

C0. Introduction

C0.1

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

John James and Mary Ann Sainsbury set Sainsbury's up in 1869, with a desire to bring good food at affordable prices – to everyone, and this is as important today as it was all those years ago. Offering delicious, great quality food at competitive prices has been at the heart of what we do since John James and Mary Ann Sainsbury opened our first store. Today, inspiring and delighting our customers with tasty food remains our priority.

Our purpose is that driven by our passion for food, together we serve and help every customer. We are on a mission to help everyone eat better. This means helping customers access healthy, tasty and affordable food that is better for them and better for the planet too.

Our focus on great value food and convenient shopping, whether in-store or online is supported by our brands – Argos, Habitat, Tu, Nectar and Sainsbury's Bank. Sainsbury's has over 600 supermarkets and over 800 convenience stores. Argos is a leading digital retailer and is the third most visited retail website in the UK, with over 90% of its sales starting online. Argos is conveniently available for customers to collect from hundreds of Sainsbury's stores. Digital and technology enables us to adapt as customers shop differently and our profitable, fast-growing online channels offer customers quick and convenient delivery and collection capability. Over 171,000 colleagues are integral to our success, now and in the future. Our colleagues who work hard every day to make our customers' lives easier and provide them with great products, quality and service.

Our customers care about wide-ranging, complex issues that impact them and our wider world. They trust us to be a responsible business, whether that is by supporting the communities we serve and source from, managing our environmental impacts or contributing to a healthier, more inclusive society.

The environmental and social challenges that are facing the world have never been greater. As a UK retailer with a food, general merchandise and clothing business, we source from countries all over the world, therefore the production, sourcing, packaging and disposal of these products can have major consequences. Our commitment to Helping everyone eat better means we are playing a leading role in offering delicious, affordable food that supports healthy and sustainable diets, helping customers reduce their impact on the planet, one plate at a time.

Collaboration is key to tackling the climate crisis. To this end we were proud to be the Principal Supermarket Partner of the United Nation's international climate change conference, COP26, which took place in Glasgow in November.

In June 2021, we launched our Plan for Better, our new sustainability plan and strategy, covering our key environmental and social commitments, which are firmly integrated into our business strategy and at the core of our business. We also accelerated our Net Zero Scope 1 and 2 targets from 2040 to 2035. Plan for Better is positioned amongst the five key strategic objectives for our business.

In 2021/22 we began sourcing 100% renewable electricity, committing to the long-term purchase of renewable energy from new wind and solar projects to be built over the next 2 years. We also achieved our target to install 100% LED lighting across our supermarkets. This follows extensive financial investment of over £320 million in the past ten years, funding more than 3,100 sustainable initiatives.

Our Scope 3 target, defined in collaboration with the Carbon Trust and approved by the Science Based Targets Initiative, requires the reduction of GHG emissions by 30% by 2030. As a retailer sourcing over 30,000 products from over 70 countries we are working collaboratively with our suppliers to set their own ambitious net zero commitments. This year we wrote to 400 of our top suppliers asking them to report and disclose their carbon reduction targets and are proud to have earned a place as a leading company on CDP's 2021 Supplier Engagement Leaderboard, for taking action to measure and reduce climate risk within our supply chain.

We have identified areas which matter most to our stakeholders and are aligned to the UN Sustainable Development Goals, so that we can make the biggest difference. Our Plan for Better has three interlocking pillars; Better for you, Better for the planet and Better for everyone. We have committed to reporting on our plan twice a year to transparently share our progress and shared our first half results of 2021/22.

The development of our Plan for Better was informed by identifying the areas that are most material to our stakeholders and ensuring alignment to the UN Sustainable Development Goals. This year we have undertaken another materiality exercise across our stakeholders to understand the priority areas of focus across the different groups. Using this insight we continue to evolve our strategy, ensuring it is fit for purpose and addressing the areas where we can have a significant impact.

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	Select the number of past reporting years you will be providing emissions data for
Reporting year	March 7 2021	March 6 2022	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

Bangladesh
China
Hong Kong SAR, China
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

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	GB00B019KW72

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	This year, in June 2021, we launched our Plan for Better, our new sustainability plan and strategy, covering our environmental and social commitments, which is integrated into our business strategy. Our Plan For Better sets out our sustainability goals across our whole business, outlining our priority areas of focus, our key commitments and our progress. We have identified areas which matter most to our stakeholders and are aligned to the UN Sustainable Development Goals, so that we can make the biggest difference. Our Plan for Better has three interlocking pillars; Better for you, Better for the planet and Better for everyone. We have committed to reporting on our plan twice a year to transparently share our progress The PLC Board is the principal decision-making body that oversees our climate change related issues/goals/targets, which sit under and are integral to our Plan for Better sustainability strategy. The PLC Board remains in charge of regularly reviewing our progress during Board meetings and guiding the strategy as appropriate. The Board Chair has ultimate accountability for ensuring the success of the strategy and sits as Chair of the Corporate Responsibility and Sustainability Committee (CR&S). The Committee's principal role is to review the sustainability strategy, ensuring it is aligned with the Company's purpose, strategy, culture, vision and values, and ultimately the governance of Sainsbury's being a sustainable business. The Committee also plays a part in monitoring the business's engagement with stakeholders including customers, suppliers, the community, colleagues, shareholders and government on sustainability and corporate responsibility matters. In terms of examples of specific climate related decisions/issues, the Chair and CEO were responsible for signing off our new Plan for Better strategy in 2021, approving the implementation of the Taskforce on Climate Related Financial Disclosure (TCFD) recommendations in full to strengthen our climate resilience (of which we have been signatories since 2020- more information on this can be found on page 17 of our annual report.)
Chief Executive Officer (CEO)	In terms of positions/ individuals with ultimate responsibility, our CEO has part of the highest responsibility due to their role in the CR&S Committee, Operating Board and Plan for Better Steering Committee put them in a strong position to support with implementing Board-level decisions into day-to-day operations. It also ensures ongoing representation of related matters at the highest levels of the company and that they remain a key focus for Sainsbury's. The CEO updates the Board quarterly via the CR&S Committee (in the form of an in-person or virtual meeting) on the outcomes of each meeting, ensuring that our approach to sustainability under our Plan for Better strategy remains in focus, aligns with the updated strategy and meets best practice environmental social governance expectations. In terms of examples of specific climate related decisions/issues, the Chair and CEO were responsible for signing off our new Plan for Better strategy in 2021, approving the implementation of the Taskforce on Climate Related Financial Disclosure (TCFD) recommendations in full to strengthen our climate resilience (of which we have been signatories since 2020- more information on this can be found on page 17 of our annual report.)

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	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	Sainsbury's PLC Board reviews and guides strategy and major plans of action, oversees major capital expenditures, acquisitions and divestitures and monitors our progress against our goals and targets (with Sainsbury's Board Chairman and CEO having ultimate responsibility). They have direct oversight over Sainsbury's Plan for Better sustainability strategy, through updates on performance (e.g. periodic review of progress against Scope 1,2 and 3 targets) and changes in strategy. The Plan for Better Steering Committee, reports quarterly into our CR&S Committee, supporting the Operating Board and leading the operational execution of our Plan for Better, by overseeing working group activity, and monitoring performance against our climate-related metrics. The CR&S Committee is a PLC board level group. Its purpose is overseeing significant challenges and recommending solutions, making ultimate decisions about our sustainability plan and ultimately the governance of Sainsbury's being a sustainable business. The CR&S Committee provides updates to the PLC Board in the form of a quarterly report on our Plan for Better. The Board Chair has ultimate accountability for ensuring the success of the strategy and sits as Chair of the Corporate Responsibility and Sustainability Committee (CR&S). The Committee's principal role is to review the sustainability strategy, ensuring alignment with the Company's purpose, strategy, culture, vision and values, and ultimately the governance of Sainsbury's being a sustainable business. The Committee also plays a part in monitoring the business's engagement with stakeholders including customers, suppliers, the community, colleagues, shareholders and government on sustainability and corporate responsibility matters. The Operating Board defines and monitors the business-wide strategy, including climate-related matters, adapting to new regulatory requirements and trends, and approving major investments such as our commitment to spend £1 billion to become Net Zero. The Operating Board is chaired by our CEO, who also sits on the Board and CR&S Committee. Sainsbury's Board and Committee had key areas of focus and oversight over the past year, that were sustainability and climate related. Examples of these were: launching our Plan for Better strategy, including revised targets, approving the plan to accelerate our Scope 1&2 commitment to Net Zero by 2035, five years earlier than previously stated, hosting Sainsbury's first Environmental, Social and Governance event, allowing stakeholders to gain a deeper understanding of our ESG priorities, supporting our partnership with, and attendance, at COP26 furthering our commitment to protecting the planet, attending an event hosted by the University of Cambridge Institute for Sustainability Leadership, which enhanced understanding of ESG matters and highlighted the role that our leadership will play in tackling the social, environmental and climate challenges facing the business.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	The board's competence in climate related issues has been influenced and upskilled by both internal and external expertise, through consistent and regular communication on the Plan for Better. Specifically, two of our board members are accountable for different elements of Plan for Better: Chief Marketing Officer and the Chief Finance Officer. Our criteria for assessing this is completed by ensuring our board members are educated and updated on our sustainability strategy. Our committee also reviews the sustainability strategy, ensuring it is aligned with the company's purpose, strategy, culture, vision and values. The Committee also plays a part in monitoring the business's engagement with stakeholders including customers, suppliers, the community, colleagues, shareholders and government on sustainability and corporate responsibility matters. Attendance was complete this year with all relevant parties attending each of the meetings that were held. Therefore, the board is assessed for competency across all areas of our Plan for Better strategy, as it is integrated within our financial planning. The Board continues to ensure that there is appropriate climate related expertise within the business and has undertaken training provided by the Cambridge Institute for Sustainability Leadership. The Board is accountable for risk management, strategy and target setting, including climate-related matters. The Board monitors how we are responding to climate-related risks and opportunities, identified through the risk management process and scenario analysis. The Board also oversees our Plan for Better strategy, which includes climate-related matters, and is one of our core strategic business priorities. Finally, the Board sets and monitors progress against our climate-related metrics, and this year approved accelerating our Scope 1 and 2 Net Zero target by five years to 2035. We recognise that no individual company can tackle an industry-wide issue, and are therefore working closely with others in the industry through Multi-stakeholder Initiatives. Our CEO is also an active participant in these multi stakeholder industry action groups, and attends regular CEO meetings to discuss strategy, progress, delivery of targets and key industry action.	<Not Applicable>	<Not Applicable>

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)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Sustainability committee <i>CR&S Committee</i>	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (Operating Board)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (Plan for Better Steering Committee)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other, please specify (Plan for Better Working Groups)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other, please specify (Plan for Better Environment Working Groups)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other C-Suite Officer, please specify (Board Chair)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	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).

When we launched our new Plan for Better sustainability strategy in June 2021, we launched with it a new governance process. The PLC Board reviews and guides strategy and major plans of action, overseeing major capital expenditures, acquisitions and divestitures and monitors our progress against our goals and targets (with the Sainsbury's Board chairman and CEO having ultimate responsibility). They preside over Sainsbury's climate-related governance framework and are the principal decision-making body accountable for our Plan For Better strategy and have direct oversight through updates on performance (e.g. periodic review of progress against our Scope 1, 2 & 3 science-based targets) and changes in strategy. Our governance framework includes other management-level positions and committees with climate-related responsibilities, including our CEO, the Corporate Responsibility and Sustainability (CR&S) Committee, Operating Board, our Plan for Better Steering Committee and 3 Plan for Better Working Groups.

Our CEO is a member of the CR&S Committee and chairs our Operating Board. The CEO is responsible for overseeing our Plan for Better commitments and providing regular updates to the PLC Board via our CR&S Committee. Climate-related responsibilities have been assigned to the CEO because their role in the CR&S Committee, Operating Board and Plan for Better Steering Committee places them in a strong position to support with implementing decisions taken at the Board level into day-to-day operations and ensures ongoing representation of related matters at the highest level of the company, and that our strategy remains a key focus for our business.

The principal role of the CR&S Committee is to review and provide oversight of the Plan for Better strategy, ensuring it is aligned with the Company's purpose, strategy, culture, vision and values. The Board Chair has ultimate accountability for ensuring the success of the strategy and sits as Chair of the CR&S committee. The Committee also plays a part in monitoring the business's engagement with stakeholders including customers, suppliers, colleagues, shareholders and government on sustainability and corporate responsibility matters. Climate-related issues have been assigned to this Committee because the group oversees the governance of Sainsbury's being a sustainable business, a key part of which is our climate change strategy. The Committee meets four times a year to discuss progress against our strategy and Net Zero targets. The CR&S Committee provides updates to the Board to ensure that the new approach to sustainability under the Plan for Better commitment remains in focus, aligned with the updated strategy and meets external expectations. The Committee discussed the evolution of our sustainability strategy, building on our Net Zero by 2040 plan to provide feedback and approve our Plan for Better.

The Operating Board, chaired by the CEO, defines business-wide strategy including our sustainability strategy, adapting to new regulatory requirements and trends, reviewing cross-value progress and signing off major climate-related investments. Our Net Zero target acceleration is a good example of the board's oversight. In a critical year for tackling the climate crisis, the business took the decision to accelerate its commitment to Net Zero by 2035, five years earlier than previously stated. The Board was fully supportive of this decision having carefully reviewed the plans and actions required to effectively deliver this.

The Plan for Better Steering Committee supports the Operating Board and leads the operational execution of our Plan for Better, by overseeing working group activity, and monitoring performance against our climate-related metrics. It is chaired by our CMO with cross-divisional representation at Director level. The Plan for Better Steering Committee met six times during the year and provided regular updates to the CR&S Committee and Operating Board in the form of presentations, KPI reports and meeting minutes.

Climate-related issues have been assigned to the Plan for Better Steering Committee due to its direct relationship with the Operating Board and the Plan for Better Working Groups, enabling this Committee to lead the operational execution of Plan for Better Sustainability Strategy, overseeing activities in relation to this strategy, ensuring delivery of performance.

The Plan for Better Steering Committee oversees three working groups: Plan for Better; Environment; and Social. Our key climate-related targets (Scope 1, 2 and 3, water and biodiversity) are managed by the Environment working group.

Our Plan for Better Working Groups are led by Working Group leads and overseen by a Plan for Better Programme Manager. Reporting all activity related to Plan for Better into the Plan for Better Steering Committee, ensures cross-functional working is unlocked and plans are on track to deliver. Related KPIs are reviewed on a quarterly during Working Group meetings.

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
Corporate executive team	Monetary reward	Emissions reduction target	Our remuneration Committee reviews remuneration targets aligned to the sustainability strategy. The Remuneration Committee reviews remuneration for Executive Directors against our Plan for Better strategy, including long-term targets for Scope 1, 2 and 3 GHG emissions. We have long-term remuneration targets for Executive Directors on Scopes 1, 2 and 3. Stretching targets have been set for Carbon reduction Scope 1, 2 & 3 and Plastic reduction. For Executive Directors 80 per cent of the plan will be based on the four key financial measures (retail free cash flow, ROCE, EPS and cost savings). The remaining 20 per cent of the plan will be subject to key strategic indicators (market share, customer, colleague and Plan for Better). Please see page 17 in our FY22 Annual Report for full details.

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	Aligned to our financial planning cycle
Medium-term	5	15	Nearer term to capture transition risks and opportunities
Long-term	15	50	Longer term to capture physical risks and opportunities

C2.1b

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

Climate-related risks are considered as part of our Plan for Better and are measured by principal and emerging risks, which is one of our core strategic business priorities. At the Group level, we have identified 'Environment and Sustainability' as a principal risk and source of uncertainty. Sainsbury's considers reputational, policy and legal both reputational and financial impacts in the context of the Group's strategic objectives. We have a robust process of assessing and measuring environmental and sustainability risks based on a combination of likelihood and impact, considering both financial, policy and legal and reputational elements. We have this strong risk assessment from our own processes as well as now reporting for the Task Force on Climate-related Financial Disclosures (TCFD) by undertaking qualitative and quantitative scenario analyses. We also assess the "gross risk" which is the impact of the risk before existing controls, and the "net risk" which is the risk after the current controls are put in place.

Firstly, the principal risk now also considers our social objectives, for example, to leave a measurable positive impact on the communities we serve and source from and to make Sainsbury's an inclusive place to work and shop. Secondly, we consolidated all climate resilience risks – the impact of changes to the environment on our business model – under this principal risk, where previously climate resilience risks were assessed within each of the relevant principal risks. This change also reflects the related governance and oversight processes.

The severity of all current, short and medium-term risks is assessed based on a combination of likelihood and impact. Likelihood is quantified based on time-based (anticipated timeframe of occurrence) and probability-based (expressed as 1 [remote] to 5 [almost certain]) thresholds. Impact is also assessed on a five-point scale, with each level being assigned a corresponding financial and reputation indicator. Any longer-term risks are considered emerging risks and are reviewed annually by the Ops Board. The potential impact of these risks is measured using similar time and probability-based indicators.

In line with this framework, we define substantive financial impact as one that impacts Sainsbury's revenue by at least £25 million, and substantive strategic impact as one that generates high local/regional media interest (impacting our reputation), and/or an event or series of events that puts the safety and well-being of our colleagues or customers at risk.

Our substantive financial and strategic impact classifications can be triggered either by a single, high-magnitude event and/or a series of lower-magnitude events that combine to create a larger impact and can be influenced by aspects such as the number of affected locations; the magnitude of impacts at these locations; our dependence on a particular facility; or the potential for shareholder or customer concern, amongst others.

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 climate-related risks that could have a substantive financial or strategic impact on our company, and to provide reasonable but not absolute assurance that these risks are understood and managed in line with management's risk appetite, for 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. Climate-related risks (short, medium and long term) are identified through quarterly bottom-up divisional and governance forum risk assessments and then reviewed annually top-down in a dedicated climate risk workshop to assess completeness. This considers our ability to deliver our Plan for Better strategy, including our Scope 1, 2 and 3 targets, as well as physical and transition climate risks impacting our operations and supply chain, including existing and emerging regulatory requirements. Climate risks are mapped against financial and reputational impact (from insignificant <£10 million to severe >£125 million) and likelihood of occurring (from remote to almost certain). To assess the effectiveness of existing climate controls, each risk has three positions: gross risk (before existing controls); net risk (after existing controls); and target risk (management's target position). Climate risks where the impact is not yet well understood are captured separately on an emerging risk map (plotted against likelihood of occurring and timeframe). Each climate risk is assigned a Director-level business owner who is responsible for monitoring and mitigating the risk. Climate risks are agreed once per year at the Plan for Better Steering Committee with Board level oversight from the CR&S Committee. Climate risks and mitigations are monitored throughout the year by the Plan for Better working groups and Steering Committee. To further enhance capacity and ownership of climate risks across the business, the Steering Committee has cross-divisional representation at Director level. To help shape our understanding of the potential implications of both the physical and transition risks associated with climate change, we have conducted both qualitative and quantitative scenario analysis, with the support of an external specialist. Scenario analysis can act as a "stress test" for our current business operations and supply chain and help to explore a range of different outcomes. This has allowed us to evaluate the potential effects on our strategic and financial position under each of the defined scenarios. We have then been able to use the results to inform strategic thinking on how to manage the identified risks and opportunities. The scenarios are built using data from the IPCC over two-time horizons (2030 and 2050) and include a 2°C or lower scenario per the recommendations of the TCFD. These time horizons align with our definition of medium and long term. Greater detail is provided below: 1.5° C - A pathway that limits global warming to below 1.5° C (low physical risk, high transition risk) 2.4° C - Described by the IPCC as an intermediate scenario (medium physical and transition risk) 4.3° C - A high emissions worst case scenario pathway (high physical risk, low transition risk) The output from this climate risk process, in aggregate, is elevated to the Corporate Risk map owned by the plc Board with support from the Audit Committee and forms the basis of the Principal Risks and Uncertainties. The context for our water risk assessments is that the water cycle, which is vital to our operations, is expected to undergo significant change because of climate change. As one of the largest retailers in the UK, it is important for us to have access to enough good quality freshwater now and in the future. To anticipate and better respond to climate change-induced water risks, each year we work with our consultants and use the WRI Aqueduct tool to assess water risk in our operations. The tool provides a wide range of outputs tailored to various aspects of our operations (supermarkets, logistics, etc.), including projections for water stress, seasonal water variability, water supply and water demand across short-, medium- and long-term time horizons. These projections are informed by two different climate scenarios and two shared socioeconomic pathways and provide us with an understanding of the key water-related risks, their likelihood and magnitude as they relate to our operations. The Risk and Internal audit team facilitate "bottom up" risk workshops with divisional leadership teams to identify the key risks which may prevent the achievement of their objectives. A risk map is maintained for each division, setting out key risks and their gross, net and target positions. A consolidated view of relevant risks - and the effectiveness of mitigating activities - are also discussed at relevant governance fora, covering safety, data governance and operational resilience. The Operating Board maintains the overall corporate risk map, which captures the key risks to achieving our strategic objectives. The Operating Board formally reviews the corporate risk map from a "top down" perspective twice a year, to discuss and agree the level of risk that the business is prepared to accept for each key risk. They also review and challenge the output of the bottom up risk process, considering new risks, movements in the position of risks and key themes. The target risk position for the corporate risks is also captured to reflect management's risk appetite, where this differs to the current net position. This enables the Operating Board to agree and monitor appropriate actions as required. A risk dashboard is maintained for each corporate risk, setting out the risk, causes of the risk, key mitigations and any actions to reach the target risk position. Operating Board members also confirm annually that the corporate risk map accurately reflects their view of key risk across the organisation, that they are responsible for managing risks relevant to their division and that internal controls exist to provide reasonable, but not absolute, assurance that the risks in their areas of responsibility are appropriately identified, evaluated and managed; this is also reported to the Board. The Risk and Internal Audit team provide the Audit Committee with a risk management update at each meeting, which includes an overview of changes to the corporate risk map and risk disclosures agreed by the Operating Board for their review and comment. Risk and Internal Audit also provide independent assurance to management and the Audit Committee over specific risk areas as part of their annual audit plan; risk deep dives were also undertaken with the Operating Board and / or Audit Committee for a selection of principal risks, as set out over the following pages. The Audit Committee Chair provides updates to the plc Board.

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. Climate-related risks related to current regulations are always assessed as part of this process, because Sainsbury's is obliged to comply with various climate-related regulations. This risk type is relevant because failure to comply with current regulation may pose both financial (e.g. costs incurred due to penalties) and reputational risks to our company (e.g. customers choosing to do business with another supermarket). As an example of specific risks considered in our assessment, we have identified failure to comply with, or take action to reduce our exposure to, regulation such as Climate Change Levy (CCL). For example, the less action we take to reduce our energy consumption, the more we will continue to pay for CCL. In addition, we have also identified the failure to comply with the Streamlined Energy and Carbon Regulations (SECR and ESOS regulations).
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. Climate-related risks related to emerging regulations are always assessed as part of this process, because Sainsbury's will remain impacted by new climate-related regulation into the future. These risks are relevant because failure to anticipate and prepare for upcoming climate policy developments may pose both financial and reputational risks to our company (e.g. increased costs, tax burden and/or competitor disadvantage). As an example of a specific risk considered in our assessment, we identified emerging regulation related to compulsory reporting on Taskforce on Climate-Related Financial Disclosures (TCFD) as a risk related to the topic of emerging regulation in the UK which is now mandatory. As part of our ongoing assessment, we have identified an introduction of a carbon price leading to an increase in the cost of higher GHG emission products, as well as the ban on sale of petrol and diesel cars as a key potential emerging regulation.
Technology	Relevant, always included	Climate-related risks related to technology are always assessed because Sainsbury's recognises the important role that technology will play in supporting the transition to a lower-carbon, energy-efficient ecosystem. Associated risks are relevant because a delay in pursuing technologies that could enable this transition could impact our ability to mitigate our impact on the climate; it could lead to increased operational costs; and may impact our reputation if we are not perceived as leaders in this area. As an example of a specific risk that we considered as part of our assessment related to the topic of technology, we have identified the failure to convert our in-store lighting to LED and have responded by ensuring they are fitted to all of our supermarkets and we plan to install 100% LED lighting across our entire estate by the end of 2022/23. With increased customer demand for EV charging stations and with the upcoming ban on petrol and diesel cars in 2030, failure to roll out our EV chargers across our properties would be a risk in this area. We have also identified a failure to roll out a sufficient amount of charging facilities across our estate as an example of a risk in this area. We have also identified the risk of not using innovative staff engagement technologies to achieve energy efficiency savings. Through our activity app, we alert staff if their store will be charged for more electricity and encourage them to use appliances in an efficient manner. We provide them with energy saving tips such as switching off ovens, keeping doors closed, switching off lights and air conditioning as well as keeping doors to frozen or chilled areas closed.
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. Legal risks are always assessed because of the potential financial and reputational impacts (e.g. legal and administrative costs, legal fees and fines, awards of damages, and resulting brand damage) associated with this risk type. We have identified litigation claims related to compliance with Ultra Low Emissions Zones across the UK as an example of a specific risk in this area. Ultra-Low Emissions Zones impose charges on drivers of certain vehicles, including delivery vans that do not meet the Euro 6 emissions standard which was expanded to include Greater London in October 2021. Our continued efforts to green our delivery fleet are being taken partly in anticipation that Ultra Low Emissions Zones will continue to be proposed and rolled out across the UK. Introduction of a carbon price leading to an increase in the cost of higher GHG emission products is mitigated through the majority of cost assumed to be passed on to customers to encourage purchase of lower GHG emission products. We are also working with our suppliers to reduce the GHG emissions of our products. There is also the ban on the sale of new petrol and diesel cars from 2030 leading to a reduction in fuel sales, with the provision of electric vehicle charging for customers as they shop at our stores mitigating this. We always comply with all and any legislation. All legislation is built into BAU processes.
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. Market risks are always assessed because of the financial implications associated with not recognising shifts in supply and demand for certain products or services. As an example of this risk type, we have identified that there are increasingly climate conscious consumers that are favouring lower greenhouse gas emissions products. The way our customers shop and eat has benefits for their health and the environment. We want to support our customers to reduce carbon emissions and food waste, helping them recycle more, use less plastic, and guide them to make healthier, more sustainable choices with our "Helping everyone eat better" initiatives.
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. Reputational risks are always assessed because of the financial and reputational implications associated with changing customer or community perceptions of our contribution to or detractor from the transition to a lower-carbon economy. In terms of an example, a risk we have identified in this area relates to our failure to recognise and respond to increased consumer preference for brands with strong climate change and sustainability credentials. For example, if we fail to improve the sustainability of our business and related credentials of our products, our reputation may be damaged, and we may lose a portion of our customers. Climate conscious consumers favour lower GHG emission products, mitigated through development & promotion of lower GHG emission products. We also identified the failure to accurately report on our milestones / achievements (including progress on achieving zero carbon emissions), and lack of internal data to measure / understand the current and future impact of climate change on our business model as specific examples of reputational risk. These risks may result in poor decision making, inadequate investment / remediation, reputational damage, and customer mistrust.
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. Climate-related risks related to acute events are always included within these risk assessment processes because acute physical events may cause significant disruption to our operations and supply chain. By way of example, we have identified the risk of increased flooding events impacting our direct operations by increasing damage and closure to our sites, and one-off major drought events reducing crop yields impacting our supply chain by increasing sourcing costs as key climate-related risks in this area.
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. Climate-related risks related to chronic physical events are always included within these risk assessment processes because longer-term shifts in climate patterns may cause significant disruption to our operations and supply chain. By way of example, we have identified changes in precipitation patterns and extreme variability in weather patterns as a key risk in this area. In terms of supply chain, changing global temperatures are already having an impact on apple supply. To respond to reduced chilling hours (required for colour development on apples) and water shortages in countries like South Africa, we have been working with British Apple Growers for many years to extend the British apple season. Sainsburys have funded and supported Research & Development projects which has resulted in the development of commercial DCA (dynamic controlled atmosphere) storage. This enables our British apple growers to store their product much longer with less risk. As a direct result our sourcing strategy has changed and we now source British Royal Gala from August to July which means Sainsbury's avoid the need for South African royal gala and therefore avoid emissions associated with importing fruit into the UK. For Sainsbury's customers, this means they have good availability of good quality local British apples for longer. Key focus areas of research into this area involve researching living buildings to improve indoor air quality and the environment for our customers and colleagues now and in the future. We have been exploring and trialling how we can reduce uncontrolled air infiltration in our stores, to improve thermal comfort and reduce heating and refrigeration energy consumption. We have also worked with Imperial College to further research and investigate a number of key areas of innovation and, working with Imperial college MSC students, has further developed our understanding in the following: Future UK Climate change scenarios and impacts on cooling demand, smart energy management via Cloud based solutions, sustainable heat provision in energy intensive buildings, Biomass boiler optimisation, the role of CHPs in a Net Zero world, the development of a low carbon roadmap investment strategy to reach science-based targets.

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

Acute physical	Other, please specify (Increased severity and frequency of extreme weather events such as cyclones and floods)
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Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

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. In the short term, a significant increase in flood risk is expected to occur. We have completed qualitative scenario analysis using the World Resources Institute Aqueduct tool to understand the impact of flood risk and water stress on our locations in a 4.3°C scenario (high emission). Improving our understanding of future water-related risks helps us assess the need for future building adaptations, for example flood defences. It is also informing our commitment to be water neutral by 2040, by identifying where water conservation will have the biggest impact. Our stores are located across the UK and many are located in areas that are at risk of flooding. In the past several years we have experienced a number of flooding events, including at our stores in Stirling, Sheffield, Weymouth, Brighouse, Carlisle and Scunthorpe, amongst others. Most recently, in 2021, our sites in Lymington Road (West Hampstead), Whitechapel, Edinburgh and Prenton were all flooded, which shows that our properties continue to be impacted by such adverse weather events. Flooding impacts our operations in a number of ways, including through financial losses resulting from business discontinuity. We also suffer damage to our stock and infrastructure and occasionally equipment. E.g. floods regularly force the temporary closure of our sites and in some cases prevent access to our stores. During store closures aisles and floors are cleaned, repaired and restocked. In addition to the costs of repair, we can experience reduced revenue due to loss of sales and additional spend on new stock to replace damaged inventory. It can also hinder access for customers and suppliers. Crucially, flooding can also jeopardise the safety of our employees and customers. Although there are a number of potential financial impacts, decreased revenues due to reduced production capacity is our primary potential financial impact. This is defined as a substantive risk as the financial impact of flooding at several stores can exceed our financial threshold as defined in C2.1b, but also because these events have the potential to put the safety of our employees and customers at risk.

Time horizon

Short-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)

<Not Applicable>

Potential financial impact figure – minimum (currency)

100000

Potential financial impact figure – maximum (currency)

3000000

Explanation of financial impact figure

The cost of a flood event will depend on the number and type (e.g. supermarket, store, distribution centre, etc.) of locations impacted, the existence of flood defences at individual sites, as well as the number and magnitude of the flooding events experienced in any given year. We estimate the potential financial impact to be between £100,000 to £3,000,000 in a typical year, based on flooding events and resulting financial impacts from previous years. We will not provide a quantitative breakdown of these figures because this information is business sensitive. However, in line with the CDP Guidance, we will provide a qualitative breakdown: these figures are primarily associated with loss of business continuity (reduced revenues) but also include costs associated with cleaning, restocking, refurbishing, replacing damaged equipment, and the installation of temporary or permanent flood defences. Our minimum financial impact figure assumes a limited number of locations being impacted by minor flooding events, and is associated with site closure and cleaning costs. The figure also assumes that the locations would only have to close for a short duration (e.g. less than a day), and that no equipment and only a limited amount of stock would need to be replaced. Our maximum financial impact figure assumes that four or five of our larger revenue-generating locations would be impacted by significant flooding events, requiring the extended closure (e.g. several days) of our locations in addition to replacing equipment, cleaning, restocking damaged inventory and installing permanent flood defences.

Cost of response to risk

1932000

Description of response and explanation of cost calculation

Management of flood risk demands a detailed understanding of the risk to individual locations. Rapid identification and continual assessment of dynamic flood situations as they evolve is key. We have developed a flood modelling application for our stores, which utilises geospatial mapping of our locations to accurately predict flood location and threat level and includes a real-time flood warning system. Although we continue to experience floods, in 2021 the tool has been effective at preventing and minimising flood-related impacts across our estate by enabling us to make informed and timely decisions to minimise the impacts of flooding. We expect the tool to continue to improve Sainsbury's resilience and prevent future financial and operational impacts. The application has prompted us to put several action plans in place, from long-term flood mitigation investment to enabling sites' response, to evolving flood risks. Examples include site-specific vulnerability ranking reports, helping to determine the most appropriate emergency, temporary or long-term mitigation plans. We have developed flood emergency plans for at-risk locations, outlining processes for Facilities Managers to follow during a flooding event (e.g. use of sandbags or installation of flood barriers). We have made capital investment in sites at continuous high risk of flooding. Additionally, if local conditions demand a rapid response, we have 300 metres of Boxwall, stored at 6 Regional Containers around the country, this is a freestanding temporary flood barrier designed for fast response to flood threats in an urban environment, on hard and even surfaces like tarmac and concrete. It can be assembled in minutes by one Technician and can dam 0.5m of water. There are 65 High Risk locations that currently have an onsite stock of Floodsax. As this data is business sensitive, we will not provide a quantitative breakdown of our cost of response to risk. However, in line with the CDP Guidance, we will provide a qualitative breakdown: the cost of response to risk figure represents the contract cost associated with maintaining our flood warning system and the most significant investments in flood defences. These include the installation of flood defences at our Carlisle and Tadcaster locations, investment in temporary flood defences including Boxwall and Floodsax and the installation of door opening barrier protection across our estate. These combined costs come to approximately £1.932 million.

Comment

N/A

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Chronic physical	Other, please specify (Changes in precipitation patterns and extreme variability in weather patterns)
------------------	--

Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Sainsbury's sources its own-brand products from the UK and 60 other countries. A significant physical climate risk to the business relates to market volatility and disruptions to the supply of commodities due to climate-induced weather events. The IPCC estimates that all aspects of food security are potentially affected by climate change, including food access, utilisation, and price stability. Chronic physical impacts, such as changes in precipitation patterns and extreme variability in weather patterns, could impact the availability, quality, and long-term security of supply of many of our key products, which could lead to decreased revenues due to reduced production capacity. To assess the costs associated with the increased likelihood of flooding, drought and heat events, we evaluated the production of citrus fruits, lettuce, berries and potatoes in Spain and the UK. These food items are particularly vulnerable to climate change and likely to result in crop failure. Sainsbury's sources a range of fresh produce and commodities from the CamEO & Broadlands catchments which sits across Cambridgeshire and Norfolk. The products include potatoes, vegetables, cereals and poultry, and we rely on this region to supply these products all year round. The demand for water for irrigation, decreasing water quality status and increasing pressure from residential properties means the catchment faces significant water stress on three fronts: water quality, water access and water availability. Shifts in precipitation patterns and extreme variability in weather patterns could impact our ability to maintain continuity of supply from these regions. As another example, cotton is the most widely used fibre in our Tu clothing range, accounting for 44% of our total fibre usage. Cotton is a thirsty crop, accounting for more than 3% of the world's water consumption in agriculture. Higher temperatures and changing rainfall patterns caused by climate change are likely to cause severe water shortages in some areas and increase the prevalence of pests and diseases, in turn negatively affecting yields. We consider our inability to recover / adapt existing supply chains, and identify and develop new supply chains to manage extreme weather events driven by climate change (e.g. crop failures) as a substantive risk in line with our definition in C2.1b that may result in competitor disadvantage and material loss of sales

Time horizon

Long-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)

<Not Applicable>

Potential financial impact figure – minimum (currency)

2541075020

Potential financial impact figure – maximum (currency)

2840025075

Explanation of financial impact figure

To assess the costs associated with increased likelihood of flooding, drought and heat events, our TCFD quantitative scenario analysis evaluated the production of citrus fruits, lettuce, berries and potatoes in Spain and the UK. These food items are particularly vulnerable to climate change and likely to result in crop failure. We considered two scenarios, one where global warming reaches 4.3°C (high emission) as a result of no global action taken to reduce emissions, leading to extreme physical risks long term, and a 1.5°C (low emission) scenario where the Paris Agreement is met but physical risks are still experienced. Our physical risk modelling focused on Spain and the UK where a significant amount of our produce is grown. Our scenario analysis considered the impact of these acute physical risks and resulting diminished /lost crop yields, resulting in increased costs in our supply chain. We assumed additional costs are passed on directly to the consumer, reducing demand and impacting revenue. Revenue loss is based on 2021 produce sale figures and assumes no action taken to mitigate risks. We estimated a reduction of sales of up to £75m in 2050 under a 4.3C scenario and up to £35m in 2050 under 1.5C scenario. Based on current conditions, USDA's ERS Consumer Price Index for all food is projected to increase in 2022 by 8.5% - 9.5%. This is considered the principal indicator of changes in retail food prices and is closely followed by industry. Forecasting changes in CPI for food is important due to the changing structure of food and agricultural economies. The USDA notes that increases may partly materialise as a result of large disruptive weather events occurring in key food producing regions. We rely on the CPI to calculate estimated financial impact range for this risk. We assumed that, if the risk was to materialise, the price increases would be added directly to our supply chain costs and impact our bottom line. Our financial impact figure is associated with decreased revenues due to reduced production capacity. We therefore multiplied our 2021 revenue by 8.5% to derive the minimum financial impact figure: 29,895,000,001 * 0.085 = £2,541,075,000. The same approach was used to calculate the maximum potential financial impact: 29,895,000,001 * 0.095 = £2,840,025,000. Should we experience an 8.5% to 9.5% increase in food prices our bottom line could be impacted by £2,541,075,000 (low-end of the estimate) to £2,840,025,000 (high-end of the estimate).

Cost of response to risk

1700000

Description of response and explanation of cost calculation

We respond to climate risk impacts in our supply chain through supplier engagement, partnerships and industry collaborations with the aim of increasing the resilience of our supply chain through supporting adaptation and mitigation activities. We engage and work with our suppliers to understand their adaption plans and supply chain adaption options e.g. higher altitude locations, lower flood risk areas, vertical farming, glass growing structures, reservoirs, drainage channels, drought & temperature resistant crops. We have a long history of collaboration to progress sustainable sourcing of palm oil, cocoa, soy and timber, and are committed to sourcing 100% of our key materials to an independent sustainability standard. We are members of organisations including the Retailer Collaboration, Retailers' Palm Oil Group, Retail Soy Group, Roundtable for Sustainable Palm Oil and the World Cocoa Foundation. Participating in these organisations enables us to collaborate with global players to advance progress across sustainability issues including those related to supporting our suppliers with climate change mitigation and adaptation. One of the ways we mitigate flood risk is to utilise multiple growing locations for a crop. E.g. for UK grown Brassicas we use three distinct areas: Cornwall, East Anglia and Scotland. These areas have similar growing conditions but are far enough apart to reduce the risk of all areas suffering from a severe weather event. To monitor environmental resilience, in 2021, we have been working with our orchard growers and scientific experts from NIAB to assess orchard soil health. We set out to adapt techniques from broadacre field crops into orchard systems allowing farmers to test and monitor soil health over-time, ensuring they are resilient and productive. Healthy soils can be more adaptive to a changing climate and still produce affordable, safe, and nutritious food for our customers. We will not provide a quantitative breakdown of our cost of response to risk as this information is business sensitive. However, in line with the CDP Guidance, we will provide a qualitative breakdown: our cost comprises recent investments and earmarked funds for direct supplier engagement activities related to increasing the resilience of our supply chain (e.g. Brassicas case study) and our membership costs in industry collaborations and partnerships such as those above. Our total cost of responding to this risk is approximately £1,700,000.

Comment

N/A

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Carbon pricing mechanisms
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Energy legislation in the UK has seen several changes recently, with the Carbon Reduction Commitment (CRC) being replaced by an increased Climate Change Levy (CCL). The CCL is a tax on energy delivered to non-domestic users in the UK and aims to provide an incentive to increase energy efficiency and to reduce carbon emissions. The CCL, which is considered a carbon pricing mechanism, has increased since its inception and impacts our entire organisation in the UK. The CCL will remain a risk for Sainsbury's because we are significant consumers of energy, and as such, it will continue to represent a significant cost on top of our indirect (operating) costs. The CCL is also forecast to increase in the next couple of years. Since the replacement of the CRC, Sainsbury's has paid at minimum £11 million per annum in CCL fees. As part of our TCFD work we have assessed Carbon price impacts further. To assess the estimated Carbon Price impact under the three different scenarios in 2030 and 2050. How: We used data from the SSP Public Database (Version 2.0). SSP scenarios are high-level narratives about how global society will progress through 2100, and models include projections for carbon prices. We then selected the relevant SSP and RCP combination and then extracted the data. The SSP Public Database houses the socioeconomic forecasts behind these narratives, SSP scenarios were developed in the early 2000s and were used as recently as August 2021 to feed into the IPCC 6th Assessment Report. Carbon price projections are available in US \$2005-dollar terms per tCO₂ was converted to 2021 £ prices. Due to inflation \$1 in 2005 is equivalent to \$1.40 today. The dollar had an average inflation rate of 2.12% per year between 2005 and today, producing a cumulative price increase of 39.79%. As of September 2021, \$1.40 to GBP£ is £1. This carbon price values were then applied to the emissions in production of MFP products, this was calculated using carbon trust value that Sainsbury's had used in their Scope 3 emissions calculations. We consider this to be a substantive risk in line with our definition in C2.1b because the associated financial implications can exceed our quantitative threshold for this indicator over the course of the next five years, which is the period over which we monitor costs associated with this risk.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

60000000

Potential financial impact figure – maximum (currency)

78000000

Explanation of financial impact figure

The CCL has cost Sainsbury's approximately £12 million in the 2021/22 reporting period. This figure has been calculated by and provided to us directly by our utilities manager who is responsible for overseeing our utility bills. The 2021/22 figure is based on multiplying our applicable energy consumption (e.g. electricity, natural gas) by the 2021/22 CCL rate. We monitor the financial implications of complying with the CCL five years into the future, and as such, we have calculated an estimated financial impact range over this time-period. These figures relate to an increase in our indirect (operating costs). Based on UK government forecasts, our assumption was that Sainsbury's will not pay less than £12 million per year in the next five years, so we used £12 million multiplied by 5 to derive the minimum potential financial impact figure of £60 million (in line with the timeframe of 5 years for monitoring this risk). For our maximum financial impact figure over the next five years, we have inflated the minimum financial impact by 30% - this assumption is conservative in that it relies on the increase in CCL rates from 2016 to 2021 but applies the 30% for each year over the next five years as opposed to a phased increase over time. In line with this approach, we multiplied £60 million by 1.3 (30% increase) to derive £78,000,000. We anticipate that the likelihood of us having to pay more than the figure at the higher end of this range is low.

Cost of response to risk

48947939

Description of response and explanation of cost calculation

Our primary response to this risk has been in the form of our Project Graphite initiatives. This year we announced the acceleration of our carbon emissions target to become Net Zero in our own operations by 2035, five years earlier than our original ambition. This acceleration is accompanied by a detailed Net Zero roadmap and decarbonisation strategy, clearly aligning the emissions pathway required and the prioritised investments in energy efficiency and carbon reduction projects at the required delivery rate to achieve this. This focuses on our built estate and delivery fleet We have committed to investing £1 billion to achieve Net Zero and much of the delivery of this is through our Graphite investment programme. During 2021/22 this has included: deployment of the Refrigerated Integrated Heating and Cooling (RIHC) system within our stores. This removes the need for gas and therefore our dependence on fossil fuels, efficiently electrifying heat in the store, supplied by 100% renewable electricity. RIHC uses an innovative single system to provide all the stores' refrigeration, cooling, and heating requirements. In 2021/22, we hit a key milestone with the rollout of LED lighting to 100% of our supermarket estate, reducing lighting energy consumption by an average of 70 per cent. We plan to install 100 per cent LED lighting across our entire estate by the end of 2022/23. We have worked to optimise our Solar estate to improve generation and reduce dependence on grid electricity. Our cost of response to this risk comprises of £48.9 million that we have spent across our portfolio through project Graphite this year. This includes LED lighting 19,576,491 + Efficiency and innovation measures: 937,307 Solar optimisation: 1,321,871, Refrigeration replacement: 25,397,000 and RIHC and new stores: 1,715,270. This equates to 19,576,491 + 937,307 + 1,321,871 + 25,397,000 + 1,715,270 = 48,947,939 Although this is an annual figure, the investments made will have energy and GHG emissions savings implications years into the future; therefore, it is an appropriate figure to use for explaining how we are responding to a risk that we manage five years into the future.

Comment

N/A

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Market	Other, please specify (Changes in consumer preferences away from higher GHG emission animal protein - Climate conscious consumers favouring lower GHG emission products and impact of carbon taxes)
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Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Sainsbury's is expecting that there will be changes in consumer preferences away from higher GHG emission animal protein. We also expect that there will be an implementation of carbon taxes on meat, fish and poultry. MFP products by factoring in the emissions associated with production and in our supply chain. The carbon prices applied in our scenario analysis align with IPCC data. We considered how prices of MFP products could subsequently increase and assumed that additional costs would be passed on directly to the consumer, further reducing demand. The analysis assumed that products associated with the highest emissions would be most avoided by consumers. The results illustrate a potential revenue loss when looking at the MFP category in isolation in a 1.5°C (low emissions) world in which physical risks associated with climate change are limited but high transition risks are experienced as the world attempts to meet the Paris Agreement. However, this looks at the MFP product category in isolation and assumes no actions are taken to mitigate risks, so does not capture the overall opportunity at Group level of developing and promoting lower GHG animal protein and nutritionally positive meat alternatives to capture switching calories from existing and new customers. Case study – Integrated beef scheme: Our market-leading integrated beef scheme uses selected Aberdeen Angus genetics, resulting in a more sustainable, highly consistent, and traceable beef product for our customers and we are working to fulfil our entire Taste the Difference tier. The genetics used to improve the sustainability of our beef, is estimated to deliver a 20 per cent reduction in overall GHG emissions and a 40 per cent reduction in methane. This is defined as a substantive risk as the financial impact as it can exceed our financial threshold as defined in C2.1b.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

350000000

Potential financial impact figure – maximum (currency)

450000000

Explanation of financial impact figure

To assess the costs associated with changes in consumer preferences, we evaluated the production of MFP products in the UK and the production of animal feed globally. Our analysis considered the impacts of a carbon price on the cost of MFP products by factoring in the emissions associated with production and in our supply chain. The carbon prices applied in our scenario analysis align with IPCC data. We considered how prices of MFP products could subsequently increase and assumed that additional costs would be passed on directly to the consumer, further reducing demand. The analysis assumed that products associated with the highest emissions would be most avoided by consumers. The results illustrate a potential revenue loss when looking at the MFP category in isolation in a 1.5°C (low emissions) world in which physical risks associated with climate change are limited but high transition risks are experienced as the world attempts to meet the Paris Agreement. However, this looks at the MFP product category in isolation and assumes no actions are taken to mitigate risks, so does not capture the overall opportunity at Group level of developing and promoting lower GHG animal protein and nutritionally positive meat alternatives to capture switching calories from existing and new customers. The Group's scenario analysis performed as part of the Task Force on Climate-Related Financial Disclosures (TCFD) report identified that the four most material climate-related risks were drought, flooding, carbon taxes and changes in consumer preferences. Produce, Clothing, Meat, Fish and Poultry (MFP), Dairy and Fuel were the product categories most exposed to the climate-related risks. Changes in consumer preferences in MFP was identified as the risk most vulnerable to transitional risks and modelling this risk in isolation to 2030 in a 1.5°C scenario, assuming no actions are taken to mitigate risks, calculated a £300 million to £350 million loss in revenue. We also included a scenario surrounding the implementation of carbon taxes which would affect the revenue loss to MFP by £50-100 million. Therefore the potential minimum financial impact figure is 300 + 50 million = £350 million and the maximum financial impact figure is 350 + 100 million = £450 million.

Cost of response to risk

250000

Description of response and explanation of cost calculation

Our aim is to mitigate and differentiate ourselves, by developing lower GHG emission animal protein within existing product. We can do that in two ways. We can shift customer behaviour towards lower GHG emissions meat proteins and products and produce alternatives with the promotion of nutritionally positive meat alternatives to capture switching calories from existing and new customers. Other plans we have are working with suppliers to reduce GHG emissions with supplier targets, animal health and welfare and feed efficiency. We are also working to offset and work with suppliers to sequester carbon in our supply chains by planting trees, protecting peat land and mangroves, as well as innovating with investment to further reduce GHG emissions. E.g. methane reducing food additives. As a case study, our market-leading integrated beef scheme uses selected Aberdeen Angus genetics, resulting in a more sustainable, highly consistent, and traceable beef product for our customers. We are working to fulfil our entire Taste the Difference tier. The genetics used to improve the sustainability of our beef, is estimated to deliver a 20 per cent reduction in overall GHG emissions and a 40 per cent reduction in methane. This year we have also launched 6 new product launches of plant-based foods. We will not provide a quantitative breakdown of our cost of response to this risk as this information is business sensitive. However, in line with the CDP Guidance, we will provide a qualitative breakdown: our cost is comprised of both internal and external resource cost and the development of our R&D strategy. The cost of response to risk is £250,000.

Comment

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

Climate change and resource scarcity are complex global challenges, which affect every part of our business. To grow our business sustainably, we are cutting carbon and maximising energy efficiency. Investing in Engineering innovation to maximise Carbon, energy and cost savings. This year we announced the acceleration of our carbon emissions target to become Net Zero in our own operations by 2035, five years earlier than our original ambition and in line with the highest ambition of the Paris Climate Change Agreement, to limit global warming to 1.5 degrees Celsius. This acceleration is accompanied by a detailed Net Zero roadmap and decarbonisation strategy, clearly aligning the emissions pathway required and the prioritised investments in energy efficiency and carbon reduction projects required to be delivered at the required delivery rate to achieve this. Our Graphite investment programme specifically funds this programme of work and Graphite 11 saw us achieve our target to install LED in 100% of supermarkets. This presents an opportunity due to the return on investment of projects and our ability to meet our Science based and Net Zero targets. Specifically, we see an opportunity for carbon reduction and efficiency improvements in the following areas throughout our operations: reducing demand for energy and continuous efficiency improvements, electrification/decarbonisation of heat, removal of HFC refrigerant gases and the move to natural alternatives, zero carbon vehicles and infrastructure and the move to 100% renewable energy and clean gas alternatives. We consider this a substantive financial opportunity because the cost savings associated with the above initiatives are likely to exceed our threshold of £25 million in the short-term as described in C2.1b.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

6168366

Potential financial impact figure – maximum (currency)

6817668

Explanation of financial impact figure

Our approach to calculating the potential financial impact range is through detailed assessments of the expected energy savings and resulting cost savings associated with investments in energy efficiency and carbon reduction initiatives during the reporting year. Our financial impact values represent an annual range, and they are based on the assumption that we will realise similar savings (plus or minus 5%) in future reporting years as we did during 2021/2022. To arrive at our estimated range, we calculated the potential opportunity in cost savings (returns on investment in low-emission technology) from reduced energy consumption associated with our Project Graphite programme (see 'Strategy to realize opportunity' column) as follows: Our programme has saved 41.3 million kWh's in 2021/22 (e.g., our LED lighting roll-out at 401 stores, RIHC installed at 5 stores and Solar optimisation at 135 stores) We have multiplied the kWh savings associated with the projects by the relevant unit rates to derive an annual savings figure of £6.5m. We multiplied £6,493,017 by 5% ($* 0.05 = 324,651$) and subtracted the result from our 2021/2022 estimated savings to derive the minimum expected annual financial impact figure as follows: $£6,493,017 - 324,651 = £6,168,366$. We added the same 324,651 figure on top of the 2021/2022 savings figure to derive our maximum potential financial impact figure as follows: $6,493,017 + 324,651 = £6,817,668$ Note that this is an annual potential financial impact estimate and we anticipate similar annual cost savings in the near future.

Cost to realize opportunity

48947939

Strategy to realize opportunity and explanation of cost calculation

Sainsbury's has committed to spend £1 billion to become Net Zero in our operations by 2035, this is built into our financial plan, approved by the Board. We have a decarbonisation strategy that is integrated within the main property investment programme. This covers our award-winning Graphite Programme. We have created and aligned our Net Zero Roadmap with the store investment programme, taking into account lifecycles, benchmarking data and Carbon emission considerations, ensuring Graphite investments are the most impactful from a Carbon perspective. We have a clear and accelerated investment programme up to 2035 ensuring the required project run-rate to reach Net Zero. We consistently invest in Engineering Innovation. A key focus of which has been the deployment of the Refrigerated Integrated Heating and Cooling (RIHC) system within our stores. This removes the need for gas, efficiently electrifying heat in the store, supplied by 100% renewable electricity. RIHC uses an innovative single system to provide all the stores' refrigeration, cooling, and heating requirements. It is installed as refrigeration is replaced and alongside additional efficiency measures, resulting in a Net Zero store. This has taken place in 5 existing and 3 new stores in 21/22 saving 30% in energy consumption. In 2021/22, we hit a key

milestone, installing LED lighting to 100% of supermarkets, reducing lighting energy consumption by c70% and saving over 26,886,987 kWh. We have worked to optimise our Solar estate to improve generation and reduce dependence on grid electricity. Detailed post investment reviews take place following investments to identify the carbon, cost and energy savings, providing confidence in the programme and supporting further deployment of similar projects. Our cost to realise this opportunity is the total investment in facility-level carbon and energy-reduction initiatives associated with Project Graphite and refrigeration replacement. In 2021/22 was: £48,947,939: £23,550,939 is associated with energy efficiency including new and existing store efficiency improvements – covering LED, RIHC and optimisation of Solar PV. £25,397,000 is associated with our CO2 refrigeration replacement programmes. £25,397,000 + £23,550,939 = £48,947,939. This is a one-time investment, whereas the potential financial impact figure will be realised on an annual basis with an average payback of approximately 4 years.

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

Reduced water usage and consumption

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

The IPCC 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. As one of the largest retailers in the UK, we depend heavily on the availability of sufficient quantities of good quality freshwater to ensure business continuity. Reducing our water usage across our direct operations represents a significant opportunity for Sainsbury's from both a financial and reputational perspective. By anticipating climate change-induced shifts in weather patterns ahead of competitors and implementing water efficiency and harvesting measures, Sainsbury's has an opportunity to make savings in operational costs and simultaneously reinforce our position as a leader in tackling water-related issues. We are driving towards water neutrality across the business by 2040. We use about a billion litres of water a year less than we did in 2005, even as we grow our estate, but continue to review every aspect of water across the business, measuring and lowering the amount of water used across our estate by as much as possible. Specifically, Sainsbury's sees an opportunity to reduce our water usage primarily through improving the way we measure our water consumption (thereby enabling us to prioritise certain locations and/or processes); installing water saving technologies; rolling out rainwater harvesting installations; and our transition to self-supply across England. We consider this a substantive strategic opportunity because of the reputational benefits associated with pursuing this opportunity (see C2.1b for our definition). Over the medium- to long-term the cost savings associated with the above initiatives will also exceed our threshold of £25 million.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1245750

Potential financial impact figure – maximum (currency)

1710000

Explanation of financial impact figure

Our potential financial impact figures relate to reduced indirect (operating) costs and comprise three values: 1) estimated cost savings not currently being realised due to faulty meters and rainwater harvesting systems; 2) cost savings from continued installation of water saving technologies e.g. direct flush, food prep taps and metering 3) costs associated with purchasing water from wholesalers versus water self-supply (which leads to reduced costs). Our potential financial impact figures were calculated by our external consultants, who determined the value by analysing existing meter readings and estimating cost savings based on the repair of faulty meters and maintenance of existing rainwater harvesting facilities. It was determined that if all rainwater harvesting meters were functioning correctly, Sainsbury's could demonstrate mains water savings of approximately 2.5 to 3 billion litres. This was calculated from the 1 billion litres above which was doubled to account for the whole of the estate functioning correctly (our external consultants estimate that we could double our savings by repairing faulty meters), plus 25% and 50% added, respectively, as assumptions of further savings once remedial works have been carried out. In line with these calculations, we estimate we could save between £695,750 and £835,000 a year from harvesting rainwater (based on the same assumptions above with all systems working on rainwater). We have completed the installation of AMR to all RWH systems so expect this saving to be realised. In terms of cost savings from the installation of water saving technology, we calculate future annual savings of between £50,000 to £75,000. This is the water saved through installing taps with features such as reduced flow rates and sensors in the coming years. In terms of the cost savings that we stand to realise from our move to self-supply, we have calculated an annual figure of c£500,000-£800,000 this is the difference achieved by paying the wholesalers directly under a self-supply arrangement. Our potential minimum financial impact figure has been calculated as follows: £695,750 + £50,000 + £500,000 = 1,245,750. Our potential maximum financial impact figure has been calculated as follows: £835,000 + £75,000 + £800,000 = £1,710,000 In addition to the financial saving this provides greater control over our water management, including increased meter readings, data accuracy and more effective leak detection and repair.

Cost to realize opportunity

253000

Strategy to realize opportunity and explanation of cost calculation

In terms of our strategy to realise this opportunity, an important first step in our water-saving strategy is to establish how much we already use, so we can determine a benchmark to work from. We do this by checking our data to ensure we eliminate and query anomalies. To help us achieve a more accurate data, we have begun installing automatic meter-reading (AMR) devices on our main water supplies and on our Rainwater harvesting systems– along with carrying out water audits. Using this data, we can then look for and understand the areas where savings can be made. These range from identifying sites where we use a lot of water, so it could be reduced through technological interventions, to simply finding water leaks to fix. We then install water-saving devices in the right places – such as waterless urinals, low-flow toilets,

percussion taps, and reclaimed-water carwashes. We also continue to rollout rainwater harvesting systems across our estate in order to recycle water. We currently have just over 120 rainwater harvesting (RWH) systems across our estate, and this year we have carried out a number of maintenance projects to improve the functionality of our existing RWH facilities, along with installing AMR metering. In 21/22 we secured funding to install a further 10 Rainwater harvesting systems. In March 2021, we began the transition of our English estate to 100 per cent self-supply. Self-supply is where a customer buys water supply and wastewater services from the water company and provides their own retail services. We decided to invest in self-supply so that we would have greater control over our water management, including meter readings, the accuracy of data and future water reduction activities. In terms of an explanation of our cost calculation to realise this opportunity, we have added costs associated with performing planned updates, remedial action, rolling out RWH AMR systems across our estate; the installation of food prep taps and additional water metering and the cost of transitioning to self-supply (licence costs) as follows: £250,000 (Water efficiency, remedial works and AMR metering) + cost of transitioning to self-supply: £3,000 (licence fee). As such, our total cost to drive towards realising this opportunity is £250,000 + £3,000 = £253,000

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

Use of more efficient modes of transport

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Climate change and resource scarcity are complex global challenges, which affect very part of our business. To grow our business sustainably, we are cutting carbon and maximising energy efficiency. In 21/22 we announced the acceleration of our carbon emissions target to become Net Zero in our own operations by 2035, five years earlier than our original ambition. This is in line with the highest ambition of the Paris Climate Change Agreement, to limit global warming to 1.5 degrees Celsius. We have committed to invest £1billion to achieve this. During our time at COP26, we became signatories to a joint declaration with the aim of accelerating the transition to 100 per cent zero emission cars and vans within our business. A key focus area within our Net Zero Roadmap is the decarbonisation of fleet and we are testing and implementing a number of solutions across our delivery, recognising that there is a significant opportunity in this area to both significantly reduce our Scope 1 emissions, contributing to the achievement of our Science based targets, along with reducing operating costs. We consider pursuing opportunities related to the use of more efficient modes of transport to be a substantive strategic opportunity in line with our definition as describes in C2.1b because of the reputational benefits associated with rolling out innovative, lower emission technologies across our delivery fleet. We envision that over time this opportunity will also become substantive from a financial standpoint.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

361000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Our approach for calculating the potential financial impact figure (which relates to the reduced whole life cost of ownership versus Diesel trailers) was to estimate the cost savings associated with the introduction of five fully electric refrigerated trailers over the course of their lives, versus our standard trailers that use Diesel fuel for refrigeration purposes. We have carried out internal calculations and expect that the financial impact, and therefore saving, associated with our electric refrigerated trailer roll-out will exceed the extra cost associated with rolling out the new technology. Our internal calculations assume that, in comparison with a diesel trailer equivalent over a 10-year timeframe and based on the total cost of ownership, we will save approximately £72,200 per electric trailer and £361,000 for 5 electric trailers. Per annum this would be £36,000 for 5 trailers. We will monitor the results and ongoing associated financial impact over the ten-year period.

Cost to realize opportunity

1103910

Strategy to realize opportunity and explanation of cost calculation

In July 2021 we were the first UK retailer to introduce fully electric refrigerated trailers to our delivery fleet, offering a more sustainable solution for the transport of groceries. The refrigerated trailers do not emit carbon emissions or particulate matter such as dust and soot. The innovative technology runs on electricity rather than diesel, adding charge back into the battery by converting kinetic energy into electricity, keeping the onboard fridges cool, reducing energy consumption and the environmental impact of the vehicle. To further support our transition from diesel to a zero-carbon fleet, we launched several R&D projects. One with fleet electrification specialists Flexible Power Systems (FPS) who are supporting us to fully understand the required infrastructure, vehicle specification and charging needs, producing a roadmap to inform our investment strategy. We have also worked with Dynamon to identify the optimum electric vehicles, battery size and infrastructure by reviewing telematics and real-life vehicle performance linked to particular routes, providing a fast-tracked informed approach to investment in EV vans. We have committed to fully electrifying our grocery online delivery fleet by 2030. To achieve this, we are working with manufacturers and testing electric vehicles within our fleet today, investing in EV infrastructure in our London Nine Elms store as a test bed for these trials. In terms of the 5 electric trailers launched, the total cost of ownership has been provided as this is the most accurate figure, incorporating lease cost, R&M and fuel, based on 10 years of life. In line with the above, the cost to realise this opportunity is the whole life cost of the trailers (over 10 years) multiplied by the number of trailers. The calculation is as follows: 5 * £169,182 = £845,910. In terms of investing in research, testing and trialling EV's and charging infrastructure, the cost has been £258,000. The total cost to realise the opportunity is therefore £845,910 + £258,000 = £1,103,910. Our expectation is that these tests will support significantly in our overall opportunity to transition to EV and, as the technology develops and with economies of scale, prices will reduce making the electric trailers more financially viable for further investment. We will continue to introduce fully electric refrigerated trailers to the delivery fleet in line with our Net Zero by 2035 plans, helping us to plan for a better future.

Comment

N/A

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan

Yes

Mechanism by which feedback is collected from shareholders on your transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

Our emission reduction targets are aligned with a 1.5-degree world and approved by the SBTI. Our transition plan is discussed at the AGM, however, the past year has seen us host our first ESG investor event and our sponsorship of COP26. We have worked on improving transparency and increasing disclosures in our Annual and Plan for Better reporting, along with our first SASB disclosure and implementation of TCFD. A video of the full ESG day can be seen here <https://www.about.sainsburys.co.uk/site-services/esg-event-2021> A transcript of the day can be seen here <https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/reports-and-presentations/2021/sainsburys-esg-event-transcript.pdf>

Frequency of feedback collection

Annually

Attach any relevant documents which detail your transition plan (optional)

Plan for Better and Annual Report
Sainsburys Plan for Better 2021-22 Sustainability Update (1).pdf
J Sainsbury plc Annual Report and Financial Statements 2022.pdf

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario		Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios	Customized publicly available physical scenario	Company-wide	1.5°C	The Group’s scenario analysis performed as part of the TCFD report identified that the four most material climate-related risks were drought, flooding, carbon taxes and changes in consumer preferences. Produce, Clothing, Meat, Fish and Poultry (MFP), Dairy and Fuel were the product categories most exposed to the climate-related risks. To further build on these qualitative results, we adopted a quantitative approach to determine the potential financial impacts associated with the identified material climate risks for each exposed product category. The scenarios are built using data from the Intergovernmental Panel on Climate Change (IPCC) over two-time horizons (2030 and 2050) and include a 2°C or lower scenario per the recommendations of the TCFD. These time horizons align with our definition of medium and long term. Greater detail is provided below: 1.5°C – A pathway that limits global warming to below 1.5°C (low physical risk, high transition risk), 2.4°C – Described by the IPCC as an intermediate scenario (medium physical and transition risk), 4.3°C – A high emissions worst case scenario pathway (high physical risk, low transition risk). Through our analysis we identified transition risks to be more material leading up to 2030 as the global community strives to limit global warming to below 1.5°C, whereas physical risks are expected to manifest by 2050 if transition goals are not met. Furthermore, extending transition risk analysis beyond 2030 also introduces a significant amount of uncertainty to our analysis. Our analysis of MFP extends to 2030 as the product category is most vulnerable to transition risks, namely carbon taxes and changes in consumer preferences. Our quantitative analysis for Produce extends to 2050 to capture the potential financial impacts associated with drought, flooding and heat events. Changes in consumer preferences in MFP was identified as the risk most vulnerable to transitional risks and modelling this risk in isolation to 2030 in a 1.5°C scenario, assuming no actions are taken to mitigate risks, calculated a £300 million to £350 million loss in revenue. The potential financial impact of climate-related physical risks on selected Produce in isolation to 2050 in a 4.3°C scenario calculated a £60 million to £75 million loss in revenue. The Group assessed the effect such losses would have on the recoverable amount of the Retail segment’s store CGUs, and no material impairments were noted.
Transition scenarios	Customized publicly available transition scenario	Company-wide	1.5°C	Our strategic approach to investment in reducing operational Carbon is aligned with a 1.5-degree emissions scenario, which has been mapped out by the Carbon Trust and approved by the SBTi. To support this ambition, we have developed a long-term emissions reduction roadmap aligned to the emissions pathway and reductions required. There are clear emission reduction milestones defined in a long-term reduction plan. This outlines the emission reductions required and deliverable across all contributing areas through each of the following key categories: energy efficiency, electrification of heat, switch to natural refrigerants, zero carbon vehicles and infrastructure, the move to renewable energy and clean gas alternatives, climate resilience and adaptation. The technological solutions and the investment required to deliver these emissions reductions is aligned through our Graphite investment programme.
Physical climate scenarios	Customized publicly available physical scenario	Company-wide	1.5°C	We have collaborated with Imperial College, producing a Strategic Carbon Roadmap for Sainsbury’s addressing heating, electricity and f-gas. Where relevant we have used the scenarios outlined by Future Energy Scenarios produced by National Grid and the UK Clean Growth Strategy from BEIS. This scenario analysis covers our entire store estate and direct operations. The Roadmap provides modelled scenarios up to 2035, indicating projected GHG emissions and suggests “when” and “where” investments with adequate returns should take place to meet our targets. This has contributed to a further understanding of the level of investment required, ensuring the business makes targeted investments aligned to carbon mitigation efforts. The long-term time horizon is appropriate for us because we take a proactive approach to ensuring 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, it outlines the optimal renewable technology for each store, as well as highlighting the order of priority in which investments should take place. 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 technologies we roll out at our locations. The business is currently focusing on improving lighting systems, improving refrigeration systems, and displacing natural gas boilers via heat recovery solutions. The scenarios assessed were composed of sensitivity analysis using techno-economic projections for energy and technology costs. National Grid Future Energy Scenarios provided insight into how the market and carbon footprint of energy vectors might evolve. Key inputs considered were electricity, natural gas, biomethane prices along with PV, CHP and low GWP f-gas system costs. Similarly, the carbon factor of the gas and power grid are considered. The method consists of a sequence of optimisation problems identifying the least cost solutions that decarbonise operations for each site and then ranking them in order of priority; creating an investment programme. The results have influenced our business objectives and strategy, contributing 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.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

Question 1: What impact do the revenue losses identified in our scenario analysis could have on the carrying value of the Group's store assets, by modelling the impact on cash flows? Question 2: What impact does climate change have across our products and supply chain and what are the potential financial impacts associated with the identified material climate risks for each exposed product category? Question 3: What is the resilience of our strategy, taking into consideration different climate related scenarios, including a 2 degree or lower scenario? Question 4: How do we ensure that the rate at which we need to decarbonise our operations in line with a 1.5-degree world, is aligned to our capital and FM programmes to ensure appropriate investment? What level of investment is required to achieve net zero targets within our buildings? Question 5: How do we engage with our academic partner to support our decarbonisation strategy? Question 6: How do we engage with our Supply Chain to ensure we effectively cascade action, target setting and measurement, resulting in tangible emission reductions in line with our Scope 3 Sbti emission reduction targets to reduce by 30% by 2030?

Results of the climate-related scenario analysis with respect to the focal questions

Answer 1: The results do not have a material impact on the Group's impairment considerations. Answer 2: Of the 27 climate-related risks considered through this process, the four most material climate-related risks were drought, flooding, carbon taxes and changes in consumer preferences. We identified Produce, Clothing, Meat, Fish and Poultry (MFP), Dairy and Fuel as the product categories most exposed to the climate-related risks. Full details of financial impact can be seen in question 2.3a. Answer 3: The results of our analysis came out with two potential scenarios: Potential financial impact of climate-related transition risks on MFP products in a low emissions scenario in 2030, Potential financial impact of climate-related physical risks on selected produce crops in a high and low emissions scenario in 2050. Answer 4: Our decarbonisation strategy is integrated within the main property investment programme, from feasibility, to design and delivery. We have aligned our Net Zero Roadmap with the store selection investment programme, considering lifecycles and Carbon emission reductions achievable, ensuring that investments are coordinated and the most impactful from an operational and embodied Carbon perspective – we have a clear investment programme up to 2035 ensuring that we hit the required project run-rate to reach the required emission reductions, in line with our decarbonisation pathway, aligned to a 1.5-degree scenario. We have accelerated our investment programme in line with our 2035 Net Zero target, increasing the number of initiatives deployed and the capital available to do so, particularly from a refrigeration replacement perspective. Answer 5: We have worked with Imperial college to develop a strategic roadmap, benchmarking and identifying stores in order of priority based on carbon intensity, age of asset and lifecycles and store attributes and the likely cost to decarbonise based on this. Where relevant we have used 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 2035, indicating projected GHG emissions and suggests "when" and "where" investments with adequate returns should take place to meet our environmental targets. Answer 6: We have identified and written to 400 of our key suppliers, engaging with them to tackle climate change, requesting they disclose their carbon emissions and reduction action plans through the CDP (food, non-food branded, and GNFR suppliers) or Higg (own-brand clothing and GM suppliers) platform or the Manufacture2030 platform. We have set an expectation that our suppliers should commit to their own Science based targets. This data will feed directly into our understanding of our Scope 3 emissions reduction requirements, as part of our Scope 3 target to reduce Carbon emissions by 30% by 2030.

C3.3

(C3.3) 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	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 footprints. Our strategy in this area has been influenced by climate-related risks and opportunities primarily by prompting us to continually review and improve our product ranges to ensure that we respond to the increasingly environmentally conscious expectations of our customers. Sainsbury's has therefore launched "Helping everyone eat better". We want to support our customers to reduce carbon emissions and food waste, helping them recycle more, use less plastic, and guide them to make healthier, more sustainable choices. We can improve customers health and the planets with nutritious, homecooked and sustainable food. The food choices we make and the way in which we eat has led to food production being the single largest source of environmental change. We want our customers to feel in control of both their health and their impact on the planet, through small steps towards a significant change in eating behaviours without compromising on taste or enjoyability. Last year we became the first retailer to begin disclosing our performance on healthy sales. Robust criteria for the classifications have been developed by our nutrition team, with additional guidance from independent experts. Many of the risks we are seeing from global warming to loss of biodiversity, pollution of waterways, deforestation and land degradation are associated with unsustainable production of food. We work with many research and campaigning organisations. Our partnership with Livestock Environment and People (LEAP) supports environmental research projects with the University of Oxford. As part of one project, we were the first UK supermarket to trial selling meat-alternative products in meat aisles. Our LIDA partnership has enabled us to get a better understanding of customers baskets in relation to the Government's Eatwell Guide. We continue to invest in research to make healthy and sustainable choices easier for customers and have partnered with the IGD and Consumer Goods Forum on their Healthy and Sustainable Diets research projects.
Supply chain and/or value chain	Yes	Sainsbury's has indirect environmental impacts both upstream and downstream from its operations. Understanding and reducing these impacts is a priority for us, partly because we feel it is our responsibility to do so as an environmentally conscious retailer, but also because the risk of supply interruptions and failure to capitalise on climate change mitigation opportunities can have a significant financial and reputational impact on our business. Our strategy in this area has been influenced in several ways. In order for us to meet our Scope 3 SBTi emission reduction commitments, we understand how crucial it is that our suppliers have ambitious carbon reduction goals. We have therefore requested that our key suppliers (those who make up 80% of our emissions) disclose their emissions through CDP and demonstrate year on year improvements to scores. We require all key suppliers to set SBTi targets in line with the latest climate science by 2023, with approval by 2025. This has also been explored through our TCFD reporting. We are also working with WRAP and across industry to develop consistent carbon factors and methodology for measuring scope 3, including both industry average and supplier LCA's. We are working on a WRAP study to develop best practice measuring and reporting. We are also integrating the best available carbon factors into our internal purchasing systems at SKU level, providing dashboards to our commercial teams for scenario analysis and decision making. We have split out the carbon factors to understand the impact of transport, packaging and our supplier operational emissions on total emissions. This enables us to input supplier actual data where available to measure reductions as accurately as possible. Sainsburys are signatories of the WWF Retailer Commitment for Nature, which includes a pledge to set a near term scope 3 target with a 1.5-degree trajectory (50% reduction by 2030). In other areas of our supply chain, we have the Sainsbury's Global Farm website. The site contains videos from farmers and growers from around the world talking about sustainability initiatives within their business. By connecting customers and colleagues with food producers, we hope to raise awareness of where food comes from, how it is produced and how we are working with farmers to drive lasting positive change in the communities we serve and source from.
Investment in R&D	Yes	Due to the size of our estate and that we are a significant user of energy, climate-related risks and opportunities influence our decisions around investment in R&D. These investments lead to reduced GHG emissions in line with our SBTis, reducing emissions in line with a 1.5-degree pathway, along with realising cost savings. As detailed in the case study below, this includes both climate change adaptation and mitigation efforts. We target engineering innovation in areas where we will achieve the greatest value. We investigate solutions which are objective focussed rather than solutions focussed (e.g. those that drive a business benefit and maximise carbon savings – rather than innovate for the sake of it). We currently plan our strategy in this area for the medium-term time horizon (i.e. between 5-15 years). In terms of a case study, achieving Net Zero by 2035 requires a reduction in carbon equivalent to 21 supermarkets. R&D and Engineering Innovation play a key part in furthering our strategy and finding solutions to tackle and reduce emissions. To support this ambition, we have developed a detailed emissions reduction roadmap, which includes provision for investing in R&D in key categories: energy efficiency, electrification of heat, switch to natural refrigerants, zero carbon vehicles and infrastructure, the move to renewable energy and clean gas alternatives, climate resilience and adaptation. We also focus on researching living buildings. A key innovation focus has been the deployment of Refrigerated Integrated Heating and Cooling (RIHC) systems within our stores. This removes the need for gas and our dependence on fossil fuels, efficiently electrifying heat in the store, supplied by 100% renewable electricity. RIHC uses an innovative single system providing all the stores' refrigeration, cooling, and heating requirements. This reduces our energy consumption by up to 30% whilst maintaining a high-quality environment, by reusing any 'heat' or 'coolth' during the year. In 21/22 we delivered 3 Net Zero stores, our most energy-efficient supermarkets to date. They fully operate with no use of fossil fuels including natural gas and use 100% renewable electricity. We have utilised RIHC, along with only using natural refrigerants, with each store using up to 30 per cent less energy than our similar-sized stores did three years ago and saving 738 tCO2e p/a.
Operations	Yes	Climate change and resource scarcity are complex global challenges, which affect every part of our business. To grow our business sustainably, we are cutting carbon and maximising energy efficiency. Our strategy related to our operations is heavily influenced by Climate-related risks and opportunities. We have committed to investing £1 billion to achieve Net Zero by 2035 across our operations and much of the delivery of this is through our Graphite investment programme. In the last year this has included the following: In 2021, we hit a key milestone with the rollout of LED lighting to 100% of our supermarket estate, reducing lighting energy consumption by an average of 70%. We plan to install 100% LED lighting across our entire estate by the end of 2022/23. The full year effect of the programme saves over 26,886,98 kWh. We have invested in Rainwater harvesting trials and upgrades of existing systems, enhanced metering to enable us to further understand the flow of water across our stores, enabling us to target savings. Further self-supply and strategic conversations have continued with MOSL and Ofwat and we have also made improvements to the leak detection process. We have invested in our Solar PV, upgrading, and ensuring effective operation and maximising generation across 135 stores. We have installed Refrigeration Integration Heating and Cooling at 5 stores, using the refrigeration system as an energy centre to provide all the refrigeration, heating, and cooling requirements of the store. It also utilises waste heat from refrigeration, making it particularly energy efficient. This has saved over 1,000 tCO2e. In 2022, we transitioned to 100% renewable electricity across the entire estate and have committed to the long-term purchasing of renewable energy from new wind farms and solar projects, reducing reliance on fossil fuels. We have replaced all refrigeration cabinets in 25 stores with more efficient refrigeration technology that removes the use of HFC refrigerant gas, replacing these with natural alternatives. The carbon saving associated with this is 22,675 tCO2e. We currently have three fully operational net zero stores located in Ludlow, Colwick and Aylesbury which are our most energy-efficient supermarkets to date. These stores fully operate without the use of fossil fuels or natural gas as they use 100% renewable electricity.

C3.4

(C3.4) 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	Capital expenditures Capital allocation	Climate-related risks and opportunities have influenced many aspects of our financial planning, including capital expenditure and capital allocation. Climate-related matters are considered within financial planning. We have committed to spending £1 billion to become Net Zero by 2035 and this is built into our financial plan, approved by the Board. We have also considered what impact the revenue losses identified in our scenario analysis could have on the carrying value of the Group's store assets, by modelling the impact on cash flows (the results do not have a material impact on the Group's impairment considerations, see page 139 for more details). Finally, Sainsbury's Bank considers climate-related risks as part of its Internal Capital Adequacy Assessment process (ICAAP). Capital allocation: Financial planning related to capital allocation has been influenced by climate change risks and opportunities primarily through increasing our budget for Graphite and collaboration and research and development (R&D) in initiatives that will help us reach Net Zero ambition. We have projected forwards, a 13-year capital programme, aligned to Net Zero by 2035 which is built into our financial plan, approved by the Board. We have also considered what impact the revenue losses identified in our scenario analysis could have on the carrying value of the Group's store assets, by modelling the impact on cash flows (the results do not have a material impact on the Group's impairment considerations). Finally, Sainsbury's Bank considers climate-related risks as part of its Internal Capital Adequacy Assessment process (ICAAP). As part of this, we have created a number of programmes and financial plans that outline the specific actions and capital resources necessary to achieve these objectives. The expenditure required has been thoroughly planned, identifying the Carbon savings achievable versus our decarbonisation pathway, which is then split down into each corresponding emissions Scope and category, enabling us to fully understand the areas and quantum of our footprint that needs to be tackled, to what extent each investment year and the cost of doing so. The decarbonisation strategy is integrated within the main property investment programme, from feasibility, to design and delivery. We have aligned our Net Zero Roadmap with the store selection investment programme, to consider lifecycles and Carbon emission considerations, ensuring that investments are coordinated and the most impactful from an operational and embodied Carbon perspective – we have a clear investment programme up to 2035 ensuring that we hit the required project run-rate to reach Net Zero. We have accelerated our investment programme in line with our 2035 Net Zero target, increasing the number of initiatives deployed and the capital available to do so, particularly from a refrigeration replacement perspective, which supports in removing HFCs and improving efficiency. New store investments consider whole lifecycle costs and Carbon to ensure that we are operating the most efficient Net Zero stores possible. This can be seen in the instance of Ludlow, Colwick, and Aylesbury – our most efficient Net Zero stores delivered to date, using up to 30% less energy than stores delivered in prior years. Detailed post investment reviews take place following investments to identify the carbon, cost and energy savings to determine their efficacy, ability to save Carbon and cost, providing confidence in the programme and supporting further deployment of similar projects Capital expenditures: Our financial planning related to capital expenditures has been influenced by climate change risks and opportunities primarily through the earmarking of funds for investing in the purchase of fixed assets such as technology and equipment that will support Sainsbury's with climate change adaptation and mitigation efforts. In line with our Net Zero by 2035 Plan, the time horizon covered by this aspect of our financial planning is medium-term (5-15 years). We build strong business cases with clear narrative around the Carbon savings achievable. In terms of a case study, Sainsbury's is committed to Project Graphite, which is in its 11th year. Project Graphite is focused on achieving the key objectives outlined in our Net Zero Roadmap: improving energy efficiency in our buildings, decarbonising and electrifying heat, switching to natural refrigerants, sourcing 100% renewable electricity and clean gas alternatives and transitioning to zero carbon vehicles and infrastructure. This includes measures such as replacing existing lighting with energy efficient LED lamps, investing in renewable energy, removal of fossil fuels through the installation of refrigerated integrated heating and cooling and engineering innovation. In terms of key activities undertaken by the Sainsbury's during the 2021/22 financial year, we hit a key milestone with the rollout of LED lighting to 100 per cent of our supermarket estate, reducing lighting energy consumption by an average of 70 per cent. We plan to install 100 per cent LED lighting across our entire estate by the end of 2022/23. We have carried out refrigeration replacements investing over £25 million in both improving the efficiency of cabinets and the removal of Hydrofluorocarbon refrigerant gas, switching to natural refrigerant (carbon dioxide) in 25 stores. The annual capital expenditure for these initiatives amounted to £49,000,000 in 2021/22 alone.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?

Yes

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C world.

Financial Metric

Revenue

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

0.16

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

0.43

Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

0.43

Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world

The spend is taken from our Graphite investment programme, which is specifically targeted and allocated to projects that result in Carbon savings, linked to our emission reduction roadmap and aligned with a 1.5-degree world. Examples of projects that have taken place are the installation of LED lighting and Refrigeration Integrated Heating and Cooling systems. The expenditure for our annual Graphite programme is outlined in a BPR paper with a full business case outlined, demonstrating detailed costs, savings, and ROI, this is approved at the Business Planning Review forum. When we want to draw down expenditure for projects in each quarter, we submit a property board paper where this is then allocated. Post investment reviews also take place with a full quality assured process to determine in detail the Carbon, consumption and cost savings achieved. There is also a period Graphite tracker which tracks all spending that takes place, this is reported into the corporate plan and property board. We expect the spending to increase in the next 5-13 years as we have accelerated our Net Zero plan. We have assumed that our revenue stays the same.

C4. Targets and performance

C4.1

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

Absolute target

(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

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

554936

Base year Scope 2 emissions covered by target (metric tons CO2e)

394808

Base year Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

949744

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2035

Targeted reduction from base year (%)

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

518033

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

228892

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

746925

% of target achieved relative to base year [auto-calculated]

21.3551230647417

Target status in reporting year

Revised

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

To grow our business sustainably, we are cutting carbon and maximising energy efficiency. The Science Based Targets initiative (SBTi) has approved our Science Based Targets for Scopes 1, 2 in line with a 1.5-degree pathway and Scope 3 in line with a well below 2-degree pathway. For Scopes 1 and 2, this includes the reduction of greenhouse gas (GHG) emissions from our own operations, aligned with a temperature pathway to limit global warming to 1.5°C. We have committed to achieve Net Zero by 2035. For Scope 3 we are reducing our GHG emissions in the value chain by 30 per cent by 2030.

Plan for achieving target, and progress made to the end of the reporting year

This year we announced the acceleration of our carbon emissions target to become Net Zero in our own operations by 2035, five years earlier than our original ambition. This is in line with the highest ambition of the Paris Climate Change Agreement, to limit global warming to 1.5 degrees Celsius. The PLC Board reviews and guides strategy and major plans of action related to our Plan for Better raised by the Committee (e.g., reviewing any significant challenges and recommending solutions, making ultimate decision about priority areas for Sainsbury's to focus on as part of the strategy and approve any major changes to the strategy as applicable). They also oversee major capital expenditures, acquisitions, and divestitures, and monitor our progress against our goals and targets (e.g., periodic review of progress against our Scope 1 & 2 science-based targets, and Scope 3). A 21% reduction since base year has been achieved through our commitment to investing £1billion to achieve Net Zero and much of the delivery of this has been through our Graphite investment programme, which focuses on delivering initiatives in the following areas throughout our operations: reducing demand for energy and continuous efficiency improvements, electrification/decarbonisation of heat, removal of HFC refrigerant gases and the move to natural alternatives, zero carbon vehicles and infrastructure and the move to 100% renewable energy and clean gas alternatives.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 2

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 4: Upstream transportation and distribution

Category 11: Use of sold products

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3 emissions covered by target (metric tons CO2e)

26663081

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

26663081

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

80

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

80

Target year

2030

Targeted reduction from base year (%)

30

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

18664156.7

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

26663081

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

26663081

% of target achieved relative to base year [auto-calculated]

0

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

Well-below 2°C aligned

Please explain target coverage and identify any exclusions

To grow our business sustainably, we are cutting carbon and maximising energy efficiency. The Science Based Targets initiative (SBTi) has approved our Science Based Targets for Scopes 1, 2 in line with a 1.5-degree pathway and Scope 3 in line with a well below 2-degree pathway. For Scopes 1 and 2, these include the reduction of greenhouse gas (GHG) emissions from our own operations, aligned with a temperature pathway to limit global warming to 1.5°C and we have committed to achieve Net Zero by 2035. For Scope 3 we are reducing our GHG emissions in the value chain by 30 per cent by 2030 and this includes reducing emissions from purchased goods, upstream transport and distribution, services sold and our customers' direct use and consumption of the products we sell.

Plan for achieving target, and progress made to the end of the reporting year

The PLC Board reviews and guides strategy and major plans of action related to our Plan for Better raised by the Committee (e.g., reviewing any significant challenges and recommending solutions, making ultimate decision about priority areas for Sainsbury's to focus on as part of the strategy and approve any major changes to the strategy as applicable). They also oversee major capital expenditures, acquisitions, and divestitures, and monitor our progress against our goals and targets (e.g., periodic review of progress against our Scope 1 & 2 science-based targets, and Scope 3). We have committed to investing £1billion to achieve Net Zero and much of the delivery of this is through our Graphite investment programme. As part of our commitment to reduce our value chain emissions, this year we have written to 400 of our key suppliers, who constitute a high proportion of our value chain emissions, requesting that they disclose their carbon emissions through the CDP or Higg platform. We currently have 87 per cent of our key food suppliers disclosing via CDP. We have also set an expectation that our suppliers should commit to their own Net Zero science-based targets, aligned to the highest ambition of the Paris Climate Change Agreement. This builds on our existing science-based target, defined with the Carbon Trust, to reduce our Scope 3 emissions by 30 per cent by 2030, whereby our baseline is 26,663,081 tCO₂e (2018/19). This includes reducing emissions from purchased goods, upstream transport and distribution, services sold and our customers' use and consumption of the products we sell. Sainsbury's aims to deliver the emissions reductions required through our Scope 3 targets through innovation and collaboration and working closely with our suppliers through CDP, Higg and Manufacture 2030. Key milestones are: 1.By 2023, all key carbon suppliers must have developed scopes 1 – 3 baselines and carbon reduction roadmaps 2.By 2023, all key carbon suppliers must disclose on the Carbon Disclosure Project (CDP) platform annually 3.By 2025, all key carbon suppliers must have an SBTi approved target 4.By 2025, all suppliers must disclose on the Manufacture 2030 (M2030) platform annually Sainsbury's will endeavour to help customers make more sustainable product choices, Helping everyone eat better.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

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

Net-zero 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

2019

Target coverage

Company-wide

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Base year

2020

Consumption or production of selected energy carrier in base year (MWh)

1424275.462

% share of low-carbon or renewable energy in base year

17

Target year

2025

% share of low-carbon or renewable energy in target year

100

% share of low-carbon or renewable energy in reporting year

41

% of target achieved relative to base year [auto-calculated]

28.9156626506024

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes, Abs1 and Abs2

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

As an organisation our target setting has prioritised carbon reduction primarily through increased energy efficiency, but we also included within our Net Zero Roadmap a target to provide 100% of our electricity from renewable power purchase agreements (PPAs), on-site renewables and green tariffs by 2025. We have achieved 41% through onsite renewables, PPAs and REGOs.

Plan for achieving target, and progress made to the end of the reporting year

In January 2022, 100% of our electricity was from renewable sources. This means in the next reporting year, the total sourced will be 100%.

List the actions which contributed most to achieving this target

<Not Applicable>

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Abs2

Target year for achieving net zero

2035

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next 2 years

Please explain target coverage and identify any exclusions

Sainsbury's previously committed to a Net Zero target for its Scope 1 and 2 emissions by 2040, in line with a 1.5 degree pathway and the highest ambitions of the Paris Agreement. This has now been accelerated to 2035. The Science Based Targets initiative (SBTi) has approved Sainsbury's science-based target for Scopes 1, 2 and 3. For Scope 1 and 2, this includes the reduction of GHG emissions from Sainsbury's own operations by 100% by 2040 aligned with a 1.5°C pathway. This has now been accelerated to 2035 and therefore a date has been booked for validation and approval by the SBTi.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

No

Planned milestones and/or near-term investments for neutralization at target year

<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

Target reference number

NZ2

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs3

Target year for achieving net zero

2050

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next 2 years

Please explain target coverage and identify any exclusions

The Science Based Targets initiative (SBTi) has approved Sainsbury's Scope 3 target, following work with the Carbon Trust to define an ambitious Scope 3 target, requiring the reduction of absolute GHG emissions by 30% by 2030, to align to a well below 2°C scenario. This includes reducing emissions from purchased goods and services sold, upstream transport and distribution and the direct use of sold products. In November, we committed to WWF'S Retailers Commitment for Nature: Working with WWF to halve the environmental impact of UK Baskets by 2030, focusing on climate, deforestation and conversion of habitat, agricultural production, marine, diets, food waste and packaging as measured by the WWF Basket. We have committed to reporting data annually to WWF against these pillars and publicly reporting on actions taken and meeting the business commitment to 1.5 by setting 1.5-degree SBTs in all Scopes, near term and long term. In light of this we are refreshing our Scope 3 data and aligning the target and reductions with a 1.5-degree pathway. This includes a 50% reduction by 2030 and a 100% reduction by 2050. The target will be reviewed by SBTi when the new FLAG guidance is released later in the year.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

Sainsbury's aims to deliver the emissions reductions required through our Scope 3 targets through innovation and collaboration and working closely with our suppliers through CDP, Higg and Manufacture 2030. Key milestones are: 1.By 2023, all key carbon suppliers must have developed scopes 1 – 3 baselines and carbon reduction roadmaps 2.By 2023, all key carbon suppliers must disclose on the Carbon Disclosure Project (CDP) platform annually 3.By 2025, all key carbon suppliers must have SBTi approved targets 4.By 2025, all suppliers must disclose on the Manufacture 2030 (M2030) platform annually Sainsbury's will endeavour to help customers make more sustainable product choices, Helping everyone eat better. In terms of abatement beyond our value chain, our strategy in this area is currently being scoped.

Planned actions to mitigate emissions beyond your value chain (optional)

In terms of abatement beyond our value chain, our strategy in this area is currently being scoped.

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		
To be implemented*		
Implementation commenced*		
Implemented*	4435	191517
Not to be implemented		

C4.3b

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

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

5709

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

4049444

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

19576491

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Our Graphite programmes are our main investment vehicles for energy. In 2021/22, we hit a key milestone with the rollout of LED lighting to 100 per cent of our supermarket estate, reducing lighting energy consumption by an average of 70 per cent – saving. The full year effect of the programme saves over 26,886,987 kWh.

Initiative category & Initiative type

Energy efficiency in buildings	Building Energy Management Systems (BEMS)
--------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

7055

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

3040369

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

0

Payback period

No payback

Estimated lifetime of the initiative

<1 year

Comment

Working with our Smart hub energy team of energy analysts, a significant amount of work is completed, driving energy/carbon savings through daily interventions.

Initiative category & Initiative type

Energy efficiency in production processes	Cooling technology
---	--------------------

Estimated annual CO2e savings (metric tonnes CO2e)

22676

Scope(s) or Scope 3 category(ies) where emissions savings occur

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)

25397000

Payback period

No payback

Estimated lifetime of the initiative

11-15 years

Comment

C02 Refrigeration Replacement. A key part of our strategy is to work to remove Hydrofluorocarbons (HFCs) associated with refrigeration, replacing these with natural alternatives - CO2. This year we have replaced refrigeration cabinets in 25 stores and all new developments do not include any HFCs only natural refrigerants. Assumed 15-year period of service. As we do not obtain energy or other cost savings, there is no payback period stated.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

738

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

167000

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

507000

Payback period

1-3 years

Estimated lifetime of the initiative

>30 years

Comment

Our new Net Zero stores that were delivered in 21/22, located in Ludlow, Colwick and Aylesbury are our most energy-efficient supermarkets to date. These stores fully operate without the use of fossil fuels or natural gas as they use 100 per cent renewable electricity. Again, we have utilised RIHC here, along with only using natural refrigerants, with each store using up to 30 per cent less energy than our similar-sized stores did three years ago. The stores also support customers with electric vehicles, who can charge their cars with clean renewable energy whilst at the store.

Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix
-------------------------------	----------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

143298.35

Scope(s) or Scope 3 category(ies) where emissions savings occur

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

>30 years

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 which equates to 41% of the scope 2. 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. We have moved to 100% renewable in January 2022.

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)

10000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

1478051

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

0

Payback period

No payback

Estimated lifetime of the initiative

<1 year

Comment

The store behaviour change programme in 2021-22 continued to build on the success of the previous eight years and reach into new environmental impact areas as well as new business areas. We have particularly focused on streamlining processes this year. Over 10,000 tonnes of CO2e were saved through our colleague behavioural change project 'Greenest Grocer'. We have estimated carbon savings from direct actions only; the indirect savings we estimate to be much higher.

Initiative category & Initiative type

Low-carbon energy consumption	Solar PV
-------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

948.06

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

2029230

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

1321871

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

Work has taken place to fully optimise Solar PV across the estate resulting in an uplift in generation and associated avoided costs and Carbon.

Initiative category & Initiative type

Energy efficiency in production processes	Cooling technology
---	--------------------

Estimated annual CO2e savings (metric tonnes CO2e)

1092.72

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

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

247343

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

1208270

Payback period

4-10 years

Estimated lifetime of the initiative

>30 years

Comment

The deployment of the Refrigerated Integrated Heating and Cooling (RIHC) system within our stores. This removes the need for gas and therefore our dependence on fossil fuels, efficiently electrifying heat in the store, supplied by 100% renewable electricity. RIHC uses an innovative single system to provide all the stores' refrigeration, cooling, and heating requirements. This reduces our energy consumption by up to 30 % whilst maintaining a high-quality environment, which is warm in winter and cool in summer, by reusing any 'heat' or 'coolth' throughout the year.

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 Graphite programme where we invest in ongoing carbon reduction and sustainability projects. This dedicated programme, where we have spent £49 million this reporting year, has meant that we have fulfilled our commitment to install 100% LEDs across our supermarket estate and delivered a number of significant programmes of work aligned to our Net Zero Roadmap focusing on: reducing demand for energy and continuous efficiency improvements, electrification/decarbonisation of heat, removal of HFC refrigerant gases and the move to natural alternatives and the move to 100% renewable energy and clean gas alternatives
Dedicated budget for other emissions reduction activities	Our investment in energy efficiency is driven by multiple programmes, including our Graphite programme where we have spent £49 million this year. We have also invested to ensure we have 100% renewable energy across our portfolio from January 2022 onwards. In addition to our energy efficiency programmes, we have a programme of installing natural refrigerant systems that saw stores equipped with systems that operate using CO2 as a low GWP refrigerant.
Employee engagement	Our intranet site provides the focal point for 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.
Compliance with regulatory requirements/standards	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 also invested significantly in low-carbon initiatives 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.
Other (Partnership with Imperial College)	We are developing future reduction scenarios through our partnership with Imperial College, developing 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. Working with Imperial we have worked together to ensure that the methods used to drive investments require a thorough techno-economic and environmental assessment of the impacts the investment(s) can have a positive effect on the business. This means that although the financial case needs to be attractive, the tangible impact with regards to carbon mitigation and acceptance by the business also has a high level of importance. As mentioned above a sensitivity analysis is conducted to stress-test and ensure the investment can provide sensible returns even if the market conditions do not evolve as expected. Furthermore, for novel technology investments careful environmental analysis is conducted covering the sourcing of materials, manufacturing and end of life of the asset.

C4.5**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?**

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

Type of product(s) or service(s)

Please select

Description of product(s) or service(s)

The 398,333 trees, planted in 21/22 as part of our partnership with the Woodland Trust and associated with the sale of Woodland Eggs, Turkeys, Chickens, Best of British Apples, Woodland Trust bags and Woodland trust cards, have the potential to lock up 99,583 tonnes of carbon over their lifetime, based on 4 trees planted per tonne of carbon.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify (These figures have been calculated in line with the methods used in the Woodland Carbon Code produced by the Woodland Trust.)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Cradle-to-grave

Functional unit used

Sale of Woodland Eggs, Turkeys, Chickens, Best of British Apples, Woodland Trust Bags and Woodland Trust Cards

Reference product/service or baseline scenario used

These figures have been calculated in line with the methods used in the Woodland Carbon Code produced by the Woodland Trust.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Cradle-to-grave

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

99583

Explain your calculation of avoided emissions, including any assumptions

These approximate figures have been calculated in line with the methods used in the Woodland Carbon Code produced by the Woodland Trust. Trees capture carbon when photosynthesis converts CO2, water and nutrients in to sugars and other compounds that result in woody material which is mostly composed of carbon. Although hugely variable by species and site, 1kg of wood contains about 450 to 500 gm of carbon. In 2021/22 we facilitated the planting of 398,333 trees. The WCC is a voluntary carbon standard for woodland creation projects. It provides: - a high quality, robust voluntary carbon standard - a transparent UK Woodland Carbon Registry - robust science to predict and monitor carbon sequestration.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

1

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

(C5.2) Provide your base year and base year emissions.**Scope 1****Base year start**

March 11 2018

Base year end

March 10 2019

Base year emissions (metric tons CO2e)

554936

Comment

N/A

Scope 2 (location-based)**Base year start**

March 11 2018

Base year end

March 10 2019

Base year emissions (metric tons CO2e)

451397

Comment

N/A

Scope 2 (market-based)**Base year start**

March 11 2018

Base year end

March 10 2019

Base year emissions (metric tons CO2e)

394808

Comment

N/A

Scope 3 category 1: Purchased goods and services**Base year start**

March 11 2018

Base year end

March 10 2019

Base year emissions (metric tons CO2e)

14972197

Comment**Scope 3 category 2: Capital goods****Base year start**

March 11 2018

Base year end

March 10 2019

Base year emissions (metric tons CO2e)

121611

Comment**Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)****Base year start**

March 11 2018

Base year end

March 10 2019

Base year emissions (metric tons CO2e)

167213

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

March 11 2018

Base year end

March 10 2019

Base year emissions (metric tons CO2e)

1053108

Comment

Scope 3 category 5: Waste generated in operations

Base year start

March 11 2018

Base year end

March 10 2019

Base year emissions (metric tons CO2e)

4718

Comment

Scope 3 category 6: Business travel

Base year start

March 11 2018

Base year end

March 10 2019

Base year emissions (metric tons CO2e)

821.98

Comment

Scope 3 category 7: Employee commuting

Base year start

March 11 2018

Base year end

March 10 2019

Base year emissions (metric tons CO2e)

119027

Comment

Scope 3 category 8: Upstream leased assets

Base year start

March 11 2018

Base year end

March 10 2019

Base year emissions (metric tons CO2e)

0

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

March 11 2018

Base year end

March 10 2019

Base year emissions (metric tons CO2e)

0

Comment

Scope 3 category 10: Processing of sold products

Base year start

March 11 2018

Base year end

March 10 2019

Base year emissions (metric tons CO2e)

0

Comment

Scope 3 category 11: Use of sold products

Base year start
March 11 2018

Base year end
March 10 2019

Base year emissions (metric tons CO2e)
13727859

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start
March 11 2018

Base year end
March 10 2019

Base year emissions (metric tons CO2e)
157464

Comment

Scope 3 category 13: Downstream leased assets

Base year start
March 11 2018

Base year end
March 10 2019

Base year emissions (metric tons CO2e)
39160

Comment

Scope 3 category 14: Franchises

Base year start
March 11 2018

Base year end
March 10 2019

Base year emissions (metric tons CO2e)
0

Comment

Scope 3 category 15: Investments

Base year start
March 11 2018

Base year end
March 10 2019

Base year emissions (metric tons CO2e)
3131097

Comment

Scope 3: Other (upstream)

Base year start
March 11 2018

Base year end
March 10 2019

Base year emissions (metric tons CO2e)
0

Comment

Scope 3: Other (downstream)

Base year start
March 11 2018

Base year end
March 10 2019

Base year emissions (metric tons CO2e)
0

Comment

(C5.3) 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)

518033.32

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

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

258079

Scope 2, market-based (if applicable)

228892

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

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?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Emissions from the use of R-290 as a refrigerant.

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

No emissions excluded

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions excluded

Explain why this source is excluded

R-290 refrigerant is propane based and is not part of the Kyoto protocol lists of refrigerants.

Estimated percentage of total Scope 1+2 emissions this excluded source represents

0

Explain how you estimated the percentage of emissions this excluded source represents

The GWP of R-290 is 3 per AR4 IPCC reports. The total emissions from the refrigerant is 0.09 TCO_{2e} for this reporting year divided by total scope 1 and 2 emissions which is 776,112 TCO_{2e} (Location based); that results in less than 0.1% of total emissions (scope 1+2 Location based) are emissions from R-290.

Source

Biomass Wood Pellets

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

No emissions excluded

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions excluded

Explain why this source is excluded

Wood pellets are used to produce heat in some of our facilities. Wood pellets have biogenic carbon content and thus excluded from the disclosure. Outside of scopes includes biogenic CO₂ factors that should be used to account for the direct carbon dioxide (CO₂) impact of burning biomass and biofuels, including when reporting emissions from electricity consumption. Biogenic CO₂ emissions are one of several activities labelled 'outside of scopes' by the GHG Protocol Corporate Accounting and Reporting Standard because the Scope 1 impact of these fuels has been determined to be a net '0' (since the fuel source itself absorbs an equivalent amount of CO₂ during the growth phase as the amount of CO₂ released through combustion). Full reporting of any fuel from a biogenic source, should have the biogenic CO₂ value documented to ensure complete accounting for the emissions created.

Estimated percentage of total Scope 1+2 emissions this excluded source represents

7

Explain how you estimated the percentage of emissions this excluded source represents

The total out of scope emissions from Biomass use for the reporting year is 51,204 TCO_{2e}. The number is divided by Scope 1 and 2 emissions which is 776,112 TCO_{2e} (Location based) that results in the number 6.6%. The Defra emissions factors were used for the year 2021, the factor used is 1,677.18 kg CO_{2e}/tonnes.

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

Emissions in reporting year (metric tons CO_{2e})

Emissions calculation methodology

Average product method

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

0

Please explain

Activity data from Sainsbury's 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)

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

121611

Emissions calculation methodology

Spend-based method

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

0

Please explain

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.

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

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

167213

Emissions calculation methodology

Fuel-based method

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

0

Please explain

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.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1053108

Emissions calculation methodology

Distance-based method

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

1

Please explain

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.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

4718

Emissions calculation methodology

Waste-type-specific method

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

0

Please explain

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.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

856

Emissions calculation methodology

Hybrid method

Fuel-based method

Distance-based method

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

0

Please explain

Business travel data was calculated by Sainsbury's and verified 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.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

119027

Emissions calculation methodology

Other, please specify (Average based on number of employees)

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

0

Please explain

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.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

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

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

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

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

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

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

10873155

Emissions calculation methodology

Average product method

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

Please explain

The emission factors for use-phase have been collated from literature, current databases and estimations. 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.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

157464

Emissions calculation methodology

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

0

Please explain

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.

Downstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

39160

Emissions calculation methodology

Other, please specify (Average based on area)

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

0

Please explain

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.

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Sainsbury's does not operate any franchises.

Investments

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3131097

Emissions calculation methodology

Investment-specific method

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

0

Please explain

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 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.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

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

Other (downstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

There are no other downstream 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	51276	Emissions calculated from wood pellet combustion using latest Defra GHG emissions factors.

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

32.87378372

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

746925

Metric denominator

Other, please specify ('000ft2 sales area)

Metric denominator: Unit total

22721

Scope 2 figure used

Market-based

% change from previous year

1.99

Direction of change

Decreased

Reason for change

The decrease in market emissions by 9% was matched by an increase in sales area by 7%, this caused the intensity figure to stabilise and not change significantly.

Intensity figure

0.00002498

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

746925

Metric denominator

unit total revenue

Metric denominator: Unit total

29895000000

Scope 2 figure used

Market-based

% change from previous year

11.29

Direction of change

Decreased

Reason for change

The total unit revenue has increased by 3% since last year, however the market emissions decreased by 9% which pushed the intensity figure to decrease by 11%.

Intensity figure

6.38397641

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

746925

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

117000

Scope 2 figure used

Market-based

% change from previous year

12.61

Direction of change

Decreased

Reason for change

The number of FTEs increased by 5,000 compared to last year submissions, this pushed the intensity figure to decrease significantly.

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 CO2e)	GWP Reference
CO2	379249.456	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	207.649	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	3442.519	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	133223.25	IPCC Fourth Assessment Report (AR4 - 100 year)
Other, please specify (Refrigerants (R1270, R290, R290A, R448A, R449, R744, R452A, Ammonia, R290, R22))	1910.02	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 CO2e)
United Kingdom of Great Britain and Northern Ireland	517777
Ireland	256
Bangladesh	0
Hong Kong SAR, China	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 CO2e)
Central locations	961
Logistics	204009
Stores and supermarkets	263403
Online deliveries	49405
International offices	256

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)
United Kingdom of Great Britain and Northern Ireland	254623	228647
Ireland	3212	0
Bangladesh	35	35
China	61	61
Hong Kong SAR, China	114	114
India	34	34

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	2986	3895
Logistics	21463	28000
Stores and Supermarkets	230174	196752
Online deliveries	0	0
International offices	3456	245

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	63887	Decreased	7.82	Sainsbury's consumption of self-generated and purchased renewable energy resulted in a 8% reduction in our combined market-based Scope 1 & 2 emissions from 2020/21 to 2021/22. This mainly due to the purchase of new REGOs for our sites during the reporting years of 2021/22. This was calculated by dividing our total emissions reductions associated with renewable energy across our direct operations in 2021/22 by our total market-based Scope 1 & 2 emissions in 2020/21.
Other emissions reduction activities	47270.72	Decreased	5.8	Our emissions reductions activities are outlined in 4.3a and 4.3b. (all except for renewable energy which is outlined in the row above).
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output	117	Increased	0.01	We opened a few new sites in 2020/21. The emissions total from these new sites is 117 tCO2e. Divided by the total market-based emissions gives a value of 0.01% increase.
Change in methodology	16880	Decreased	2.07	The emission factors we use are updated on an annual basis. In 2020/21, the impact of these changes resulted in a reduction in emissions of 16,880 tonnes of CO2e. Divided by the total market-based emissions from last year gives a value of 2.07% decrease. The emission factors we use for reporting are updated annually.
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other	70593	Increased	8.65	Although Sainsbury's saw a net reduction from 2020/21 to 2021/22, we did see an increase in some areas of the business. The main source of these increases were company car and fuel card fuel miles as, compared to a lockdown year, the mileage increased as travel was permitted throughout the UK. We also saw an increase in LNG use for some of our logistics vehicles.

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)	142887	1783403	1926290
Consumption of purchased or acquired electricity	<Not Applicable>	517323	711873	1229196
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	23225	<Not Applicable>	23225
Total energy consumption	<Not Applicable>	683435	2495276	3178711

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.

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

142880

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

142880

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

Comment

Sainsburys uses biomass wood pellets in supermarkets. The wood pellets are used to generate heating.

Other biomass

Heating value
HHV

Total fuel MWh consumed by the organization
6.8

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat
6.8

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

Comment

LNG Biomethane used in the transportation of goods by Sainsburys Logistics.

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

Comment

Coal

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

Comment

Oil

Heating value
HHV

Total fuel MWh consumed by the organization
189

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat
189

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

Comment

Gas Oil used for heating in some of portfolio facilities.

Gas**Heating value**

HHV

Total fuel MWh consumed by the organization

726018

MWh fuel consumed for self-generation of electricity**MWh fuel consumed for self-generation of heat**

638051

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

87968

Comment

The total gas used for the generation of heat using Trigeneration equipment and boilers.

Other non-renewable fuels (e.g. non-renewable hydrogen)**Heating value****Total fuel MWh consumed by the organization**

1055594

MWh fuel consumed for self-generation of electricity

206

MWh fuel consumed for self-generation of heat

1055389

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration**Comment**

Liquified Petroleum Gas amounts is mentioned in this section. The LPG is used for vehicles transportation, stores, and supermarkets heating activities.

Total fuel**Heating value**

HHV

Total fuel MWh consumed by the organization

1924689

MWh fuel consumed for self-generation of electricity

206

MWh fuel consumed for self-generation of heat

1836516

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

1836516

Comment**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	44705	44317	23225	23042
Heat	18162	18162		
Steam				
Cooling				

C8.2e

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

Sourcing method

Direct procurement from an off-site grid- connected generator e.g. Power purchase agreement (PPA)

Energy carrier

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

United Kingdom of Great Britain and Northern Ireland

Tracking instrument used

REGO

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

207638

Country/area of origin (generation) of the low-carbon energy or energy attribute

United Kingdom of Great Britain and Northern Ireland

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2011

Comment

Sainsburys Contracts with 9 wind farms that are located in the UK and Scotland. These are operated by energy suppliers to our portfolio.

Sourcing method

Other, please specify (On Site Wind Farm)

Energy carrier

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

United Kingdom of Great Britain and Northern Ireland

Tracking instrument used

Other, please specify (Contract)

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

626

Country/area of origin (generation) of the low-carbon energy or energy attribute

United Kingdom of Great Britain and Northern Ireland

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2001

Comment

Sainsburys controls a Wind farm on site one of its depots located in the UK.

Sourcing method

Other, please specify (On Site Solar Generation)

Energy carrier

Electricity

Low-carbon technology type

Solar

Country/area of low-carbon energy consumption

United Kingdom of Great Britain and Northern Ireland

Tracking instrument used

Other, please specify (OFGEM FIT)

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

22416

Country/area of origin (generation) of the low-carbon energy or energy attribute

United Kingdom of Great Britain and Northern Ireland

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2011

Comment

Sainsburys has solar installed across 237 stores and depots.

Sourcing method

Direct procurement from an off-site grid- connected generator e.g. Power purchase agreement (PPA)

Energy carrier

Electricity

Low-carbon technology type

Other biomass

Country/area of low-carbon energy consumption

United Kingdom of Great Britain and Northern Ireland

Tracking instrument used

Other, please specify (Generation and contract)

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

2434

Country/area of origin (generation) of the low-carbon energy or energy attribute

Ireland

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2013

Comment

Sainsburys consumes energy produced from Anaerobic digestion.

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of electricity (MWh)

230680

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

230680

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Ireland

Consumption of electricity (MWh)

2434

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2434

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of electricity (MWh)

0

Consumption of heat, steam, and cooling (MWh)

18161.6

Total non-fuel energy consumption (MWh) [Auto-calculated]

18161.6

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

C9. Additional metrics

C9.1

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

Description

Other, please specify (Plan for Better commitments)

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

Sainsbury's has committed to investing £1 billion over fifteen years towards becoming a Net Zero business across its own operations by 2035, aligned to the highest ambitions of the Paris Climate Change Agreement. Sainsbury's will use the £1 billion investment to implement a programme of changes. In addition to focusing on GHG reductions, our focus will be to: Minimise the use of water in our own operations, driving towards water neutral by 2040, Half food waste by 2030, Develop and deliver healthy and sustainable diets for all by 2040, Reduce our use of plastic packaging by 50% by 2025 and then go further Increase Recycling and make it easier for our customers to recycle. Ensure that the impact of our operations is net positive for biodiversity.

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

J Sainsbury plc 21-22 ISO 14064-3 Carbon Trust Assurance Statement_v3.pdf

Page/ section reference

1

Relevant standard

ISO14064-3

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

J Sainsbury plc 21-22 ISO 14064-3 Carbon Trust Assurance Statement_v3.pdf

Page/ section reference

1

Relevant standard

ISO14064-3

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

J Sainsbury plc 21-22 ISO 14064-3 Carbon Trust Assurance Statement_v3.pdf

Page/ section reference

1

Relevant standard

ISO14064-3

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

J Sainsbury plc 21-22 ISO 14064-3 Carbon Trust Assurance Statement_v3.pdf

Page/section reference

1

Relevant standard

ISO14064-3

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)	ISO 14064- 3	Our emissions are verified annually so the year on year emissions are assured.
C4. Targets and performance	Year on year emissions intensity figure	ISO 14064- 3	Our emissions are verified annually so the year on year emissions are assured.

J Sainsbury plc 21-22 ISO 14064-3 Carbon Trust Assurance Statement_v3.pdf

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

March 1 2021

Period end date

February 28 2022

% of total Scope 1 emissions covered by tax

23

Total cost of tax paid

12000000

Comment

We pay the Climate Change Levy on our electricity and gas consumption. For the reporting year, we paid ca. £12m in CCL, which effectively acts as a carbon tax. The period is slightly different to the reporting year due to the way that the invoices are received.

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 and energy efficiency across our portfolio. 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 that in 2021 we hit some key milestones with the rollout of LED lighting to 100 per cent of our supermarket estate, reducing lighting energy consumption by an average of 70 per cent, with a plan to install 100 per cent LED across our entire estate by the end of 2022/23. The result of initiatives such as this, means our energy consumption reduces, and therefore our CCL charges. The CCL charge is set to increase per kwh for gas in the upcoming years, so our continued efforts in these areas are more important than ever before.

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, but we 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/clients
- Yes, other partners in the value chain

C12.1a

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

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

10

% total procurement spend (direct and indirect)

80

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

80

Rationale for the coverage of your engagement

As part of our commitment to reducing our Scope 3 value chain emissions by 30% by 2030, in line with our SBTi commitment, this year we have written to 400 of our key suppliers, engaging with them to tackle climate change, requesting that they disclose their carbon emissions and reduction action plans through the CDP (food, non-food branded, and GNFR suppliers) or Higg (own-brand clothing and GM suppliers) platform or the Manufacture2030 platform. The rationale for coverage of the engagement is that these suppliers constitute a high proportion of our value chain emissions and include both food and non-food suppliers. Our suppliers are a key element of achieving our sustainability targets under Plan for Better, in particular our Scope 3 SBTi target which includes a reduction in emissions from purchased goods, upstream transport and distribution, and our customers' use and consumption of the products we sell. This engagement enables us to encourage suppliers to disclose and report their emissions and ensures that we have visibility of their plans, so that we can map out and align their emission reduction plans to ours, and hold our suppliers to account to ensure their reduction plans are implemented. We have also set an expectation that our suppliers should commit to their own Net Zero science-based targets and require all key suppliers to set SBTi targets in line with the latest climate science by 2023, with approval by 2025. Manufacture 2030 is being trialled with our key carbon suppliers. It allows suppliers to disclose data on carbon, water and waste at site level. We only request this from those suppliers already disclosing in the platform to reduce reporting burden. All food suppliers to report emissions in following years accompanied by action plans.

Impact of engagement, including measures of success

Our measure of success in this area is the number of suppliers responding to our data request via CDP, HIGG, and Manufacture 2030. Currently 87 per cent of our key food suppliers are disclosing via CDP and 49% of GM&C own-brand suppliers are disclosing through HIGG. We have a threshold that by 2023 all key Carbon suppliers must disclose on the CDP platform annually and must have developed scopes 1-3 baselines and carbon reduction roadmaps. The data feeds directly into the understanding of our Scope 3 emissions reduction target, reporting against this and future activities with suppliers. Improving and encouraging disclosure and target setting by cascading action and measurement down the entire supply chain, will ultimately facilitate our Scope 3 SBTi target by understanding and facilitating reductions in supplier emissions and the ability to demonstrate these. In terms of the impact of our engagement, it has translated into a more accurate understanding of where our supply chain emission hotspots are, identifying where and how reductions can be made. We understand how many suppliers have Sbti targets and opportunities for reductions to be made and this has provided the starting point for delivering against our Scope 3 activities. E.g. we have identified specific suppliers and collaborated with these to understand where their emissions come from, how they can be influenced, the challenges faced and which levers can be used to support them, this has included in-depth engagement activities with some of our main coffee and cheese suppliers. This analysis enables a repeatable model to be developed to support suppliers further. It has provided focus on aiming to increase the number of suppliers that report to us via CDP next year by inviting smaller suppliers to disclose that would otherwise not appear in our highest emissions, sales value or volume analysis but are doing important work to reduce their emissions. We are aware that HIGG may not be suitable for some of our general merchandise suppliers; we will decide based on feedback as to whether we should capture data for these suppliers on a different platform in the future, such as CDP. This is the second year we have significantly pushed for suppliers to disclose on CDP; therefore, we will be looking for an increase in supplier's scores on the climate questionnaire that were also scored last year.

Comment

SBTi target setting requirements are included in 12.2.

C12.1b

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

Type of engagement & Details of engagement

Education/information sharing	Run an engagement campaign to education customers about your climate change performance and strategy
-------------------------------	--

% 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

Our rationale for engagement is that we know the pressing issues of climate change and protecting biodiversity are important to our customers. 7 in 10 shoppers are thinking about or already have changed their diets for these reasons, and over half of our customers believe that plant-based diets have a positive impact on the body. However our customers are all on a journey and seek our help as they tell us that it can sometimes be confusing to know what is both a healthy and sustainable choice. Sainsbury's is taking a leading role in helping shoppers improve their diets while reducing their impact on the environment one plate at a time. We are on a mission to 'Help Everyone Eat Better'. This means helping customers by making it easier and more accessible to make healthy, tasty and affordable food choices that are better for them and better for the planet too. We want to encourage people to eat more in line with the principles of the government's Eatwell Guide. More than a quarter of the world's greenhouse gas emissions come from food production. Research shows that shifting the nation from the current UK average diet towards one more in line with the Eatwell Guide that's made up of more fruit, veg and starchy carbohydrates, could deliver reductions in GHG's of approximately 30%. As a supermarket serving communities across the country, working with a global supply base, Sainsbury's has a responsibility and once in lifetime opportunity to change that. To support customers to incrementally improve their diets, we developed advertising campaigns and advice based on the principles of the government's Eatwell Guide, with recipes changing up well-loved recipes such as curries and casseroles, offering hints such as encouraging customers to mix half pulses with half meat. A TV and radio advertising campaign, voiced by Stephen Fry, was used to explain the benefits and encourage customers to mix it up and try recipes that are made up of more fruit and vegetables, such as strawberries, kale, broccoli, peas, and beetroot. We help to nudge healthier sustainable choices through incentives to increase intake of fruit and veg via challenges in the Nectar app along with competitive pricing. To learn more, please visit about.sainsburys.co.uk/helping-everyone-eat-better To view the 60 second television advertising campaign, please visit https://youtu.be/_Z13_bNkgPA

Impact of engagement, including measures of success

Last year we became the first retailer to begin disclosing our performance on healthy sales. Robust criteria for the classifications have been developed by our nutrition team, with additional guidance from independent experts. Assessment includes a consideration of the categories set out in the Eatwell Guide, and how a product fares against the front of pack Multiple Traffic Lights (MTLs) i.e. no red scores, reformulation targets set by Public Health England for sugar and salt, the portion size (where appropriate), and the ability to make positive nutrition claims. The scheme allows us to track shifts in sales, and to assess the impacts of our health initiatives and promotions to support better choices. The measure of success and impact can be seen through the following data sets: We have set a target to increase our Healthy and Better for you sales tonnage (including own brand and branded) as a proportion of total sales. Our aim is to achieve at least 83.1 per cent by 2025. In 21/22 we have achieved 80%. Healthy and Better for you sales tonnage as a proportion of total sales tonnage and 72.6% of our total protein sales tonnage consists of plant-based and meat-free products of which 12 per cent is entirely plant based. We have produced many new foods based on vegetables and plant proteins including the "Our Love your Veg!" range. We expanded this range with 6 new product launches in 2021. Through the Great Big Fruit & Veg Challenge in June, over 500,000 customers signed up to take part and took home an extra 54 million portions of fruit and vegetables during the 4 week challenge. 1.2 million additional portions of fruit and veg were taken home by over 17,000 of our customers via Healthy Start vouchers. We are publicly reporting on our progress twice a year. For further information on our performance, please visit our Plan for Better report.

Type of engagement & Details of engagement

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

During COP 26 we wanted to engage with our customers to show how we can all act now to tackle the climate emergency and create a more sustainable future by improving our relationship with food, one plate at a time. We wanted to inspire our colleagues, customers and other businesses to rally together to protect and restore our planet for the future. The environmental and social challenges that are facing the world have never been greater. As a UK retailer with a food, general merchandise and clothing business, we source from countries all over the world, therefore the production, sourcing, packaging and disposal of these products can have major consequences. We wanted to demonstrate how sustainability is integrated into our corporate strategy and at the heart of our brand commitment to 'Help Everyone Eat Better', along with demonstrating the link between our relationship with food and the health of the planet, showcasing what we are doing from farm to fork to reduce our impact and inspire stakeholders to take action. Our aim is to empower our customers and colleagues to make small changes, one plate at a time, to choose food that is better for them and better for the planet, nudging action towards more sustainable behaviours. At the event itself we used our 'Eatwell carousel' within the exhibition space to demonstrate to visitors, including customers, delegates, and school children, how we are helping everyone eat better and tackling the climate emergency through Plan for Better – with visual displays and key data focusing on our carbon commitments, 'Helping Everyone Eat Better', recycling, food waste and protecting nature. Subject matter experts from within Sainsbury's were on hand to engage and answers questions regarding the strategy. We also encouraged visitors to the stand to make a pledge outlining how they would commit to reducing their impact on the environment, this could also be completed through our website. During the event, we completed marketing communications and through our social media channels, we updated customers with key activity around COP26 and HEEB. We also enabled customers to take our sustainability superstar quiz on our website and provided more detail around our strategy.

Impact of engagement, including measures of success

The impact of the engagement and measure of success through the Help Everyone Eat Better Carousel within the COP26 Exhibitor space was that it brought to life HEEB and increased awareness around the changes that visitors can all make for their health and the planet and was attended by significant number of visitors during the event. The stand raised awareness and led to engagement with members of the public and customers with representatives from Sainsbury's sustainability teams on hand to discuss key elements of the strategy. This included how we are helping everyone eat better and tackling the climate emergency through Plan for Better and our wider sustainability strategy, including the work that we are doing in our operations and working with our suppliers on Net Zero , Recycling , Food Waste and Protecting Nature . The Good Morning Britain weather report was presented from our stand with some of our key stats around the impact of food waste on the environment quoted. Our Eatwell guide within the carousel educated customers on healthy and sustainable diets. We asked visitors to the stand to make a pledge outlining how they would commit to reducing their impact on the environment with 592 pledges made, with recurring themes around our four areas of focus, which was our measure of success.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

This year has seen significant engagement with multiple stakeholders across our business, as we launched our Plan for Better strategy, held our ESG day for investors and were the Principal supermarket Partner of COP26.

We were the Principal Supermarket Partner of COP26, the UN Climate Change Conference. Our aim was to work collaboratively with world leaders, climate experts and businesses at the centre of decision making to help drive lasting change, along with demonstrating strong industry leadership, inspiring colleagues, customers and other businesses to rally together to protect and restore our planet for the future. We wanted to show how we can all act now to tackle the climate emergency and create a more sustainable future by improving our relationship with food, one plate at a time.

During the conference we hosted multiple events, bringing in experts from across our business to discuss industry challenges such as sustainable behaviours, climate change, product labelling, tackling food waste and our strategy in this area, whilst committing to accelerating our plan. We hosted a public exhibition, with colleagues on hand to engage citizens on how we can all eat better to improve our health and the health of the planet, along with providing detail on our strategy. We engaged Government officials such as the Secretary of state and chief scientific advisor, along with academia, research, not for profit organisations and the food industry. During the event we signed up to, and communicated our support for, several commitments including: the acceleration of our Net Zero operational target to 2035, the WWF Basket commitment to halve the environmental impact of UK baskets by 2030, signatories to the COP26 joint declaration on the acceleration to 100% zero-emission cars and vans by 2030 and became founding signatories to the UK Soy Manifesto. We published our report on the vital importance of protecting the worlds water resources and became Tier 2 signatories, 'Observers', to the Glasgow Declaration for Fair Water Footprints for climate resilient, inclusive, and sustainable development. Finally, we announced our involvement in Get Nature Positive, led by Defra and the Council for Sustainable Business, and signed up to the G7 Sustainable Supply Chains Initiative. Colleagues were encouraged to 'pledge for the planet' and we released engaging content through our company intranet, along with in-store communications to bring the conference to life for colleagues.

To identify and gain insight into the issues that matter most to our key stakeholder groups, we refreshed our materiality assessment using the insight to evolve our strategy and inform our approach, understanding the importance of our issues to our stakeholders and their impact, ensuring Plan for Better is focussed on the most material issues to our stakeholders and areas that will have the greatest impact on our business, aligning to the UNSDG's. We developed a list of 16 key issues to form the basis of the assessment. These were identified through horizon scanning, benchmark reviews, consideration of our Plan for Better objectives and the broader ESG agenda. We engaged key stakeholder groups to understand how important the 16 key issues were for us to address. We surveyed and engaged the following, ensuring we gained insight from all perspectives impacting our business: Over 1,500 colleagues, representing all areas of the business including senior leaders, over 100 NGO's, over 300 suppliers, representing all business areas and brands, over 2,000 customers, a nationally representative sample including customers of all Sainsbury's Group brands, 97 members of parliament, across all parties and regions and 26 investor representatives. We undertook analysis of the findings, with results plotted onto a materiality matrix to visualise the importance of topics and the impact to our business over a 3–5-year horizon.

With regards to engagement with our investors, we held our ESG event on the 17th of June. Our CEO, Chairman and Directors talked with investors about our new sustainability strategy Plan for Better, how we are progressing against our commitments and how our plan aligns with our brand commitment: Helping everyone eat better. This included our work on healthy and sustainable diets, reduction in carbon emissions, water use and food waste, reducing plastic packaging, increasing recycling, sustainable sourcing and biodiversity. Please see the link for full details [PowerPoint Presentation \(sainsburys.co.uk\)](#)

We are engaging with communities. Food waste contributes over 8% of total man-made GHG emissions, actions taken to reduce food waste also reduce GHG emissions. This year we rolled out our food donation partnership with Neighbourly to all supermarkets, redistributing supermarket surplus food to people in need, connecting to a network of over 17,000 charities, schools and community groups, resulting in the donation of 2.6 million meals.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Meeting minimum emissions intensity standards for the supplied product or service

Description of this climate related requirement

Suppliers of certain products have been excluded from working with us, if they do not meet our emissions standards. For example, when we were searching for new refrigeration suppliers. Manufacturers were required to provide detailed information in relation to their case energy consumption. This is important to us as refrigeration accounts for c. 45% of our electricity consumption and produces around 115,000 tonnes of GHG emissions. Four suppliers were compared to ensure that the best was selected, in terms of energy efficiency and carbon emissions. Emissions data is captured through a number of internal forms and processes and a Carbon calculator has also been developed and is used by procurement to understand the potential impact of suppliers to inform our approach. Our policies also support our approach to the environment and help our suppliers meet our sustainability goals. They include our Sustainable Sourcing Policy Goods for Resale, which helps support suppliers to effectively carry out their ethical trading responsibilities and meet Sainsbury's ethical commitments. It also outlines how suppliers should implement our Code of Conduct for Ethical Trade, including protection of the environment.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

Certification
Supplier self-assessment
Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement

Exclude

Climate-related requirement

Setting a science-based emissions reduction target

Description of this climate related requirement

We have set an expectation that our suppliers should commit to their own Net Zero science-based targets and we require all key suppliers to have set SBTi targets in line with the latest climate science by 2023, with approval by 2025 and then built into contracts. We are working to encourage this and are creating an internal tool that will read in a variety of data sources to support the teams managing their supplier's progress on carbon. One data source that this tool will be able to read in is the download from SBTi showing the list of companies that have an SBTi target. We will then be able to match this up to the supplier names in our systems to understand how many have set SBTi targets

% suppliers by procurement spend that have to comply with this climate-related requirement

80

% suppliers by procurement spend in compliance with this climate-related requirement

20

Mechanisms for monitoring compliance with this climate-related requirement

Certification
Supplier self-assessment
Second-party verification
Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers
Yes, we engage indirectly through trade associations
Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

See attached Annual Report
J Sainsbury plc Annual Report and Financial Statements 2022.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Tackling the climate emergency requires collaborative and transformational thinking across industry and government, and a willingness to work together and share learnings globally, so that we can all take meaningful, immediate action. The Group has stated its commitment to the aspirations of the Paris Agreement to achieve operational net zero emissions by 2035 and reduce Scope 3 emissions by 30% by 2030. Within the "Other information", the Group discloses its "Plan for Better"; the strategy which sets out how we are working to transition to a lower carbon future and become a net-zero business by 2035. The Group has disclosed that this is an evolving area and the work undertaken by the Group will inform their response to the risks and opportunities identified. This currently reflects the known impacts of climate change and will continue to be reflected in their financial models and plans to reflect the future economic impact on their business model, operational plans and customers. COP26 also enabled us to sit with ministers to ensure that our strategy was heard by key players within government. As a UK-based business and a major employer of over 171,000 colleagues, it is appropriate and responsible for a business of our scale to engage in a transparent way with government and regulators. One of the key government/regulator priorities is impact on the environment. In terms of Engaging with government and regulators, the Board and CR&S Committee received updates in relation to our work with government and regulators through summaries on activities including: Engagement with government through Parliamentary and party events, Public responses to government consultations, direct meetings, Trade association meetings, Government organised roundtables, participation in government organised forums, such as the Food and Drink Sector Council,— Liaison with regulators, including the Grocery Code Adjudicator and HMRC.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Circular economy
Extended Producer Responsibility (EPR)

Specify the policy, law, or regulation on which your organization is engaging with policy makers

We have engaged with policymakers on policies relating to the circular economy, DRS and EPR, both of which we are supportive of.

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

United Kingdom of Great Britain and Northern Ireland

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

Responding to relevant consultations on the policies and engaging via our trade bodies.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

We are supportive of DRS, but have been calling for a UK-wide scheme.

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Climate-related targets

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Sainsbury's were the Principal Supermarket Partner of COP26 the United Nations Climate Change Conference.

Policy, law, or regulation geographic coverage

Global

Country/region the policy, law, or regulation applies to

<Not Applicable>

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

We supported the outcomes of COP26. As part of its role as Principal Supermarket Partner at COP26, Sainsbury's worked collaboratively with government, climate experts and businesses at the centre of decision making to help drive lasting change.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Climate-related targets

Specify the policy, law, or regulation on which your organization is engaging with policy makers

We are engaging government on our commitment, alongside other retailers, to work with the World Wide Fund for Nature (WWF) to halve the environmental impact of UK baskets by 2030. This initiative recognises the importance of collaboration on a scale not yet achieved if we are to tackle the grand challenges of the climate and nature crises.

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

United Kingdom of Great Britain and Northern Ireland

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Ongoing engagement on our commitment with UK government, including DEFRA.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Climate-related targets

Specify the policy, law, or regulation on which your organization is engaging with policy makers

We became signatories to the COP26 joint declaration on the acceleration in the transition to 100 per cent zero-emission cars and vans.

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

United Kingdom of Great Britain and Northern Ireland

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

As representatives of businesses, with an influence over the future of the automotive industry and road transport, we commit to rapidly accelerating the transition to zero emission vehicles to achieve the goals of the Paris Agreement.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Climate-related targets

Specify the policy, law, or regulation on which your organization is engaging with policy makers

We became founding signatories to the UK Soy Manifesto; a commitment to cutting deforestation and habitat destruction out of UK soy supply chains by 2025

Policy, law, or regulation geographic coverage

Global

Country/region the policy, law, or regulation applies to

<Not Applicable>

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Brings the UK market together to engage other actors in the supply chain, critically importers of soy to the UK, to improve transparency, cascade expectations along the supply chain. If it is followed by ambitious action and if rapidly implemented, the Manifesto has the potential to accelerate the delivery of 100% deforestation- and conversion-free soy to the UK market, and to contribute to wider transformation in the global industry

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (British Retail Consortium)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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. Sainsbury's sits on and supports the BRC Nutrition Working Group, CSR Member Ethical labour Working Group, Responsible Sourcing member Group, Retailer Auditing Alignment Working Group, Climate Action Roadmap Steering Group. As the second largest member and contributor of BRC we 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.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Cold Chain Federation)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The Cold Chain Net Zero Project is aimed at bringing the industry together; to define what is meant by a net zero cold chain; and to work together to identify, plan and transition to a more efficient and lower emission cold chain of the future. As part of the Project, CFF aim to release five documents, alongside special events and briefings to demonstrate how they can work together with Government and other stakeholders to contribute to the UK's decarbonisation goals. Sainsbury's feed in by providing a 'real-life' business perspective and the policy we need to see to enable the decarbonisation of transport. This then feeds directly into government policy.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

25000

Describe the aim of your organization's funding

At Sainsbury's we understand the importance of collaboration with key organisations to make progress on important public policy agendas, including to facilitate the transition to Net Zero. Our membership of these trade bodies and organisations supports our activity in this area and they help to inform the business of important policy and regulatory changes.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Consumer Goods Forum)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The Consumer Goods Forum has key objectives on Environmental and Social Sustainability. Our Chief Executive of Sainsbury's is on the board and supports the Consumer Goods Forum. We are members of multiple working groups which enable us to collaborate with global players to advance progress across sustainability issues. We provide case studies to support CGF's strategy.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization

University or other educational institution

State the organization to which you provided funding

Imperial College

Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)

250000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

Imperial College support with research and trials focusing on engineering innovation to facilitate decarbonisation of buildings, transport and grid. Research papers are produced and published, with the doctors, professors and students we work with, often using Sainsbury's within real-life examples. They sit on government bodies which in turn influences policy. Imperial college work closely with the London Mayors office enabling us to directly link and influence policy.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

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

J Sainsbury plc Annual Report and Financial Statements 2022.pdf

Page/Section reference

Throughout the report but specifically 13-24, 26 -28, 30, 53,71 - 72, 97-98 and 102

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Attached is the 21/22 Annual Report

Publication

In voluntary sustainability report

Status

Complete

Attach the document

Sainsburys Plan for Better 2021-22 Sustainability Update (1).pdf

Page/Section reference

Entirety of document.

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Attached is the 2021/22 Plan for Better sustainability report.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	Within our corporate 'Plan for Better' programme of work, we have a commitment to sourcing with integrity, and ensuring the impact of our operations is net positive for biodiversity. We have several board chairs representing our biodiversity commitment - General Merchandise and Clothing Business Board Director and our Food Business Board Director. The PLC Board is the principal decision-making body that oversees our Plan for Better sustainability programme of work., The Board Chair has ultimate accountability for ensuring the success of the strategy. In terms of examples of specific biodiversity-related decisions, the Chair was responsible for signing off on the Plan for Better strategy in 2021 and remains in charge of regularly reviewing our progress during Board meetings and guiding the strategy as appropriate. We have a biodiversity working group that meets bi-weekly, with subject matter expert representation from relevant business areas. This group works into the Plan for Better Steering Group. The Steering Group reports quarterly into our CR&S Committee, which is chaired by a Non-Executive Director.	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to Net Positive Gain	CBD – Global Biodiversity Framework SDG Other, please specify (Signed the Business for Nature Call to Action, Get Nature Positive initiative in conjunction with DEFRA and the Council for Sustainable Business, WWF Retailer Commitment for Nature - to halve the environmental impact of UK Baskets by 2030)

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	Yes, we assess impacts on biodiversity in both our upstream and downstream value chain	<Not Applicable>

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Education & awareness

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Other, please specify (We have built an internal tool allows Sainsbury's to view every supply chain and every supply chain risk • Deforestation alerts 2016-2020 • Biodiversity hotspots 2016 • World protected areas 2020 • WRI Aqueduct 2019 • PEATMAP)

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In mainstream financial reports	Content of biodiversity-related policies or commitments Governance Impacts on biodiversity Details on biodiversity indicators Risks and opportunities	Annual Report including certification coverage pg. 19, 22 and 23 J Sainsbury plc Annual Report and Financial Statements 2022.pdf
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Governance Impacts on biodiversity Details on biodiversity indicators Influence on public policy and lobbying Risks and opportunities Biodiversity strategy	Plan for Better report pg. 20 and 42 Sainsburys Plan for Better 2021-22 Sustainability Update (1).pdf

C16. 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.

N/A

C16.1

(C16.1) 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)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

John James and Mary Ann Sainsbury set Sainsbury's up in 1869, with a desire to bring good food at affordable prices – to everyone, and this is as important today as it was all those years ago. Offering delicious, great quality food at competitive prices has been at the heart of what we do since John James and Mary Ann Sainsbury opened our first store. Today, inspiring and delighting our customers with tasty food remains our priority.

Our purpose is that driven by our passion for food, together we serve and help every customer. We are on a mission to help everyone eat better. This means helping customers access healthy, tasty and affordable food that is better for them and better for the planet too.

Our focus on great value food and convenient shopping, whether in-store or online is supported by our brands – Argos, Habitat, Tu, Nectar and Sainsbury's Bank. Sainsbury's has over 600 supermarkets and over 800 convenience stores. Argos is a leading digital retailer and is the third most visited retail website in the UK, with over 90% of its sales starting online. Argos is conveniently available for customers to collect from hundreds of Sainsbury's stores. Digital and technology enables us to adapt as customers shop differently and our profitable, fast-growing online channels offer customers quick and convenient delivery and collection capability. Over 171,000 colleagues are integral to our success, now and in the future. Our colleagues who work hard every day to make our customers' lives easier and provide them with great products, quality and service.

Our customers care about wide-ranging, complex issues that impact them and our wider world. They trust us to be a responsible business, whether that is by supporting the communities we serve and source from, managing our environmental impacts or contributing to a healthier, more inclusive society.

The environmental and social challenges that are facing the world have never been greater. As a UK retailer with a food, general merchandise and clothing business, we source from countries all over the world, therefore the production, sourcing, packaging and disposal of these products can have major consequences. Our commitment to Helping everyone eat better means we are playing a leading role in offering delicious, affordable food that supports healthy and sustainable diets, helping customers reduce their impact on the planet, one plate at a time.

Collaboration is key to tackling the climate crisis. To this end we were proud to be the Principal Supermarket Partner of the United Nation's international climate change conference, COP26, which took place in Glasgow in November.

In June 2021, we launched our Plan for Better, our new sustainability plan and strategy, covering our key environmental and social commitments, which are firmly integrated into our business strategy and at the core of our business. We also accelerated our Net Zero Scope 1 and 2 targets from 2040 to 2035. Plan for Better is positioned amongst the five key strategic objectives for our business.

In 2021/22 we began sourcing 100% renewable electricity, committing to the long-term purchase of renewable energy from new wind and solar projects to be built over the next 2 years. We also achieved our target to install 100% LED lighting across our supermarkets. This follows extensive financial investment of over £320 million in the past ten years, funding more than 3,100 sustainable initiatives.

Our Scope 3 target, defined in collaboration with the Carbon Trust and approved by the Science Based Targets Initiative, requires the reduction of GHG emissions by 30% by 2030. As a retailer sourcing over 30,000 products from over 70 countries we are working collaboratively with our suppliers to set their own ambitious net zero commitments. This year we wrote to 400 of our top suppliers asking them to report and disclose their carbon reduction targets and are proud to have earned a place as a leading company on CDP's 2021 Supplier Engagement Leaderboard, for taking action to measure and reduce climate risk within our supply chain.

We have identified areas which matter most to our stakeholders and are aligned to the UN Sustainable Development Goals, so that we can make the biggest difference. Our Plan for Better has three interlocking pillars; Better for you, Better for the planet and Better for everyone. We have committed to reporting on our plan twice a year to transparently share our progress and shared our first half results of 2021/22.

The development of our Plan for Better was informed by identifying the areas that are most material to our stakeholders and ensuring alignment to the UN Sustainable Development Goals. This year we have undertaken another materiality exercise across our stakeholders to understand the priority areas of focus across the different groups. Using this insight we continue to evolve our strategy, ensuring it is fit for purpose and addressing the areas where we can have a significant impact.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	29895000000

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

C&C GROUP PLC

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

518033

Uncertainty (±%)

0

Major sources of emissions

Gas use in our stores

Verified

Yes

Allocation method

Other, please specify (We do not allocate to a customer level)

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied

Other, please specify (Not applicable)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Sainsbury's does not currently allocate emissions per customer. We have estimated our scope 3 to a supplier level. Due to the complexity of our operations and constant flux of our products, this is not something we have calculated. For example, to allocate by revenue share would not take into account specific product storage e.g. refrigeration and lighting. When we read customer in this case, we are treating this as a supplier, not our traditional customer.

Requesting member

C&C GROUP PLC

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

228892

Uncertainty (±%)

0

Major sources of emissions

Electricity use in our stores

Verified

Yes

Allocation method

Other, please specify (We do not allocate to a customer level)

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied

Other, please specify (Not applicable)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Sainsbury's does not currently allocate emissions per customer. We have estimated our scope 3 to a supplier level. Due to the complexity of our operations and constant flux of our products, this is not something we have calculated. For example, to allocate by revenue share would not take into account specific product storage e.g. refrigeration and lighting. When we read customer in this case, we are treating this as a supplier, not our traditional customer.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

Our annual report and our Plan for Better report have full details of our emissions breakdown for Scopes 1 and 2 (location and market) as well as our baseline Scope 3 figures.

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	Due to the complexity of our operations and constant flux of our products, this is not something we have calculated. For example, to allocate by revenue share would not take into account specific product storage e.g. refrigeration and lighting. When we read customer in this case, we are treating this as a supplier, not our traditional customer.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

The customer level detail is not relevant to this, as our customers are not businesses, but individuals. Due to the complexity of our operations and constant flux of our products, this is not something we have calculated. For example, to allocate by revenue share would not take into account specific product storage e.g. refrigeration and lighting. When we read customer in this case, we are treating this as a supplier, not our traditional customer.

Our scope 3 reporting boundary is purchased goods and services, use of products and incoming transport. We will be using a product based method to be calculating this. Activity data from Sainsbury's was used as the basis for the purchased goods and services – in the form of volume of purchased product (kg, litres, units). Volume was provided per SKU, allowing categorisation by supplier and product category. It would not be relevant to track this per customer.

We are continuing to review our carbon accounting to ensure that we are working collaboratively up and down our supply chain.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

Requesting member

C&C GROUP PLC

Group type of project

Relationship sustainability assessment

Type of project

Aligning goals to feed into customers targets and ambitions

Emissions targeted

Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized

Other, please specify (Net Zero targets 2035)

Estimated lifetime CO2e savings

7998924

Estimated payback

Other, please specify (2035)

Details of proposal

The following aims are what we would like our suppliers to sign up to: 1.By 2023, all key carbon suppliers* must have developed scopes 1 – 3 baselines and carbon reduction roadmaps 2.By 2023, all key carbon suppliers* must disclose on the Carbon Disclosure Project (CDP) platform annually 3.By 2025, all key carbon suppliers* must have SBTi approved targets 4.By 2025, all suppliers must disclose on the Manufacture 2030 (M2030) platform annually. Other collaborative roadmaps: <https://brc.org.uk/climate-roadmap/> <https://wrap.org.uk/taking-action/food-drink/actions/reducing-greenhouse-gas-emissions>

Requesting member

C&C GROUP PLC

Group type of project

Change to supplier operations

Type of project

Other, please specify (Supplier procurement to include low carbon and energy efficient options)

Emissions targeted

Actions that would reduce both our own and our customers' emissions

Estimated timeframe for carbon reductions to be realized

Other, please specify (2035)

Estimated lifetime CO2e savings

7998924

Estimated payback

Other, please specify (2035)

Details of proposal

Through our procurement process we are working with our suppliers to ensure that they provide us with more energy efficient products. Suppliers of certain products have been excluded from working with us, if they do not meet our emissions standards. For example, when we were searching for new refrigeration suppliers. Manufacturers were required to provide detailed information in relation to their case energy consumption. This is important to us as refrigeration accounts for c45% of our electricity consumption and produces around 115,000 tonnes of GHG emissions. Four suppliers were compared to ensure that the best was selected, in terms of energy efficiency and carbon emissions. Emissions data is captured through a number of internal forms and processes and a Carbon calculator has also been developed and is used by procurement to understand the potential impact of suppliers to inform our approach. Sainsbury's could work with suppliers to ensure that the best options are provided for our stores.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms