy by improving our understanding of the changing levels of water stress that our sites are likely to be exposed to in the coming decades. In terms of direct influence over our business objectives and strategy, the results have informed facility-level engagement of personnel to discuss the results and confirm the inclusion of individual sites in our focus group (e.g. it may be the case that a site located in a flood zone is an outlier and does not need to take mitigation steps because it is located on high ground). In addition to undertaking the above reviews, we also engage personnel in other facilities that may not have been identified by the WRI Aqueduct tool to ensure that the outputs from the tool are supplemented by facility-level information that our responsible personnel have regarding water risks. Following this, we re-engage all relevant facilities and initiate the drafting of mitigation and/or adaptation steps to combat water-related risks (e.g. water conservation plans), progress against which is reviewed each year.

Thirdly, we have carried out joint quantitative and qualitative analysis with the Grantham Institute to identify the impact of increasingly warm

	<p>summers on refrigeration system performance. The study identified the actions required to ensure the sustainability of our refrigeration systems up to 2050 and beyond. Based on the energy data analysis and discussions with key stakeholders, we set out a series of technological, behavioural and managerial recommendations to help mitigate the negative effects of higher summer temperatures on refrigeration system management.</p>
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C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Sainsbury's supplies goods and services to a significant portion of the UK's grocery market. Consumers are continually looking for more sustainable products as they seek to minimise their personal environmental footprints.</p> <p>Our strategy in this area has been influenced by climate-related risks and opportunities primarily through the way we evaluate the environmental credentials of the products we source, and the types of products that we sell to customers. In terms of the most substantial strategic decisions made in this area to date, we have developed company-wide KPIs on Sourcing with Integrity both in the UK and internationally, to ensure customers can shop with more knowledge and confidence about our products. As part of our Future Brands programme, we have joined up with some new brands that our customers wouldn't have traditionally expected to buy from us, or which are exclusive, which have strong sustainability messages. These include Seventh Generation, a plant-based cleaning range, Tony's Chocolonely, who are on a mission to make chocolate production 100% slave free, and Good Earth, a new tea from California with 100% recyclable tea boxes. In femcare we now have four more eco-friendly brands – Intimina (cups), Yoni (organic tampons), Wuka (reusable pants) and Dame (reusable tampon applicator). We also introduced our first shampoo and shave bars in November with a brand called Eco Warrior. We also work with Tiptree, a supplier with an innovative and environmentally friendly New</p>

		<p>Growing System which allows them to produce more strawberries, for longer periods of the year, and captures all of the rain that falls on the structure, allowing to recover over 90% of the water used in the growing process.</p> <p>As part of our net zero commitment, we will assess any new potential new Future Brands on how forward looking they are in terms of sustainability and whether they align to our net zero commitment. Sainsbury's Foundation Advisory Board was set up in 2017 to oversee The Sainsbury's Foundation, which aims to build closer relationships with our suppliers as well as offering them bespoke support to drive social, economic and environmental progress in our supply chain.</p> <p>Climate-related risks and opportunities have had a major impact on the products we offer and will continue to do so over at least the medium-term time horizon (between 5-15 years).</p>
Supply chain and/or value chain	Yes	<p>As a supermarket, we have indirect environmental impacts both upstream and downstream from our operations. Understanding and reducing these impacts is a priority for us, partly because we feel it is our responsibility to do so but also because supply interruptions can have a significant impact on our business.</p> <p>Our strategy in this area has been influenced in several ways, including by continually shaping how we engage and work with our suppliers on climate-related issues.</p> <p>The most substantial strategic decisions we have made in this area to date include mitigating climate-related risks in our supply chain mainly through the development and deployment of policies to our supply base. These cover our own-brand products and require of suppliers to source certain materials and commodities in a sustainable way. We require that certain materials and commodities associated to environmental risks in our products be sourced to an independent, certified standard. For example, 99.1% of the palm oil in our own-brand products is sourced to an independent sustainability standard; 100% of our farmed fish sources are certified to a recognised best aquaculture practice standard, and 82.3% of our wild caught fish and seafood are certified to the Marine Stewardship Council standard.</p>

		<p>We also support a number of organisations driving responsible practice and work collaboratively with others to address climate-related risks (e.g. Palm Oil Transparency Coalition, Retailer Cocoa Collaboration, Consumer Goods Forum Forest Positive Coalition of Action, and others).</p> <p>Beyond certification, we also support programmes at primary production level that support farmers and producers to increase their environmental resilience. Separately, building on over ten years of collaboration with our produce growers and suppliers through our Crop Action Groups, we have launched Grower Interaction Groups, which bring diverse growers together to find solutions to shared challenges.</p> <p>Finally, we are using new technology and tools to assess and address our sourcing strategy based on climate-related risks (e.g. we have started testing the Sedex Radar tool, which employs supply chain data to map social and environmental risks across our value chain).</p> <p>Climate-related risks and opportunities have had a major impact on our value chain and will continue to do so over a long-term time horizon (15+ years).</p>
Investment in R&D	Yes	<p>Due to the size of our estate and the fact that we are significant consumers of energy, climate-related risks and opportunities continue to influence our decisions around investment in R&D, because these investments could lead to reduced impacts and cost savings for our company.</p> <p>Our identified opportunity for resource efficiency has driven investment in R&D across our property estate and logistics vehicles. We currently plan our strategy in this area for the medium-term time horizon (i.e. between 5 and 15 years).</p> <p>In terms of the most substantial strategic decisions made in this area to date that have been influenced by climate-related risks and opportunities, we invested £2.3m in increasing our use of alternative fuel with the purchase of 32 LNG Gas tractor units and 2 electric vans, realising a potential annual CO₂e saving of 10.8 tonnes of carbon per vehicle per year.</p>

		<p>In addition to this, Evie, our zero-emission electric van, was the first of her kind making home deliveries for a UK supermarket, dropping off up to 30 orders a day to customers who have shopped through our groceries online website. Evie has now been joined by Stevie the electric van, as we're looking to welcoming more electric vans onto our fleet with the aim of operating one of operations with a 100% electric fleet as soon as possible.</p> <p>We have also deployed aerofoil technology across the entire estate this year, attaching them to the front of our refrigeration units to create an air curtain, to stop cold air spilling out into the stores. Fitting the aerofoils is reducing our refrigeration costs and energy use by 15% per store and delivers emissions savings of around 9,000 tCO2e each year. We have invested close to £8 million in deploying Aerofoil technology. This includes the cost of equipment and installation.</p>
Operations	Yes	<p>Due to the size of our estate and the fact that we are significant consumers of energy, climate-related risks and opportunities continue to influence our operations, because improvements and efficiency gains could lead to reduced impacts and cost savings for our company.</p> <p>Our identified risk around rising carbon costs has increased our efforts around targeting operational carbon savings across or estate. We currently plan our strategy in this area for the medium-term time horizon (i.e. between 5 and 15 years).</p> <p>In terms of the most substantial strategic decision made in this area to date that has been influenced by climate-related risks and opportunities, we have continued to roll out our flagship Greenest Grocer programme, which engages colleagues in-store to minimise energy and change behaviours, resulting in significant carbon savings.</p> <p>Since its inception in 2012 the programme has saved over 25,000 tCO2e so this is an ongoing opportunity where we have identified to have a large magnitude of impact on our internal environmental impact of our operations.</p>

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	<p>Revenues</p> <p>Indirect costs</p> <p>Capital expenditures</p> <p>Capital allocation</p> <p>Assets</p> <p>Liabilities</p>	<p>Climate-related risks and opportunities have influenced our financial planning in a number of areas. The response below includes a description of these areas, along with case studies and the time horizon covered by the financial elements selected.</p> <p>Revenues: We recognise that climate change has significant implications on our key commodities, and therefore our revenue. For example, the lack of availability or access to water threatens the yield of commodities, which pushes prices up and as such, it has the potential to cause uncertainty in the market and may impact our projected revenues. In response to the identification of such risks in our supply chain we have relied on internal company methods and established innovative supplier engagement projects such as the Sustainable Potato Production initiative. The project focuses on crop modelling, tillage best practice and irrigation efficiency. Potatoes are hugely reliant on receiving enough water, which impacts both yield and overall quality. Since the end of the project in 2017, we now have over 50 farmers implementing the learnings from the project and we are measuring yield and quality from planting all the way through to the customer. This allows us to understand how the yield and quality of potatoes varies throughout growing, storage and production.</p> <p>Recognising that deforestation will be a key global challenge, and could affect sourcing in the future, Sainsbury's is playing a leading role in the development of a cutting-edge approach to measure and monitor deforestation associated with supply chains around the globe. Our work with the UK Satellite Catapult on the initiative Forestmind demonstrates our commitment to data and tech, traceability, environmental protection and collaboration / R&D.</p> <p>We also rely on the Mintec Market and Commodities Report to understand the drivers behind commodity availability and pricing on a monthly basis to aid in our revenue projections. These have a low magnitude of impact on our financial planning process.</p> <p>Sainsbury's sees a huge opportunity in helping customers make better, more sustainable choices. Consumers are becoming increasingly aware of climate change and reducing their own carbon emissions, leading to</p>

	<p>an increased demand for low-carbon and sustainably-sourced products.</p> <p>Sainsbury's has a role to play in offering consumers the ability to change their behaviour and offer a range of energy efficient and lower carbon products, as well as sustainably sourced products that improve resilience in the supply chain. The range of sustainable products Sainsbury's stocks is increasing year on year and so presents a great opportunity to continue to react to the increased demand and generate sales, which feed into our projected revenues. These have a low magnitude of impact on our financial planning process.</p> <p>The time horizon covered by this element of financial planning is medium-term (between 5-15 years).</p> <p>Indirect (operating) costs: Our main R&D programmes for minimising our carbon footprint within our store portfolio are through LED lighting upgrades and aerofoil installations in our refrigeration units. As a large energy user, R&D presents a significant opportunity for us to minimise ongoing costs while also reducing our net environmental impact. We complete post investment reviews to monitor if the projected cost benefits are being delivered and feed these results back into the annual planning process. This projected reduction in energy costs is fed into our financial planning to set store budgets. The time horizon covered by this element of financial planning is medium-term (between 5-15 years).</p> <p>Capital expenditures and capital allocation: Sainsbury's has agreed a £200 million corporate 'green' loan to invest in ongoing carbon reduction and sustainability projects. Whilst Green Bonds are now increasingly issued by institutions to support environmental and sustainable initiatives, this is the first time that a commercial loan has been structured to do the same. With respect to human capital, we invest in our Greenest Grocer programme, our premier in-store engagement scheme to reduce environmental impact. Greenest Grocer encourages colleagues to take responsibility for energy saving with simple changes in behaviour. This has reduced the need for financial planning around capital expenditure on energy efficiency and has resulted in significant carbon savings. The time horizon covered by this element of financial planning is medium-term (between 5-15 years).</p> <p>Assets: OFGEM's warning about significant risk of energy generation shortages in the next few years and price increases of up to 50% over this period has led us to increase our number of backup generator assets and technology. We have created the Connected Buildings programme which is a smart building management platform that was developed with the desire to better monitor and control the Sainsbury's estate, and understand more about our highest energy consuming</p>
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		<p>assets. We have alerts to tell us if the lights are being left on overnight or being overridden, as well as functionality that can enable us to turn off non-essential lighting during peak tariff times. As part of this programme we are also rolling out a lighting solution that allows more autonomous control over our lights, including at demand tariff prices. Overall, through better data and insights, we can drive behaviour change in store as well as write capability to control assets remotely if and when required. The future of Connected Buildings is to connect to assets such as ovens, PV, refrigeration, sensors and overlay it with other meaningful data such as weather data to drive behaviour change, energy and carbon savings and efficiencies through actionable insights. The time horizon covered by this element of financial planning is short-term (between 0-5 years).</p> <p>Liabilities: Our energy efficiency and low-carbon investment programmes enable us to lower our grid electricity consumption and reduce our exposure to higher energy costs. Several of these are liability driven arrangements via leasing arrangements, such as one arm of our LED lighting upgrade programme. As such, they have affected our financial planning process around not just the liabilities (and the management of these) incurred as a result of the projects, but capital expenditure planning as well. The time horizon covered by this element of financial planning is medium-term (between 5-15 years).</p>
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C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2011

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2006

Covered emissions in base year (metric tons CO₂e)

1,554,492

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2020

Targeted reduction from base year (%)

30

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

1,088,144.4

Covered emissions in reporting year (metric tons CO₂e)

851,176

% of target achieved [auto-calculated]

150.8136848994

Target status in reporting year

Achieved

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)

We are proud to report that we have achieved this target. By 2020 we have reduced our Scope 1 and 2 emissions by 45% compared to a 2005-06 baseline, despite an increase in sales area of 46%. We have targeted the full operational emissions for the organisation, including electricity, natural gas, diesel and refrigerant gases used in operational buildings and fleets. This target was set for the whole J Sainsbury plc group. In 2019-20 we developed and launched our Net Zero strategy, a commitment that will see our business become Net Zero by 2040. We will set science-based targets for emissions reduction and will report publicly on progress every six months. The targets

will align the business with the goal to limit global warming to 1.5°C, the highest ambition of the Paris Agreement.

Target reference number

Abs 2

Year target was set

2011

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2006

Covered emissions in base year (metric tons CO₂e)

1,554,492

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2050

Targeted reduction from base year (%)

80

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

310,898.4

Covered emissions in reporting year (metric tons CO₂e)

851,176

% of target achieved [auto-calculated]

56.5551318373

Target status in reporting year

Replaced

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)

We have targeted the full operational emissions for the organisation, including electricity, natural gas, diesel and refrigerant gases used in operational buildings and

fleets. This target was set for the whole J Sainsbury plc group. In 2019-20 we developed and launched our Net Zero strategy, a commitment that will see our business become Net Zero by 2040. We will set science-based targets for emissions reduction and will report publicly on progress every six months. The targets will align the business with the goal to limit global warming to 1.5°C, the highest ambition of the Paris Agreement. Our 2050 emissions reduction target that we set in 2011 has been replaced by our 2040 net zero emissions target.

Target reference number

Abs 3

Year target was set

2011

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2006

Covered emissions in base year (metric tons CO₂e)

1,554,492

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

50

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

777,246

Covered emissions in reporting year (metric tons CO₂e)

851,176

% of target achieved [auto-calculated]

90.4882109397

Target status in reporting year

Replaced

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)

We have targeted the full operational emissions for the organisation, including electricity, natural gas, diesel and refrigerant gases used in operational buildings and fleets. This target was set for the whole J Sainsbury plc group. In 2019-20 we developed and launched our Net Zero strategy, a commitment that will see our business become Net Zero by 2040. We will set science-based targets for emissions reduction and will report publicly on progress every six months. The targets will align the business with the goal to limit global warming to 1.5°C, the highest ambition of the Paris Agreement. Our 2030 emissions reduction target that we set in 2011 has been replaced by our 2040 net zero emissions target.

Target reference number

Abs 4

Year target was set

2020

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based) +3 (upstream & downstream)

Base year

2020

Covered emissions in base year (metric tons CO₂e)

851,176

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2040

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

0

Covered emissions in reporting year (metric tons CO₂e)

851,176

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)

In 2019-20 we developed and launched our Net Zero strategy, a commitment that will see our business become Net Zero by 2040. We will set science-based targets for emissions reduction and will report publicly on progress every six months. The Net Zero target covers our direct operations (Scope 1 and 2 emissions), as well as our indirect operations (Scope 3 emissions).

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2011

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Intensity metric

Other, please specify
metric tonnes CO₂e per sq. ft. sales area

Base year

2006

Intensity figure in base year (metric tons CO₂e per unit of activity)

89.77

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2020

Targeted reduction from base year (%)

65

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

31.4195

% change anticipated in absolute Scope 1+2 emissions

-48

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

33.77

% of target achieved [auto-calculated]

95.971756883

Target status in reporting year

Expired

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)

We have an intensity target in place as part of our Sustainability Plan. We have committed to reducing our carbon emissions by 65% relative to our sales floor area by 2020, from a 2005-06 baseline. We have targeted the full operational emissions for the organisation, including electricity, natural gas, diesel and refrigerant gases used in operational buildings and fleets. This target is set for the whole J Sainsbury plc Group. In 2019/20 there is a 62% reduction in the intensity figure compared to baseline, meaning that the 2020 target has not been met due to continual increases of sales floor area since baseline despite the continual absolute emission reduction efforts. In 2019/20, the sales floor area increased by 46% compared to 2005/06 baseline, whereas the absolute emissions reduced by 45% compared to 2005/06.

In 2019-20 we developed and launched our Net Zero strategy, a commitment that will see our business become Net Zero by 2040. We have set science-based targets for emissions reduction and will report publicly on progress every six months. The targets will align the business with the goal to limit global warming to 1.5°C, the highest ambition of the Paris Agreement. This target will now be replaced with a science-based target.

Target reference number

Int 2

Year target was set

2011

Target coverage

Business activity

Scope(s) (or Scope 3 category)

Scope 1

Intensity metric

Other, please specify

metric tonnes CO₂e per 1000 cases assembled (applies to logistics only)

Base year

2006

Intensity figure in base year (metric tons CO₂e per unit of activity)

291.99

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

27

Target year

2020

Targeted reduction from base year (%)

35

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

189.7935

% change anticipated in absolute Scope 1+2 emissions

-1

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

191.12

% of target achieved [auto-calculated]

98.7020103428

Target status in reporting year

Expired

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)

For our Sainsbury's logistics division, we have set a target to reduce carbon emissions from fuel by 35% by 2020 relative to the number of cases assembled, from a 2005-06 baseline year. Within logistics we use a relative measure of kgCO₂ per 1000 cases assembled for delivery to stores. In this instance the case is the delivery unit for each SKU going to store (e.g. 24 cans of baked beans in a case, 5 kg of brie in a box for sale on the deli counter, etc.).

In 2019/20 the intensity target was nearly met, with a 34.5% reduction in kg CO₂e per '000 cases assembled compared to 2005/06 baseline. We saw a 9% reduction in kgCO₂e in Logistics fuels, and a 39% rise in total cases assembled compared to 2005/06 baseline.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production
Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2011

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

Base year

2006

Figure or percentage in base year

0

Target year

2020

Figure or percentage in target year

20

Figure or percentage in reporting year

20

% of target achieved [auto-calculated]

100

Target status in reporting year

Achieved

Is this target part of an emissions target?

Yes, Abs1

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

As an organisation our target setting has prioritised carbon reduction primarily through increased energy efficiency, but we also set a target to provide 20% of our power from renewable power purchase agreements (PPAs), on-site renewables and green tariffs by 2020. We have achieved this target in 2020 by continually investing in PPAs, green tariffs and onsite renewables.

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2020

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers

Other, please specify

Number of suppliers engaged

Target denominator (intensity targets only)

Base year

2020

Figure or percentage in base year

96

Target year

2021

Figure or percentage in target year

500

Figure or percentage in reporting year

96

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this target part of an emissions target?

Abs5

Is this target part of an overarching initiative?

Other, please specify

Net Zero by 2040 commitment

Please explain (including target coverage)

In 2019-20 we developed and launched our Net Zero strategy, a commitment that will see our business become Net Zero by 2040. We have signed up to become CDP Supply Chain members, as part of which we will carry out an extensive stakeholder engagement programme.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	1,404	37,252
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Fugitive emissions reductions
Refrigerant leakage reduction

Estimated annual CO2e savings (metric tonnes CO2e)

16,484

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

12,711,427

Payback period

No payback

Estimated lifetime of the initiative

11-15 years

Comment

Since 2009, we have been implementing an annual refrigeration replacement programme, which sees us investing heavily in exchanging HFC refrigeration systems with more efficient or environmentally friendly replacements that operate using natural refrigerants such as CO₂. We also made a pledge to switch all our fridges to new (and more energy efficient) carbon dioxide (CO₂) technology by 2030, which is well underway; with 29 stores converted in the last year to give a total of 307 to date. When complete, this will help to reduce our carbon footprint by more than a third, as the gases we are replacing have a much greater impact on climate change than CO₂.

The 2019/20 programme, coupled with investment in new store Low GWP refrigeration systems, will realise a full year effect Carbon saving of over 16,000 TCO₂e.

Contributes to achieving targets Abs1, 2, 3 & Int1. As we do not obtain energy or other cost savings, there is no payback period.

Initiative category & Initiative type

Company policy or behavioral change

Other, please specify

Energy and waste reduction through behaviour change

Estimated annual CO₂e savings (metric tonnes CO₂e)

290

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

569,960

Investment required (unit currency – as specified in C0.4)

172,715

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

The Greenest Grocer programme in 2019-20 continued to build on the success of the previous seven years and reach into new environmental impact areas as well as new business areas. We have particularly focused on streamlining processes this year. Over 25,000 tonnes of CO₂e were saved through colleague behavioural change project 'Greenest Grocer' since its inception. We have estimated carbon savings from direct actions only; the indirect savings we estimate to be much higher.

Contributes to achieving targets Abs1, 2, 3 & Int1.

Initiative category & Initiative type

Energy efficiency in buildings

Other, please specify

Efficiency programmes (mainly lighting and aerofoils)

Estimated annual CO₂e savings (metric tonnes CO₂e)

16,458

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

9,121,208

Investment required (unit currency – as specified in C0.4)

39,889,219

Payback period

4-10 years

Estimated lifetime of the initiative

>30 years

Comment

Our Jade and Graphite programmes are our main investment vehicles for energy efficiency programmes. This year our focus has been in converting over 160 LED sales floor in existing stores, 2 new supermarkets and 13 new convenience stores; installing 11,000 water saving taps, as well as 400,000 aerofoil energy efficiency installations to keep fridges cool and aisles warmer have been installed across the entire estate.

Contributes to achieving targets Abs1, 2, 3 & Int1.

Initiative category & Initiative type

Low-carbon energy consumption
 Other, please specify
 Increase in proportion of renewable energy consumption

Estimated annual CO2e savings (metric tonnes CO2e)
 2,328

Scope(s)
 Scope 2 (market-based)

Voluntary/Mandatory
 Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
 0

Investment required (unit currency – as specified in C0.4)
 0

Payback period
 No payback

Estimated lifetime of the initiative
 Ongoing

Comment
 Sainsbury's has purchased renewable energy through PPAs, using green tariffs in ROI and NI, as well as by investing in onsite renewables. We have calculated the tCO2e savings by summing the emissions derived from the increased green purchases and generation when compared to last year. Grid emission factors from Defra for the UK have been used. As we are changing the source of energy, there is no capital investment and we do not obtain energy or other cost savings, so there is no payback period. There are no incremental revenue costs either.

Contributes to achieving targets Abs1, 2, 3, Int1 and Low1.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Our investment in energy efficiency is driven by multiple programmes, including our flagship £200 million corporate 'green' loan to invest in ongoing carbon reduction and sustainability projects. Whilst Green Bonds are now increasingly issued by institutions to support environmental and sustainable initiatives, this is the first time that a commercial loan has been structured to do the same.

<p>Dedicated budget for other emissions reduction activities</p>	<p>Our investment in energy efficiency is driven by multiple programmes, including our flagship £200 million corporate 'green' loan to invest in ongoing carbon reduction and sustainability projects. Whilst Green Bonds are now increasingly issued by institutions to support environmental and sustainable initiatives, this is the first time that a commercial loan has been structured to do the same. In addition to our energy efficiency programmes, we have a programme installing natural refrigerant systems that saw stores equipped with systems that operate using CO2 as a low GWP refrigerant.</p>
<p>Employee engagement</p>	<p>Our intranet site provides the focal point of engaging store colleagues to manage and action energy and carbon reduction in their buildings. This is particularly targeted at those in management positions such as Store Managers. Colleagues can download checklists that enable stores to identify potential areas for energy improvement within their individual store. This is also the place where they can obtain their energy consumption and waste profiling graphs. We have undergone a programme where we have educated facilities management on energy management in stores. This includes engaging facilities management from capital investment programmes, informing them of the tools store colleagues have to manage energy and providing tailor made checklists on things they need to look out for in their role.</p>
<p>Compliance with regulatory requirements/standards</p>	<p>With the continuing income from incentives such as Feed in Tariffs, ROCs, and Renewable Heat Incentive we review our investments to ensure we are maximising the potential income derived from regulations. We have invested significantly in low-carbon initiatives also as a result of UK legislation such as the Climate Change Levy (CCL), which is a tax on energy delivered to non-domestic users in the UK with the aim of providing an incentive to increase energy efficiency and reduce carbon emissions.</p>
<p>Other</p>	<p>We are developing future reduction scenarios by building a partnership with Imperial College to develop our ambitious 'future stores' plans. Together we are researching and creating practical ways to reduce our carbon footprint by developing low carbon technology solutions to the issues. The partnership is achieving tangible results and aims to provide both partners with a commercial legacy. We will own the intellectual property rights of any products or research we have developed jointly.</p>

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

We offer customers with electric vehicles the opportunity to charge their cars free of charge at hundreds of charging points at our 48 stores. Our electrical vehicle strategy is currently under review. It is anticipated that we will be rolling out significant increases in the number of vehicle charging points in our estate in the near future.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Avoided emissions

% revenue from low carbon product(s) in the reporting year

0

Comment

-

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

March 27, 2005

Base year end

March 26, 2006

Base year emissions (metric tons CO₂e)

638,257

Comment

N/A

Scope 2 (location-based)

Base year start

March 27, 2005

Base year end

March 26, 2006

Base year emissions (metric tons CO₂e)

916,235

Comment

N/A

Scope 2 (market-based)

Base year start

March 27, 2005

Base year end

March 26, 2006

Base year emissions (metric tons CO₂e)

916,235

Comment

N/A

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

522,384

Comment

The Scope 1 emissions have been calculated using UK Government's GHG Conversion Factors for Company Reporting 2019 for all sources.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

N/A

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

396,009

Scope 2, market-based (if applicable)

328,792

Comment

20 per cent of our electricity usage comes from renewable power purchase agreements (PPAs from wind farms), on-site renewables (solar and wind) and green electricity tariffs, and has thus been reported at zero emissions. The remaining UK electricity has been reported at supplier-specific emissions rate (for market-based) or DEFRA factors (for location-based); Ireland has been reported at zero emissions because all electricity in the country is sourced from renewables. Non-UK electricity has been reported at local grid average.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

14,967,215

Emissions calculation methodology

Activity data from Sainsburys was used as the basis for this calculation – in the form of volume of purchased product (kg, litres, units). Volume was provided per SKU, allowing categorisation by supplier and product category. The defined product categories were then assigned product level emission factors based on existing databases and new research. Carbon Trust has developed an extensive database of product-based emissions factors, drawing on expertise in product footprinting, a range of projects conducted in the food and drink sector and literature reviews of the most up to date LCAs for a range of products. Allocation of emissions factors was conducted using the categorisation of products that Sainsbury's use. For food products, this was completed at the category rather than sub category level (e.g. beef vs beef mince). The emission factors where available were broken down by life-cycle stage (cradle-to-gate, use-phase and end-of-life), where research did not provide a breakdown an average emissions factor was assigned based on the proportion accounted for in each life-cycle stage where data was available. These emissions factors are generic to the product, tending towards the supply of these products in a UK market (e.g. assumptions about air freighting of vegetable products to the UK, beef sourced from the UK etc.). Where an emissions factor was not available, a number of averages for product groups were calculated (e.g. average meat).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Sainsbury's as of yet have not formalised the process by which to capture supplier specific emissions. The product emission factors used are averages based on LCAs and Carbon Trust project experience. They assume the supply of these products in a UK market (e.g. assumptions about air freighting of vegetable products to the UK, beef sourced from the UK etc.).

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

121,611

Emissions calculation methodology

Activity data from Sainsbury's was used, in the form of total spend on capital goods. Total GBP spend on capital goods is converted to US dollars and split by category 3 description. Each category 3 description classification is allocated an appropriate EEIO factor and the total emissions are calculated from this. Where a category 3 description has already been accounted for elsewhere within the Scope 3 inventory (e.g. logistics spend), these groups are manually excluded and assigned no EEIO factor to avoid doubling counting. The emissions for non-product-related purchases are calculated using environmental extended input-output (EEIO) analysis, which uses the OPEN IO database originally developed by the University of Arkansas and further developed by the Carbon Trust. This analysis is based on financial spend, coupled with GHG emission factors which convert this spend into GHG emissions. These EEIO emissions factors calculate the average GHG emissions per US dollar of economic value, for various sectors in the economy.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

151,918

Emissions calculation methodology

2018 BEIS (DEFRA) conversion factors are used to calculate the upstream emissions (WTT) of purchased fuels and electricity by country, including transport and distribution (T&D) losses. Emissions are calculated by multiplying fuel and electricity consumption quantities by relevant WTT and T&D emission factors, ensuring quantities match scope 1&2. Note the WTT of fuels sold by Sainsbury's is calculated as part of Category 1a PG&S.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1,283,277

Emissions calculation methodology

Activity data was provided by Sainsbury's for sub-contracted logistics spend in the reporting period. The data detailed the total kilometres driven by lorries. The activity data provided by Sainsbury's was multiplied by emissions factors for the freighting of goods, assuming average laden lorries were used as the means of transportation. A differentiation was made between goods that are refrigerated in transit and those that were not due to the differing associated emissions factors. For upstream transport related to freighting of goods from supplier to Sainsbury's, this was calculated based on activity data and allocation of emissions factors as detailed for Category 1.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

1

Please explain

N/A

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

4,718

Emissions calculation methodology

The total tonnage of waste has been provided, along with details on waste type and the end of life treatment. The volume of waste is multiplied by the appropriate emission factor, based on disposal method and waste type. Representative emission factors from BEIS (DEFRA) from 2018 are applied to the different waste streams. This takes in to account the end of life treatment of the waste, as well as the waste category. Note that these factors are UK specific.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

14,759

Emissions calculation methodology

Business travel data was calculated by Sainsbury's and checked by the Carbon Trust. These were calculated in line with GHG protocol guidance on business travel, using activity data where possible. Some of the data was based on spend on business travel.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

119,027

Emissions calculation methodology

This category refers to all emissions arising from the transportation of employees between their homes and their worksites. The methodology uses employee number data multiplied by the average commuting emissions per person.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

All assets leased by company are considered to be within Scope 1 & 2, as Sainsbury's is using the Operational Control definition to determine scope of coverage.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

As a retailer, there is very limited scope for Sainsbury's to influence how customers travel to and from stores. As they do not contribute to the Group's risk exposure, we have therefore deemed them as 'Not relevant'. All home deliveries with vans for Sainsbury's Argos are included in scope 1 and 2 emissions.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

As Sainsbury's only sells final products to customers, this category is not relevant.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

13,727,859

Emissions calculation methodology

The emission factors for use-phase have been collated from literature, current databases and estimations (Appendix 3). Where literature did not produce a breakdown of the footprint of a specific product, an average emission factor was estimated. This was based on the average percentage split of emissions between cradle-to-gate, use-phase and end-of-life for those where the breakdown was provided. For the most material area of Sainsbury's use phase footprint – the emissions associated with the combustion of fuel sold by Sainsbury's at their petrol station, BEIS emissions factors were used for the combustion of petrol, diesel and LPG. The calculated emission factor, which is dependent upon product type, is multiplied by the total number of units sold of each product. Use phase is relevant to specific products, for example any clothing products, hair dye or electronics, and derived from LCAs.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

157,464

Emissions calculation methodology

End of Life emission factors are sourced from the End of Life factors for specific product types (e.g. Clothing), as found in BEIS conversion factors 2018 and literature. Where literature did not produce a breakdown of the footprint of a specific product, an average emission factor for end of life was estimated. This was based on the average percentage split of emissions between cradle-to-gate, use-phase and end-of-life for those where the breakdown was provided.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

Downstream leased assets

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

39,160

Emissions calculation methodology

The approach used square footage of the leased assets. Square meterage was provided for a representative proportion of the sites, allowing averages to be calculated for sites of the same type of facility. 2018 IEA data was used for the average CO₂ emissions per m² of a building.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Sainsbury's has no franchises, so this category is not relevant.

Investments

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

330,864

Emissions calculation methodology

This section captures the emissions related to assets held by Sainsbury's bank. The data used for this calculation is high level data which is made publicly available by Sainsbury's bank, therefore there is a degree of uncertainty associated with the modelling. This category captures the emissions related to the following services provided by Sainsbury's bank: Loans and Treasury. Both of these may be considered 'investments' for the purposes of GHG calculations

Loans: Data on the total carbon footprint associated with UK consumption is sourced from Gov.uk national statistics.

The total UK consumption spend is sourced from the office of national statistics

Mortgages: An EPC data set dated 31/08/2019 has been used to calculate the mean floor area of a UK property, as well as the typical CO₂e household emissions per m². The average house price in the UK is sourced from the office of national statistics

Treasury: Emission factors per \$ invested have been sourced from internal carbon trust analysis of GICS Sector investment. Emissions factors were sourced from S&P Dow Jones Indices Carbon Emitter Scorecard, Trucost 2016, with amendments by the Carbon Trust to improve data quality.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

There are no other upstream Scope 3 emissions applicable to Sainsbury's.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

There are no other upstream Scope 3 emissions applicable to Sainsbury's.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	2,523	Emissions from biomass fuel (wood pellets).

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00002628

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

851,176

Metric denominator

unit total revenue

Metric denominator: Unit total

32,394,000,000

Scope 2 figure used

Market-based

% change from previous year

10.4

Direction of change

Decreased

Reason for change

Due to our emissions reduction activities, such as reducing energy consumption and employee engagement programmes, despite increasing our revenue, our relative emissions of tCO2e per £ revenue have decreased.

Intensity figure

7.60657417

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

851,176

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

111,900

Scope 2 figure used

Market-based

% change from previous year

6.8

Direction of change

Decreased

Reason for change

Due to our emissions reduction activities, such as reducing energy consumption, employee engagement programmes and refrigerant replacement, our relative emissions of tCO₂e per FTE have decreased.

Intensity figure

33.77221662

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

851,176

Metric denominator

Other, please specify
1000 sq. ft. sales area

Metric denominator: Unit total

25,203

Scope 2 figure used

Market-based

% change from previous year

9.9

Direction of change

Decreased

Reason for change

Due to our emissions reductions activities, such as reducing energy consumption, employee engagement programmes and refrigerant replacement, our relative emissions of tCO₂e per '000 square feet sales floor area have decreased.

Intensity figure

0.71190259

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

851,176

Metric denominator

Other, please specify
1000 cases assembled

Metric denominator: Unit total

1,195,635

Scope 2 figure used

Market-based

% change from previous year

10.6

Direction of change

Decreased

Reason for change

Our emissions intensity over cases assembled has reduced year on year mainly due to our work on reducing emissions by implementing in-store energy efficiency projects.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO ₂ e)	GWP Reference
CO ₂	360,437	IPCC Fourth Assessment Report (AR4 - 100 year)
CH ₄	180.4	IPCC Fourth Assessment Report (AR4 - 100 year)
N ₂ O	3,238.3	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	143,287.9	IPCC Fourth Assessment Report (AR4 - 100 year)
Other, please specify Non-HFC refrigerants (R1270, R290, R290A, R448A, R449, R744, R452A, Ammonia, R290, R22)	15,239.9	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO ₂ e)
United Kingdom of Great Britain and Northern Ireland	522,208.2
Ireland	175.3
Bangladesh	0
China, Hong Kong Special Administrative Region	0
China	0
India	0

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO ₂ e)
Central locations	2,283.23
Logistics	202,040.62
Stores and supermarkets	273,106.01
Online deliveries	44,778.35
International offices	175.3

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United Kingdom of Great Britain and Northern Ireland	394,778.87	328,506.79	1,544,340.96	305,938.77
Ireland	944.33	0	6,113.98	6,113.98
Bangladesh	52.9	52.9	104.88	0
China	56.63	56.63	90.86	0
China, Hong Kong Special Administrative Region	115.01	115.01	184.52	0
India	60.81	60.81	84.68	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Central locations	6,626.57	6,844.35
Logistics	30,430.56	31,430.63
Stores and Supermarkets	357,721.73	289,287.48
Online deliveries	0	0
International offices	1,229.68	1,229.68

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	2,328	Decreased	0.25	We have included emissions reduced through our expansion of purchased and generated renewable energy of both electricity and gas, an additional increase of 8,817,114 kWh compared to last year. Multiplying these by the relevant electricity emissions factor, we calculate the total reduction from these increased renewable energy as 2,328 tonnes of CO2e. Divided by the total market-based emissions from last year, 942,950 tonnes of CO2e, this gives a value of 0.25% decrease in emissions.
Other emissions reduction activities	34,924	Decreased	3.7	We have included emissions reduced through our vast expansion of energy efficiency projects completed across our estate, a very successful employee engagement programme and the replacement of refrigerants for CO2, and increased monitoring to reduce leaks from R404a. The total reduction in emission from these activities in 2019/20 is 34,924 tonnes of CO2e. Divided by the total market-based emissions from last year, 942,950 tonnes of CO2e, this gives a value of 3.70% decrease in emissions.
Divestment	0	No change	0	N/A
Acquisitions	0	No change	0	N/A

Mergers	0	No change	0	N/A
Change in output	398	Increased	0.04	We opened a few new sites in 2019/20. The emissions total from these new sites is 398 tCO ₂ e. Divided by the total market-based emissions from last year, 942,950 tonnes of CO ₂ e, this gives a value of 0.04% increase.
Change in methodology	44,697	Decreased	4.74	The emission factors we use are updated on an annual basis. In 2019/20, the impact of these changes resulted in a reduction in emissions of 44,697 tonnes of CO ₂ e. Divided by the total market-based emissions from last year, 942,950 tonnes of CO ₂ e, this gives a value of 4.74% decrease.
Change in boundary	0	No change	0	N/A
Change in physical operating conditions	0	No change	0	N/A
Unidentified	10,224	Decreased	1.08	We are not able to attribute all changes in emissions. These are likely to be the result of weather fluctuations and small variations in output. We have calculated this by subtracting the emissions changes that we can account for, 81,550 tonnes of CO ₂ e, from the total change in emissions, 91,774 tonnes of CO ₂ e. This gives an unidentified decrease of 10,224 tonnes of CO ₂ e. Divided by the total market-based emissions from last year, 942,950 tonnes of CO ₂ , this gives a value of 1.08% decrease.
Other	0	No change	0	N/A

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	192,530	3,757,235	3,949,764
Consumption of purchased or acquired electricity		287,774	1,238,867	1,526,641

Consumption of self-generated non-fuel renewable energy		24,279		24,279
Total energy consumption		504,582	4,996,102	5,500,684

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

623,840

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

564,545

MWh fuel consumed for self-cogeneration or self-trigeneration

59,295.43

Emission factor

0.18385

Unit

kg CO2e per kWh

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting 2019

Comment

N/A

Fuels (excluding feedstocks)

Biodiesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

881,842

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

881,842

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

2.59411

Unit

kg CO2e per liter

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting 2019

Comment

N/A

Fuels (excluding feedstocks)

Liquefied Natural Gas (LNG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

2,267,714

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

2,267,714

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

2.55004

Unit

kg CO₂e per liter

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting 2019

Comment

N/A

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

8,781

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

8,781

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

1.5226

Unit

kg CO₂e per liter

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting 2019

Comment

N/A

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

5,991

MWh fuel consumed for self-generation of electricity

637

MWh fuel consumed for self-generation of heat

5,354

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

2.68697

Unit

kg CO2e per liter

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting 2019

Comment

N/A

Fuels (excluding feedstocks)

Wood Pellets

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

161,399

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

161,399

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

73.13523

Unit

kg CO2e per metric ton

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting 2019

Comment

N/A

Fuels (excluding feedstocks)

Gas Oil

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

197

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

197

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

2.75821

Unit

kg CO2e per liter

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting 2019

Comment

N/A

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	45,285	44,079	24,351	24,279
Heat	24,560	24,560	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Europe

MWh consumed accounted for at a zero emission factor

255,053

Comment

Sainsbury's maintains a number of Power Purchase Agreements with large scale renewables electricity generators across the UK, backed by energy attribute certificates.

Sourcing method

Other, please specify

Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type

Other, please specify

Solar PV and Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Europe

MWh consumed accounted for at a zero emission factor

24,279

Comment

N/A

Sourcing method

Other, please specify

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Europe

MWh consumed accounted for at a zero emission factor

32,720

Comment

NI and ROI supplies are from a green tariff associated with zero electricity.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Other, please specify

Net Zero commitment pillars

Metric value

0

Metric numerator

N/A

Metric denominator (intensity metric only)

N/A

% change from previous year

0

Direction of change

No change

Please explain

We have committed to become Net Zero in our direct operations by 2040. Our strategy has seven areas of focus, including: reducing GHG emissions within our own operations to net zero; increasing the use of renewable energy; minimising the use of water in our own operations, driving towards water neutral; developing and delivering healthy sustainable diets for all; reducing our use of plastic packaging by 50% by 2025 and then going further; reducing food waste by 50%; increasing the use of recycling in our own operations and making it easy for customers and colleagues to recycle; and ensuring that the impact of our operation is net positive for biodiversity. We will set science based progress and report our progress every six months.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

^

 Carbon Trust Standard Verification Diploma - Carbon - Sainsbury v3.pdf

Page/ section reference

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Relevant standard

Verification as part of Carbon Trust standard certification

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

^

 Carbon Trust Standard Verification Diploma - Carbon - Sainsbury v3.pdf

Page/ section reference

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Relevant standard

Verification as part of Carbon Trust standard certification

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

^

 Carbon Trust Standard Verification Diploma - Carbon - Sainsbury v3.pdf

Page/ section reference

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Relevant standard

Verification as part of Carbon Trust standard certification

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

^

 Carbon Trust Standard Verification Diploma - Carbon - Sainsbury v3.pdf

Page/section reference

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Relevant standard

Verification as part of Carbon Trust standard certification

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Year on year change in emissions (Scope 1 and 2)	Verification as part of Carbon Trust standard certification	As part of the Carbon Trust Standard, our year on year change in emissions are verified as part of the verification process.
C4. Targets and performance	Year on year emissions intensity figure	Verification as part of Carbon Trust standard certification	As part of the Carbon Trust Standard, our year on year change for all of our emissions intensity metrics are verified as part of the verification process.
C4. Targets and performance	Emissions reduction activities	Verification as part of Carbon Trust standard certification	Carbon Trust verified our annual emissions savings associated with our Green Loan projects.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

- Other carbon tax, please specify
- UK CCL tax

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Other carbon tax, please specify

Period start date

April 1, 2019

Period end date

March 31, 2020

% of total Scope 1 emissions covered by tax

22

Total cost of tax paid

14,000,000

Comment

We pay the Climate Change Levy on our electricity and gas consumption. For the reporting year, we paid ca. £14m in CCL, which effectively acts as a carbon tax.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Complying with the Climate Change Levy (CCL) is a straightforward process because the tax is applied to the main rates listed on our energy bills. We pay a reduced CCL because we are an energy intensive business and have entered into a climate change agreement (CCA) with the Environment Agency. We are also part of the Combined Heat and Power Quality Assurance Programme (CHPQA), which further reduces the CCL rate we pay. The scope of our CCA covers some 500 stores and ten depots (bakery and cold stores).

The increased regulation of carbon emissions, including the CCL, has led us to develop a strategy for driving further investment in low-carbon opportunities. We have invested extensively in energy efficiency reduction programmes, particularly in our rollout of low-carbon projects across our Sainsbury's stores – a crucial part of our long-term ambition to reduce emissions from stores and depots as formalised in our carbon reduction targets. Climate change regulation and the increasing cost of carbon have been crucial drivers for this investment decision, which we anticipate being regulated for at least the next several years. We review our compliance strategy on an annual basis to ensure that we remain compliant with all applicable schemes and regulations. For more information on our extensive programmes, please refer to the earlier sections of our response, which list these in detail.

One case study of how we have applied our strategy is our dedicated project to install aerofoils across stores. We attach these to the front of our refrigeration units to create an air curtain, to stop cold air spilling out into the stores. Fitting the aerofoils is reducing our refrigeration costs and consumption by up to 15% per store, delivering savings of around 9,000 tCO₂e each

year. Following a successful trial that reduced energy use in store by 15 per cent, this year we rolled out aerofoil technology across the Sainsbury's estate. Inspired by Formula 1 innovations, which we co-developed with Williams F1, aerofoil prevents cold air from fridges spilling out into aisles, so we reduce our environmental impacts and energy costs and our customers enjoy warmer aisles. We have invested close to £8m for the installation of these aerofoils. This includes the cost of equipment and installation.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Other, please specify

Sustainability performance assessment

% of suppliers by number

5

% total procurement spend (direct and indirect)

5

% of supplier-related Scope 3 emissions as reported in C6.5

43

Rationale for the coverage of your engagement

At Sainsbury's we expect strong social and environmental standards from all of our suppliers, but we recognise that many need practical help and support in implementing more sustainable practices. Our challenge is to build supply chains that are resilient to the social and environmental challenges facing the industry, working closely with farmers, producers and processors to champion and embed excellence in sustainability. Several of the commitments laid out in our Sustainability Plan relate to our value 'Sourcing with Integrity'. Engaging all our suppliers is therefore a key area for Sainsbury's in order to achieve our commitments and develop long-term resilience.

Impact of engagement, including measures of success

We request that growers/farmers supply to us records of water use and crop-specific water risk assessments covering all water used in crop production annually. This allows Sainsbury's to assess where suppliers or growers have a concern around water availability, access or quality. We can also benchmark water use by country/product/grower and identify best practice.

We measure success by analysing the reported data to understand where improvements have been made in management techniques.

Over the past 3 years, we had also piloted the use of a tool we referred to as the Supplier Performance Assessment (SPA) which evaluates farm-level risks across four key water-related areas (amongst others), including 1) efficient and cost-effective consumption; 2) control of water quality impacts; 3) sustainable use within catchment constraints; and 4) restoration/conservation of aquatic ecosystems. This has been tried in our aquaculture, floral, sugarcane and tea supply chains. With regards to tea, it has been utilised by both estates and smallholders to support the development of plans funded by Sainsbury's through the Fairly Traded tea pilot.

In terms of the impact of this climate-related supplier engagement strategy according to our chosen measure of success, our impact has been high, because through these plans and subsequent activities, farmers have been able to address both social and environmental challenges. For example, projects have included building tea nurseries to grow and distribute more climate-resistant tea plants, bringing water to areas which previously did not have ready access and creating more shaded areas for storing tea which enable it to stay fresher for longer.

Comment

N/A

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

43

Rationale for the coverage of your engagement

Sainsbury's engages with all suppliers in some degree on sustainability, but particular attention has been paid to the farmers in our UK Farmer Development Groups. Our rationale for this engagement is that we recognise the need to protect a vulnerable agricultural supply base that was only covered by small-scale studies not reflective of the industry. We also believe that working with these suppliers will help us reduce carbon emissions from overseas distribution and ensure resilience on the long-term.

Impact of engagement, including measures of success

Our approach is to work collaboratively to tackle climate change, reduce the environmental impact of our raw materials, advance respect for human rights across our supply chain and improve the livelihoods of our farmers, growers and suppliers. Whether it's our people, animals or the environment, we aim to have equivalent standards wherever we source from in the world. Our Agriculture team works closely with our Farmer Development Groups in order to build resilient and sustainable value chains. We measure our success qualitatively through feedback from farmers and are able to determine the impact of our engagement according to our chosen measure of success by evaluating the strength, stability, and longevity of our engagement programmes. Based on this, our climate-related supplier engagement has resulted in a high degree of impact according to our chosen measure of success. Examples of this impact are as follows: Last year we launched our Integrated Beef Programme, with farmers from our Dairy and Beef Development Groups. The programme will change how we source our beef over the coming years and create a more stable and financially secure supply chain for our farmers by providing a confirmed outlet and price for their animals, allowing for forward planning and the confidence to invest in their businesses. We also continue to be a key partner in the North Highland Initiative (NHI) project to support rural communities in the far north of Scotland, working with over 100 small family farmers and crofters supplying cattle into our North Highland range. We also work with our lamb farmers via our Taste the Difference initiative. Within this scheme we aim to build open and resilient relationships with our farmers and share best practice to improve quality and consistency. The initiative was created to ensure a sustainable and futureproof supply of the TtD range and allows us to support over 800 Welsh hill farmers. We also work closely with our Dairy Development Group, Crop Action Groups, and partake in a number of industry roundtables (e.g. WRI, Forum for Future for the Future Protein Challenge 2040). For more information on our initiatives in this area, please refer to our 2020 Sustainability Update.

Comment

N/A

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Other, please specify
CDP Supply Chain

% of suppliers by number

17

% total procurement spend (direct and indirect)

5

% of supplier-related Scope 3 emissions as reported in C6.5

33

Rationale for the coverage of your engagement

We have embarked on the CDP Supplier Engagement programme this year to capture our Supplier data for Carbon, Water and Deforestation. This will support with the Scope 3 element of our Net Zero strategy. As it is the first year we have requested this information, we have focused on suppliers who are already engaged with CDP.

Impact of engagement, including measures of success

Sainsbury's has asked 96 of its suppliers to share their CDP report (Climate Change, Water Security and Forests) with us, so we can start to build a broader baseline for Scope 3 emissions and impact. This data will feed into our Net Zero commitments, reporting and future activities with suppliers. Our measure of success is the number of suppliers who respond to our request; in terms of the impact of this climate-related engagement, we have made good progress in the first year, having targeted those suppliers who already respond to CDP (96 out of top 500). We aim to expand this figure to cover our 500 largest suppliers by spend next year.

Comment

N/A

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

32

Please explain the rationale for selecting this group of customers and scope of engagement

UK households are generating 27 million tonnes of waste each year, so engaging pro-actively with all our customers and providing facilities to help our customers recycle their products is key to our Sustainability Plan. As part of this rationale, we want to help our customers recycle unwanted clothing, metal cans, glass, paper, batteries and other materials, as well as supporting global efforts to reduce food waste and working to minimise our own packaging. We are also committed to removing unnecessary plastics from our business and reducing our packaging waste. Engaging and communicating our efforts with our customers is very important to us.

Impact of engagement, including measures of success

The impact of this climate-related engagement with our customers is that it helps to ensure that both our own and the customer's carbon footprint decreases. We measure our success in the campaigns described below by the amount of waste that we have avoided or diverted. As each of these campaigns are distinct, we evaluate our measures of success according to the unique characteristics of the campaign.

To help our customers divert unwanted clothing from landfill we expanded our partnership with Oxfam, providing a network of 356 clothing recycling banks in our store car parks. All our plastic hangers are made from 100 % recycled materials and last year we recycled 300 tonnes of them. This figure represents the impact from this engagement initiative according to our chosen measure of success.

Through our facilities we help customers recycle unwanted clothing, metal cans, glass, plastic, paper and other materials at our managed recycling facilities in 274 stores. This year we trialled Deposit Return Schemes with our reverse vending machines. Customers can recycle plastic, metal cans and glass drink containers in exchange for a 5p per item coupon towards their shopping. In terms of an impact, customer uptake proved positive and we are now looking to scale up these trials.

Across all our cafes, customers can now bring their own reusable bottles to our fresh water stands, or their own reusable coffee cup for a 25p discount on their hot drink. We've also encouraged customers to bring their own re-usable containers to our counters for meat, fish, cheese and deli products. These steps have removed over 6,000 tonnes of plastic from our supermarkets and convenience stores. This figure represents the impact from this climate-related engagement initiative according to our chosen measures of success.

We also collected just under 540 tonnes of household batteries for recycling, which equates to approximately 34.7million batteries. This figure is how we measure the impact of this specific climate-related engagement.

We also communicate sustainability facts about our business on our Tu website and utilise more recycled materials in our ranges. We removed plastic bags from online deliveries and reduced the weight of plastic used in milk and water packaging. We also removed all plastic produce bags from our bakery and produce aisled, becoming the first retailer to do so.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

32

Please explain the rationale for selecting this group of customers and scope of engagement

The flexitarian market is fast expanding and is predicted to reach £658 million by 2021. Due to the rise in demand for plant-based dietary requirements, we must ensure that all our customers have access to a multitude of vegan and vegetarian options. This is our rationale for engaging with our customers in this area.

Impact of engagement, including measures of success

The impact of this climate-related engagement with our customers is to help our customers live healthier and more sustainable lives with increasing the amount of these products available to them.

We measure success for our engagement here based on sales of these products. Our free-from ranges contribute over £100 million in sales and we outperform the growing allergen-free market. This represents the impact of our climate-related engagement from this particular initiative. We have invested in innovative new ranges of meat-free alternatives to meet the demands of our customers following flexitarian, vegetarian and vegan diets and are proud to be encouraging our customers to live healthier lives with increasing the amount of these products available to them.

We have significantly boosted the presence of products, or SKUs, on our shelves over the past year. We continue to grow our ranges of plant based branded offerings, launching 63 branded meal alternatives. With more than 200 plant-based meal options

in our ranges such as 'Love Your Veg', we continue to expand our vegan and vegetarian ranges for customers who want more alternatives to meat.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

Funding research organizations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Mandatory carbon reporting	Support with major exceptions	Direct - Sainsbury's engaged with issues of carbon reporting and tax directly with the Minister and through government consultations via trade associations.	We support a stable and transparent carbon tax policy that gives business the certainty and confidence to invest in carbon reduction technologies. However, we do also support simplification of the carbon tax & reporting landscape. We continue to support simplified carbon reporting procedures for mandatory GHG reporting and ESOS in the UK, allowing companies to account more accurately for their low-carbon and renewable investments whilst also reducing their administrative burdens.
Clean energy generation	Support	Direct – store visits and presentations on our investment in renewables to government officials reviewing the Renewable Heat Incentive (RHI). We also raise awareness of our solar panels and offer store visits for Ministers and backbench MPs.	Sainsbury's support the Feed In Tariffs (including the Government's Solar Strategy) and the RHI. We have continued to engage extensively to ensure our investments in solar PV and geothermal technology are sustainable.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Confederation of British Industry (CBI)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

CBI has long been campaigning for greater consistency and certainty in energy legislation to ensure support for growth of green industry.

How have you influenced, or are you attempting to influence their position?

Sainsbury's have attended CBI meetings through the Climate Change and Energy Working Group. We also have regular meetings with the policy leads to understand the CBI's position and show our continued support.

Trade association

British Retail Consortium (BRC)- energy working group

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

BRC has been campaigning for greater consistency and certainty in energy legislation to ensure that retailers are able to invest in green technology and report carbon in a simple manner.

How have you influenced, or are you attempting to influence their position?

Sainsbury's sits on the BRC Energy group and the Environment group – both of which feed into the overall BRC position on climate change issues. We also regularly feed in to BRC consultation responses, as well as flagging issues for them to raise on behalf of members.

Trade association

Retail Energy Forum

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Retail Energy Forum is an informal group of energy specialists from major retailers with an independent chair. The aim of the group is to understand and advocate future legislation and share best practice.

How have you influenced, or are you attempting to influence their position?

Sainsbury's sits on this group and meet quarterly. The forum is becoming closer to the BRC to ensure that a consistent message is communicated to Government.

Trade association

British Refrigeration Association (BRA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The BRA is part of the Federation of Environmental Trade Associations (FETA) and they have been advocating to DEFRA on the F-Gas Legislation. The aim of the End User Group is to ensure representation of companies who will be impacted by this legislation.

How have you influenced, or are you attempting to influence their position?

Sainsbury's have a representative that is Chairman of the BRA End User Group and has attended a number of meetings with DEFRA on behalf of the BRA and Sainsbury's, to influence accordingly.

Trade association

Business in the Community - Water Task Force

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Business in the Community (BITC) is a British business-community outreach charity promoting responsible business, CSR, corporate responsibility, and is one of the Prince's Charities of Charles, Prince of Wales.

How have you influenced, or are you attempting to influence their position?

Sainsbury's has in the past judged energy saving initiatives as part of BITC events.

Trade association

Consumer Goods Forum

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Consumer Goods Forum has key objectives on Environmental and Social Sustainability.

How have you influenced, or are you attempting to influence their position?

Our Chief Executive of Sainsbury's is on the board of the Consumer Goods Forum.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our Respect for our Environment (RFOE) value is temporarily chaired by our Director for Property, Procurement and Cost Transformation. This group reviews and guides our overall environmental and climate change strategy and meets every 8-12 weeks to discuss progress and issues that may be arising. The group includes a member of our Public Affairs and Corporate Affairs team (who lead on our external engagement) to ensure our engagement is consistent with the climate change strategy.

The Chair of the Respect for our Environment steering group also sits on our Corporate Responsibility and Sustainability (CR&S) Committee, chaired by an Independent Non-Executive Director. The CR&S Steering Group is also attended by our Chief Executive, Company Chairman, heads of Public Affairs, Corporate Affairs and Corporate Responsibility and Society, to ensure all our engagement activities are aligned. This robust governance structure ensures that our external engagement and communications are aligned with our corporate position on climate change.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication


In mainstream reports

Status

Complete

Attach the document

^

 sainsburys-ar2020.pdf

Page/Section reference

Page 99

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

N/A

Publication

In voluntary communications

Status

Complete

Attach the document

 Sainsburys_Sustainability_Update_1920.pdf

Page/Section reference

All pages

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer (CFO)	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

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