

Welcome to your CDP Forests Questionnaire 2020

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Our purpose is to help our customers live well for less. It's about helping our customers get the most out of life, no matter how much money or time they have. We do this by giving them easy, affordable access to the things they need: like healthy food, quality clothes, stylish homewares, the latest technology and more ways to manage their money. We do all of this sustainably, so we can help our customers live well today and tomorrow. We offer our customers distinctive, quality products at competitive prices across food, general merchandise, clothing and financial services. Driving efficiency in our day-to-day operations enables us to invest in our customer offer in areas that they value: choice, quality, low prices, convenience and great service. We have created a multi brand, multi-channel business that provides choice, flexibility and convenience for our customers. We will continue to invest in both our digital offer and our stores so that customers can buy more and save time as well as money by shopping with us. We recognise that living well means living sustainably. This year sees the conclusion of our 2020 Sustainability Plan and we are proud of the progress and achievements we have made against our commitments. Our activities have spanned our five values, governed by our Value Management Groups, to help customers live healthier lives, make a positive difference to our communities, source with integrity, have respect for our environment, and create a great place to work for our colleagues. Highlights include reducing our absolute carbon emissions by 46 per cent against our 2005 baseline (reaching our 30 per cent target a year early), and achieving our water reduction targets early as well, saving one billion litres since 2005. We are the only UK food retailer to receive an A rating in the Climate Disclosure Project for six consecutive years. We were also the first retailer to achieve The Carbon Trust Water Standard in 2017 as well as this past year achieving the Climate Disclosure Project A-rating for water disclosure. This year we announced our commitment to achieve Net Zero across all our operations by 2040 and that we will invest £1 billion over the next 20 years to support seven commitments that focus on reducing carbon emissions, food waste, plastic packaging, water usage and increasing recycling, biodiversity and healthy & sustainable diets. The Board is accountable for the delivery of the seven pillars of our Net Zero plan and we will report progress against each of them at our interim results in November. In a further demonstration of the importance we place on helping customers to live sustainably, we became signatories of the Task Force on Climate related Financial Disclosures, to provide consistent information to our stakeholders.

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

Agreement. We have also committed to minimise the use of water in our own operations, driving towards water neutrality by 2040.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	March 11, 2019	March 10, 2020

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

GBP

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on. For each forest risk commodity selected, identify the stages of the supply chain which best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Retailing	
Palm oil	Disclosing	Retailing	
Cattle products	Disclosing	Retailing	
Soy	Disclosing	Retailing	
Other - Rubber	Not disclosing	Retailing	Sainsbury's 2019/20 CDP Forest disclosure focuses on the core commodities of the disclosure: timber, cattle, palm oil, and soy.
Other - Cocoa	Not disclosing	Retailing	Sainsbury's 2019/20 CDP Forest disclosure focuses on the core commodities of the disclosure: timber, cattle, palm oil, and soy.
Other - Coffee	Not disclosing	Retailing	Sainsbury's 2019/20 CDP Forest disclosure focuses on the core commodities of the disclosure: timber, cattle, palm oil, and soy.

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.5a

(F0.5a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Value chain stage	Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Supply chain	Specific product line(s)	Branded products sold by the business.	Potential for forests-related risk but not evaluated	Sainsbury's has a high proportion of own brand products and it's across those supply chains that we recognise we have the most leverage. We only collect information from our Sainsbury's Brand suppliers, for example Princes Ltd. who supply various Sainsbury's drinks and canned goods from who we collected palm oil sustainability information for over 40 SKUs. The % of palm oil in our products, the palm ingredient and the RSPO certification that applies to the palm oil are disclosed.
Direct operations	Business activity	Timber used in construction in own operations.	Potential for forests-related risk but not evaluated	We will be working with our supply chain over the coming year to record and verify the amount of recycled & certified timber across our store fit outs, with an objective of setting a target for the following year.
Supply chain	Specific product line(s)	Leather.	Potential for forests-related risk but not evaluated	Leather is deemed as a by-product of the meat industry, as a commodity cattle are raised for meat & dairy products.

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

- Buying manufactured products
- Distributing/packaging
- Retailing/onward sale of commodity or product containing commodity

Form of commodity

Hardwood logs
Softwood logs
Sawn timber, veneer, chips
Unprocessed wood fiber
Pulp
Paper
Boards, plywood, engineered wood
Cellulose-based textile fiber
Wood-based bioenergy

Source

Contracted suppliers (manufacturers)

Country/Area of origin

American Samoa
Australia
Austria
Belarus
Belgium
Bosnia & Herzegovina
Brazil
Canada
Chile
China
Croatia
Czechia
Denmark
Estonia
Finland
France
Germany
Hungary
India
Indonesia
Ireland
Latvia
Lithuania
Luxembourg
Malaysia
Namibia
Netherlands
New Zealand
Norway
Panama
Poland
Portugal
Romania

Russian Federation
Slovakia
Slovenia
South Africa
Spain
Sweden
Switzerland
Taiwan, Greater China
Thailand
Ukraine
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay
Viet Nam

% of procurement spend

1-5%

Comment

Calculated with an estimated value of timber products used as material or component in our own brand products.

Palm oil

Activity

Buying manufactured products
Retailing/onward sale of commodity or product containing commodity

Form of commodity

Refined palm oil
Palm oil derivatives
Palm kernel oil derivatives

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Indonesia
Malaysia
Papua New Guinea

% of procurement spend

<1%

Comment

Calculated with an estimated value of palm oil used as ingredients in our own brand products.

Cattle products

Activity

Buying manufactured products
Retailing/onward sale of commodity or product containing commodity

Form of commodity

Beef
By-products (e.g. glycerin, gelatin)

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Brazil
Ireland
United Kingdom of Great Britain and Northern Ireland

% of procurement spend

1-5%

Comment

Calculated with an estimated value of beef used as ingredients or in our whole own brand products.

Soy

Activity

Buying manufactured products
Retailing/onward sale of commodity or product containing commodity

Form of commodity

Whole soy beans
Soy bean oil
Soy bean meal
Soy derivatives

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Argentina
Brazil
Canada
China
France
India
Paraguay
United States of America

% of procurement spend

<1%

Comment

Calculated with an estimated value of soy used as an ingredient or whole own brand product, or soy used as animal feed for our own brand products..

F1.2

(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	1-5%	Estimated value of timber products used as material or component in our own brand products.
Palm oil	1-5%	Estimated value of palm oil used as ingredients in our own brand products
Cattle products	1-5%	Estimated value of cattle products used as ingredients in our own brand products or whole own brand products
Soy	11-20%	Estimated value of soy used as an ingredient or whole own brand product, or soy used as animal feed for our own brand products.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing
Cattle products	Consumption data available, disclosing
Soy	Consumption data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity

Palm oil

Data type

Consumption data

Volume

12,307

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

Forest risk commodity

Timber products

Data type

Consumption data

Volume

142,709

Metric

Cubic meters

Data coverage

Full commodity production/consumption

Please explain

Forest risk commodity

Soy

Data type

Consumption data

Volume

184,429

Metric

Metric tons

Data coverage

Partial commodity production/consumption

Please explain

This is a calculation of our embedded animal feed soy use and not our direct soy use in products. This is deemed low risk as it is all sourced from non-GM countries. Our soy animal feed is the focus of our soy policy and data collection.

Forest risk commodity

Cattle products

Data type

Consumption data

Volume

43,161

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

Forest risk commodity

Timber products

Data type

Consumption data

Volume

3,140.9

Metric

Metric tons

Data coverage

Partial commodity production/consumption

Please explain

This is for own-brand charcoal products only. Charcoal data is stored and reported separately to the other timber/timber derived products data.

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
BATU PAHAT, JOHOR, MALAYSIA.

% of total production/consumption volume

1.2

Please explain

For any product that falls under the EUTR, or that is deemed 'high risk' by the third party which collects this data, we have full traceability to the plantation (17% of our total timber volume). All our other timber products are traceable at least to the country of origin (83% of our total timber volume). For our timber sourced from Malaysia, we have visibility of the forest address for 61% of the total volume.

Forest risk commodity

Palm oil

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

100

Please explain

The commoditised nature of palm oil has made tracing palm oil in products back to its country or jurisdiction of origin difficult to achieve. To address this sector-wide issue, we are members of the Palm Oil Transparency Coalition that aims to increase this visibility for its members and the sector. The POTC aims to create a common understanding of traders' adherence to No Deforestation, No Peat and No Exploitation (NDPE) and wider sustainability commitments relating to palm oil through an evaluation process, which facilitates engagement with these traders. Traders are asked to share detail of their due diligence process, share relevant evidence and provide volume and origin information for their traded palm oil.

Forest risk commodity

Cattle products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

5

Please explain

We use beef as a primary ingredient and as a secondary ingredient in our own brand products. The vast majority (94.8%) of our whole beef is sourced from the UK or Ireland. Only a small proportion (5.2%) is sourced from Brazil.

Forest risk commodity

Soy

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

100

Please explain

Municipalities identified as a priority through our Soy Buyers Coalition membership includes the following municipalities - Sapezel, Paragominas, Campos Lindos, Formosa do Rio Preto, Barreiras, Mineiros, Gaucha do Norte, Nova Ubirata, Campos de Julio, Claudia.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

Yes

F1.6a

(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity

Timber products

Impact driver type

Physical

Primary impact driver

Rising mean temperatures

Primary impact

Increased production costs

Description of impact

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

Primary response

Other, please specify

Engagement with local community/customers/suppliers; Engagement in multi-stakeholder initiatives; Promotion of best practice and awareness & sustainable forest management; Voluntary engagement in conservation projects; Landscape level approach

Total financial impact

810,000,000

Description of response

By the end of 2020 we will be concluding our 2020 Sustainability Plan and have already launched our new strategy to become Net Zero across our own operations by 2040. We have committed to investing £1 billion over the next twenty years for this purpose, and already started to develop a revised set of targets for the sustainable sourcing of our products, which build on our successes and recognise existing and future challenges. We mitigate forest-related risks in our supply chain primarily through the development and deployment of policies to our supply base. These cover mainly our own-brand products and require suppliers to source certain materials and commodities in a sustainable way. We require that certain materials and commodities associated with environmental risks in our products be sourced to an independent, certified standard. We also recognise the importance of working collaboratively with others to address forest-related risks. We work with other retailers on the Palm Oil Transparency Coalition in order to minimise the impact of palm oil on deforestation and land change and promote its sustainable sourcing across the industry. Through the Retailer Cocoa Collaboration, we have committed to support the Cocoa & Forests We are also working as part of the Consumer Goods Forum Forest Positive Coalition of Action to accelerate efforts to remove commodity-driven deforestation from our supply chains.

Forest risk commodity

Palm oil

Impact driver type

Physical

Primary impact driver

Rising mean temperatures

Primary impact

Increased production costs

Description of impact

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

Primary response

Other, please specify

Engagement with local community/customers/suppliers; Engagement in multi-stakeholder initiatives; Promotion of best practice and awareness & sustainable forest management; Voluntary engagement in conservation projects; Landscape level approach

Total financial impact

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Description of response

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Forest risk commodity

Cattle products

Impact driver type

Physical

Primary impact driver

Rising mean temperatures

Primary impact

Increased production costs

Description of impact

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

Primary response

Other, please specify

Engagement with local community/customers/suppliers; Engagement in multi-stakeholder initiatives; Promotion of best practice and awareness & sustainable forest management; Voluntary engagement in conservation projects; Landscape level approach

Total financial impact

810,000,000

Description of response

By the end of 2020 we will be concluding our 2020 Sustainability Plan and have already launched our new strategy to become Net Zero across our own operations by 2040. We have committed to investing £1 billion over the next twenty years for this purpose, and already started to develop a revised set of targets for the sustainable sourcing of our products, which build on our successes and recognise existing and future challenges. We mitigate forest-related risks in our supply chain primarily through the development and deployment of policies to our supply base. These cover mainly our own-brand products and require suppliers to source certain materials and commodities in a sustainable way. We require that certain materials and commodities associated with environmental risks in our products be sourced to an independent, certified standard. We also recognise the importance of working collaboratively with others to address forest-related risks. We work with other retailers on the Palm Oil Transparency Coalition in order to minimise the impact of palm oil on deforestation and land change and promote its sustainable sourcing across the industry. Through the Retailer Cocoa Collaboration, we have committed to support the Cocoa & Forests We are also working as part of the Consumer Goods Forum Forest Positive Coalition of Action to accelerate efforts to remove commodity-driven deforestation from our supply chains.

Forest risk commodity

Soy

Impact driver type

Physical

Primary impact driver

Rising mean temperatures

Primary impact

Increased production costs

Description of impact

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

Primary response

Other, please specify

Engagement with local community/customers/suppliers; Engagement in multi-stakeholder initiatives; Promotion of best practice and awareness & sustainable forest management; Voluntary engagement in conservation projects; Landscape level approach

Total financial impact

810,000,000

Description of response

By the end of 2020 we will be concluding our 2020 Sustainability Plan and have already launched our new strategy to become Net Zero across our own operations by 2040. We have committed to investing £1 billion over the next twenty years for this purpose, and already started to develop a revised set of targets for the sustainable sourcing of our products, which build on our successes and recognise existing and future challenges. We mitigate forest-related risks in our supply chain primarily through the development and deployment of policies to our supply base. These cover mainly our own-brand products and require suppliers to source certain materials and commodities in a sustainable way. We require that certain materials and commodities associated with environmental risks in our products be sourced to an independent, certified standard. We also recognise the importance of working collaboratively with others to address forest-related risks. We work with other retailers on the Palm Oil Transparency Coalition in order to minimise the impact of palm oil on deforestation and land change and promote its sustainable sourcing across the industry. Through the Retailer Cocoa Collaboration, we have committed to support the Cocoa & Forests We are also working as part of the Consumer Goods Forum Forest Positive Coalition of Action to accelerate efforts to remove commodity-driven deforestation from our supply chains.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants
FSC Global Forest Registry
Other, please specify
NEPCon Sourcing Hub

Please explain

NEPCon Sourcing Hub: our sourcing policy and supplier assessment process is aligned with the NEPCon sourcing hub and includes the following factors - legality, forest conversion, violations of traditional and civil rights, genetic modification and corruption.

Palm oil

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants

Please explain

We work extensively with a number of different consultancies (e.g. 3Keel & Track record global) to assess our commodity specific risk for deforestation and for supplier compliance against legal requirements and our policy on Palm Oil SP005.

Cattle products

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
Other, please specify
World Check

Please explain

Working with our technical teams we gather assurance from our corn beef suppliers that our beef is not connected to deforestation

Soy

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants
Trase

Please explain

With our external consultants we have mapped our soy use origin and certification status for or imbedded soy use. Through the Soy Buyer Coalition we have worked with the Trase tool to follow trade flows to identify sourcing regions, supply chain risks and assess opportunities for sustainable production.

F2.1b

(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

Although we do not directly trade or purchase these commodities directly, as they are embedded in our products as ingredients/components there is a risk that reduced availability in our existing supply chains may lead to supply disruptions or increases in our cost of goods.

Quality of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so forest-related risks related to the quality of our food are always assessed. The quality of our food sets us apart from other supermarkets so we prioritise this to ensure we provide the best for our customers.

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion

Relevant, always included

Please explain

The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group

functions and governance forums, so forest-related risks related to the impact of activity on ecosystems and habitats are always assessed.

Understanding the impact of each commodity in our particular supply chains on specific ecosystems helps inform us of the footprint of our products and the urgency for action. It also closely correlates with external interest (e.g. NGO or media) for each commodity.

We use certification, to ensure where possible our key materials are sourced sustainably to an independent standard e.g. RSPO certification, this determines the amount of SKUs certified and therefore not linked to the impact on the status of ecosystems and

habitats. Our Commercial Leadership Team (CLT), made up of senior business directors (e.g. the Commercial Director), governs all decisions under our Sourcing with Integrity (SWI) value.

Regulation

Relevance & inclusion

Relevant, always included

Please explain

The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so forest-related risks related to regulation are always assessed. Ensuring we are legally compliant is a basic company requirement. Building compliance systems in time for new regulation (e.g. EUTR) requires regular horizon scanning. Understanding regulatory changes in other countries is also fundamental to anticipating and responding to any impacts on supply. We use the a number of external sources including the BRC and CR&S Horizon Scanning, which our communicated to our Commercial Leadership team.

Climate change

Relevance & inclusion

Relevant, always included

Please explain

The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so forest-related risks related to climate change are always assessed. Climate change and increasing resource scarcity are complex, global challenges that will affect every part of our business.

Sainsbury's has committed to investing £1 billion over twenty years towards becoming a Net Zero business across its own operations by 2040, aligned to the highest ambitions of the Paris Climate Change Agreement and a decade ahead of the UK Government's own target.

To help tackle climate change we have a bold ambition to be the 'Greenest Grocer' by reducing carbon emissions from our heating, cooling, lighting and logistics. We're supporting the transition to a low carbon future by introducing energy saving technologies across our stores and increasing our use of natural refrigeration. We're also working with our colleagues on energy-saving initiatives. Sainsbury's will work with

suppliers to set their own ambitious Net Zero commitments, in line with the Paris Agreement goals.

Impact on water security

Relevance & inclusion

Relevant, always included

Please explain

The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so forest-related risks related to water security are always assessed. We consider forests to be a key pillar in ecosystems in relation to water security.

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

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

Tariffs or price increases

Relevance & inclusion

Relevant, always included

Please explain

The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so forest-related risks related to tariffs or price impacts are always assessed. This forms part of our wider tracking of prices of commodities and deeper analysis of the main drivers behind our key raw materials. It is embedded in our commercial buying process, we use internal tools using supplier's data and feedback to influence these issues.

Loss of markets

Relevance & inclusion

Relevant, always included

Please explain

The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so forest-related risks related to the loss of current or potential markets are always assessed. Understanding our customers' views on sustainability and their expectations with regards to issues such as deforestation are extremely important in informing our approach. For example, we track customer complaints and our Careline as a basis for decisions made by our commercial teams.

Brand damage related to forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so forest-related risks related to forest commodities and potential brand damage are always assessed. We regularly monitor issues, including deforestation, which have the potential to impact upon our brand. For example, we track customer complaints and our Careline as a basis for decisions made by our commercial teams.

Corruption

Relevance & inclusion

Relevant, always included

Please explain

The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so forest-related risks related to corruption are always assessed. Our due diligence system for our timber/paper products, for example, explicitly considers the risk of corruption within a country as part of the product risk assessment process. Appropriate mitigation actions then follow from this. Suppliers are also run through World Check and results are fed back to the relevant commercial teams.

Social impacts

Relevance & inclusion

Relevant, always included

Please explain

The risk management process is embedded at the Operating Board level and supported by bottom-up risk processes and discussions within operating companies, Group functions and governance forums, so forest-related risks related to social impacts are always assessed.

Our business relies on strong, resilient communities. We're committed to support social

cohesion, economic prosperity and inclusive growth to help us achieve our vision of being the most trusted retailer – where people love to work and shop. Additionally, Our Modern Slavery Risk Assessment Tool gives us unique insights into slavery risks across our complex global supply chain, not only at product and service level but also for individual ingredients and components. This tool provides a level of detail that is unprecedented in our industry, combining our own data with economic models of sectors such as agriculture and manufacturing. This enables us to identify risks in multiple tiers of our supply chain, so we can take action. Importantly, this includes the lower tiers, where the risks are greatest but also more difficult to identify. This is then reported to the relevant commercial team.

Other, please specify

Relevance & inclusion

Relevant, always included

Please explain

Internal information provided by our suppliers. It is important to consider the specific information on our supply chain provided by our suppliers to understand our actual risk and determining the accuracy and granularity of this supplier information is a key consideration.

F2.1c

(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?

Customers

Relevance & inclusion

Relevant, always included

Please explain

Understanding our customers' views on sustainability and their expectations about issues such as deforestation are extremely important in informing our approach. We track customer complaints and our Careline as a basis for decisions. Nectar also provides a rich source of data from which we can look at customer shopping habits to establish what really matters to them, so we can serve them in the best way possible.

Employees

Relevance & inclusion

Relevant, always included

Please explain

It is important that we know how our 172,000 colleagues view sustainability and their expectations with regards to issues such as deforestation to inform our approach. As such, we have an annual "We're Listening" survey that is sent out to all colleagues and forms part of the information.

Investors

Relevance & inclusion

Relevant, always included

Please explain

It is important that we know how our investors view sustainability and their expectations with regards to issues such as deforestation to inform our approach. As such, we have an Annual General Meeting, where every shareholder is invited to attend and question our CEO.

Local communities

Relevance & inclusion

Relevant, always included

Please explain

Our Modern Slavery Risk Assessment Tool gives us unique insights into slavery risks across our complex global supply chain, not only at product and service level but also for individual ingredients and components. This tool provides a level of detail that is unprecedented in our industry, combining our own data with economic models of sectors such as agriculture and manufacturing.

This enables us to identify risks in multiple tiers of our supply chain, so we can take action. Importantly, this includes the lower tiers at the local communities we source from, where the risks are greatest but also more difficult to identify.

NGOs

Relevance & inclusion

Relevant, always included

Please explain

We communicate with NGOs on forest-related risks constantly, either directly or through industry groups. Through the Palm Oil Transparency Coalition (POTC) we interact with the Forest People's programme in partnership with other retailers.

Other forest risk commodity users/producers at a local level

Relevance & inclusion

Relevant, always included

Please explain

Through groups such as the CGF Forest Positive Coalition of Action, we collaborate on the development of mechanisms that would incentivise the conservation and protection of forests by producers of commodities associated to forest-risks.

Regulators

Relevance & inclusion

Relevant, always included

Please explain

We are one of the first companies to collaborate with the UK government-funded Satellite Applications Catapult on the ForestMind initiative which launches this year. The programme aims to use satellite technology to monitor and track the impacts of sourcing from forest areas, so action can be taken where needed.

Suppliers

Relevance & inclusion

Relevant, always included

Please explain

We work through our suppliers, mainly through our sourcing requirements and policies, to address forest-related risks. Supplier’s compliance with these requirements is then monitored internally.

Other stakeholders, please specify

Relevance & inclusion

Not considered

Please explain

Not applicable

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

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

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Physical

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Rising mean temperatures

Primary potential impact

Increased operating costs

Company-specific description

Climate change is likely to lead to greater temperature extremes and changes in precipitation patterns which will likely impact upon forests/plantations -either through changes in yield or greater risks of pests and diseases. As we rely on timber and paper based materials for our products (wooden skewers in our Sainsbury's British Lamb & Mint Kebabs) and packaging the ensured resilience of those supply chains is important for those product ranges.

Timeframe

>6 years

Magnitude of potential impact

Low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

0

Potential financial impact figure - maximum (currency)

100,000,000

Explanation of financial

Based on the commercial importance of paper and timber for our business.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

Global sourcing of paper/timber and consideration of substitute species will help to an extent to manage regional production disruption, for example, increased use of FSC/PEFC materials. Our policy requires certified material (eg. FSC or recycled) to be used in our products. 93% of the wood used in our own brand paper and timber products is either recycled, or FSC or PEFC certified and this further helps to reduce risk.

Cost of response

1

Explanation of cost of response

Unclear to us as we have such a large range of suppliers involved, with different costing models and requirements.

Forest risk commodity

Timber products

Type of risk

Regulatory

Geographical scale

Country

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Changes to national legislation

Primary potential impact

Other, please specify

Legal sanctions for non-compliance

Company-specific description

EU Timber Regulations require imported timber and paper products to be assessed for legality. Failure to conduct due diligence will lead to legal sanctions and possible fines. Assessing our supply against this risk requires a specialised approach in collaboration with our suppliers.

Timeframe

>6 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

0

Potential financial impact figure - maximum (currency)

100,000,000

Explanation of financial

Based on the commercial importance of paper and timber for our business.

Primary response to risk

Greater due diligence

Description of response

Sainsbury's has a due diligence system in place to comply with the requirements of the EUTR and this minimises risk. Our policy also requires certified material (eg. FSC or recycled) to be used in our products. 93% of the wood used in our own brand paper and timber products is either recycled, or FSC or PEFC certified and this further helps to reduce risk.

Cost of response

1

Explanation of cost of response

Unclear to us as we have such a large range of suppliers involved, with different costing models and requirements.

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Country

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Negative media coverage

Primary potential impact

Reduced demand for products and services

Company-specific description

The unsustainable harvesting of timber and production of paper in certain countries has previously attracted media attention and is likely to do so in the future. NGOs also produce scorecards comparing company performance on sourcing sustainable timber.

Timeframe

>6 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

0

Potential financial impact figure - maximum (currency)

100,000,000

Explanation of financial

Based on the commercial importance of paper and timber for our business.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

Sainsbury's has committed to sourcing the paper and timber in its own brand products sustainably and the advanced implementation of this helps minimise reputational risk. 93% of the wood used in our own brand products is either recycled or FSC or PEFC certified with full chain of custody.

Cost of response

1

Explanation of cost of response

Unclear to us as we have such a large range of suppliers involved, with different costing models and requirements.

Forest risk commodity

Palm oil

Type of risk

Physical

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Changes in precipitation patterns

Primary potential impact

Increased operating costs

Company-specific description

Climate change is likely to affect precipitation patterns and the frequency of droughts. This may well impact upon palm oil production if for example El Nino events become more frequent and reduce palm oil yields in Indonesia/Malaysia etc. This would impact the cost price of our SKUs that contain PalmOil.

Timeframe

>6 years

Magnitude of potential impact

Low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

0

Potential financial impact figure - maximum (currency)

100,000,000

Explanation of financial

Based on SKUs that contain Palm Oil.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

Global sourcing of palm oil will help to an extent to manage particular regional production disruption. Alternative oils can be used in many of our own brand products if necessary.

Cost of response

1

Explanation of cost of response

Unclear to us as we have such a large range of suppliers involved, with different costing models and requirements.

Forest risk commodity

Palm oil

Type of risk

Regulatory

Geographical scale

Country

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Moratoria and voluntary agreements

Primary potential impact

Other, please specify
Additional Reporting

Company-specific description

Potential for UK national palm oil statement to develop beyond a voluntary industry target resulting in tariffs to decrease the use of Palm Oil.

Timeframe

>6 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

1

Potential financial impact figure - maximum (currency)

100,000,000

Explanation of financial

Based on SKUs that contain Palm Oil.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

Through our policy to source the palm oil in our own brand products sustainably we are in line with the UK national palm oil statement. By the end of 2016 98% of the palm oil used in our own brand products was RSPO certified (either mass balance or segregated) and the remainder was covered by 'Book & Claim' certificates. We already report our data annually to the RSPO.

Cost of response

Explanation of cost of response

Unclear to us as we have such a large range of suppliers involved, with different costing models and requirements.

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Country

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Shifts in consumer preference

Primary potential impact

Reduced demand for products and services

Company-specific description

There are two types of campaign - one to drive consumer awareness of companies who are/who are not committed to sustainable palm oil and to eliminating deforestation from

their supply chains (eg. through scorecards). Second type of campaign is anti-palm oil completely regardless of whether the palm oil is sustainable.

Timeframe

>6 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

1

Potential financial impact figure - maximum (currency)

100,000,000

Explanation of financial

Based on SKUs that contain Palm Oil

Primary response to risk

Increased use of sustainably sourced materials

Description of response

Sainsbury's has committed to sourcing the palm oil in its own brand products sustainably and ensuring its own brand products do not contribute towards deforestation. Implementing this helps address reputational risk. By the end of 2017 98% of the palm oil used in our own brand products was RSPO certified (either mass balance or segregated) and the remainder was covered by 'Book & Claim' certificates. We are also working with key refiners in our supply chain to understand and support progress towards eliminating deforestation from our supply chains.

Cost of response

1

Explanation of cost of response

Unclear to us as we have such a large range of suppliers involved, with different costing models and requirements.

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Country

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Negative media coverage

Primary potential impact

Reduced demand for products and services

Company-specific description

The impact of using unsustainable palm oil has had widespread media coverage in the UK. Company targets and positions are very much part of this media coverage.

Timeframe

>6 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

1

Potential financial impact figure - maximum (currency)

100,000,000

Explanation of financial

Based on SKUs that contain Palm Oil

Primary response to risk

Increased use of sustainably sourced materials

Description of response

Sainsbury's has committed to sourcing the palm oil in its own brand products sustainably and implementing this helps address reputational risk. By the end of 2016 98% of the palm oil used in our own brand products was RSPO certified (either mass balance or segregated) and the remainder was covered by 'Book & Claim' certificates.

Cost of response

1

Explanation of cost of response

Unclear to us as we have such a large range of suppliers involved, with different costing models and requirements.

Forest risk commodity

Soy

Type of risk

Physical

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Changes in precipitation patterns

Primary potential impact

Increased operating costs

Company-specific description

Climate change is likely to affect precipitation patterns and the frequency of droughts. This will likely impact upon soy production if droughts occur on a regional scale. This could potentially impact upon feed prices (if other sources are not available) which could impact on the cost of rearing animals and producing meat and dairy products.

Timeframe

>6 years

Magnitude of potential impact

Low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

1

Potential financial impact figure - maximum (currency)

100,000,000

Explanation of financial

Based on SKUs linked to soy feed consumption (i.e. Soy-fed livestock).

Primary response to risk

New product/technology development

Description of response

Global sourcing of soy helps to an extent to manage the risks of regional droughts in particular regions. We have worked to better understand the supply chains of the soy used as animal feed for our own brand proteins. This has improved our understanding of the key sourcing areas, the infrastructure in place and the dynamics and ability of the supply chain to respond to supply disruption. We have also researched alternatives to soy for animal feed to understand the potential for using other sources of feed.

Cost of response

1

Explanation of cost of response

Unclear to us as we have such a large range of suppliers involved, with different costing models and requirements.

Forest risk commodity

Soy

Type of risk

Reputational and markets

Geographical scale

Country

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Negative media coverage

Primary potential impact

Reduced demand for products and services

Company-specific description

The production of soy and its impact on natural habitats in South America has attracted media attention and is likely to do so again. NGOs also produce scorecards comparing company performance on sourcing sustainable soy.

Timeframe

>6 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

1

Potential financial impact figure - maximum (currency)

100,000,000

Explanation of financial

Based on SKUs linked to soy feed consumption (i.e. Soy-fed livestock).

Primary response to risk

Increased use of sustainably sourced materials

Description of response

Sainsbury's has committed to sourcing the soy in its own brand products sustainably.

Cost of response

1

Explanation of cost of response

Unclear to us as we have such a large range of suppliers involved, with different costing models and requirements.

Forest risk commodity

Cattle products

Type of risk

Reputational and markets

Geographical scale

Country

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Negative media coverage

Primary potential impact

Reduced demand for products and services

Company-specific description

Sourcing beef from Brazil regularly receives media attention and is likely to do so in the future.

Timeframe

>6 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

1

Potential financial impact figure - maximum (currency)

100,000,000

Explanation of financial

Based on SKUs containing beef.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

Sainsbury's is actively working with its corned beef suppliers to ensure the risk of deforestation in our supply chain is addressed. We have agreements in place that our corned beef is sourced from farms outside of the Amazon biome in order to minimise the risk of beef associated with deforestation of the Amazon from entering our supply chain.

Cost of response

Explanation of cost of response

Unclear to us as we have such a large range of suppliers involved, with different costing models and requirements.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes

Cattle products	Yes
Soy	Yes

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

Action protects value of brand and meets customers' expectations. Increased market share is not expected as a direct result. Sourcing sustainably provides opportunities for good communications with the general public and for stories to engage customers. We label on pack where a product is FSC certified. We also have a partnership with the Woodland Trust whereby a proportion of the proceeds from specific egg and chicken lines we sell funds the planting of trees in the UK. We communicate this partnership on pack and in wider public communications.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Medium

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,000

Potential financial impact figure – maximum (currency)

10,000,000

Explanation of financial impact figure

We have a variety of products that are timber or paper based and the potential opportunity is commercially sensitive, so a range has been provided.

Forest risk commodity

Palm oil

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

Action protects value of brand and meets customers' expectations. Increased market share is not expected as a direct result. Sourcing sustainably provides opportunities for good communications with the general public and for stories to engage customers. We note on pack where sustainable palm oil is used.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Medium

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,000

Potential financial impact figure – maximum (currency)

10,000,000

Explanation of financial impact figure

We have a variety of products that contain palm oil and the potential opportunity is commercially sensitive so a range has been provided.

Forest risk commodity

Cattle products

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

Action protects value of brand and meets customers' expectations. Increased market share is not expected as a direct result. Sourcing sustainably provides opportunities for good communications with the general public and for stories to engage customers. We note on pack where a product is British sourced.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,000

Potential financial impact figure – maximum (currency)

10,000,000

Explanation of financial impact figure

We have a small number of products that are beef and sourced from deforestation risk areas and the potential opportunity is commercially sensitive so a range has been provided.

Forest risk commodity

Soy

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

Action protects value of brand and meets customers' expectations. Increased market share is not expected as a direct result. Sourcing sustainably provides opportunities for good communications with the general public and for stories to engage customers.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Medium

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,000

Potential financial impact figure – maximum (currency)

10,000,000

Explanation of financial impact figure

We have a variety of products where soy is used as an animal feed and the potential opportunity is commercially sensitive so a range has been provided.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Board Chair	<p>At the PLC Board level, the Board Chair was responsible for signing off on the Net Zero strategy and is ultimately accountable for our commitment to become a net zero emissions business across our direct operations by 2040. Our CEO is a member of the Operating Board and chairs the Corporate Responsibility and Sustainability (CR&S) Committee, directly reporting into the PLC Board. The CR&S Committee sets our overall environmental and climate change strategy and meets every 12 weeks. We have Commitment Working Groups for each of our 7 Net Zero strategy focus areas with clear objectives and leadership. The Working Groups report into a Net Zero Steering Group, which is chaired by our Retail and Operations Director and our Commercial Director. The Steering Group meets monthly, and reports quarterly into our CR&S Committee, chaired by our Non-Executive Director and our CEO. The CR&S Committee provides regular updates to the PLC Board on the strategy and progress against our targets.</p>

F4.1b

(F4.1b) Provide further details on the board’s oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	<p>Monitoring implementation and performance</p> <p>Overseeing acquisitions and divestiture</p> <p>Overseeing major capital expenditures</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p>	<p>Sustainability is embedded at all levels across the Sainsbury’s business.</p> <p>We have set up Commitment Working Groups for each of our seven Net Zero strategy focus areas, with clear objectives and leadership. These Working Groups report into a dedicated Net Zero Steering Group, which is chaired by our Retail and Operations Director and our Commercial Director. The Steering Group reports quarterly into our CR&S Committee, which is chaired by our Non-Executive Director and CEO.</p> <p>The CR&S Committee provides regular updates to the PLC Board on the strategy and progress against our targets.</p>

		Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives Other, please specify Monitoring and overseeing progress against goals and targets for addressing forests-related issues.	
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F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Both assessing and managing forests-related risks and opportunities	More frequently than quarterly	Across our business our Net Zero Steering Committee oversees operational execution of sustainability activities, ensuring delivery of performance in the line as business as usual. This group meets monthly and is chaired by our Commercial Director. The memberships is made up of directors cross-functionally from across our group. Our Brand Director is responsible for all aspects of Sainsbury’s product offer, from Policy formation on aspects such as Ethical and Sustainable Sourcing, through to Product Technology, Development, Safety, and Packaging along with Corporate Responsibility and Public Affairs. Also driving the Quality and Innovation agendas whilst protecting and enhancing the reputation of Sainsbury’s Brand.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	Our incentivised performance indicators consider delivery against our corporate values, one of which is environmental performance. The Deferred Share Award (DSA) targets are set at the beginning of each financial year, covering financial performance, return to shareholders, relative performance against peers and delivery of our business strategy. 'Our values make us different', along with the 4 other elements of our strategy, are all broadly considered in determining the Deferred Share Award provided to department directors and more senior positions in the Company at the end of the financial year. Ultimately, the DSA recognizes and rewards for delivery of short-term strategic and financial objectives which contribute towards the long-term sustainable growth of the Company. Performance is measured over one year, after which award is made as conditional shares deferred for two financial years. Once they have completed a 3 month period of employment, the majority of our colleagues benefit from a Staff Discount of 10% in our stores. At certain periods of the year and at important milestones this discount increases to 15% or 20% in order that benefits can be spread as widely as possible. We anticipate that upon achieving our corporate Net Zero targets such an increase will be applied so that all of our colleagues can share in the achievement.

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Board chair Board/Executive board Director on board Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO)	Achievement of commitments and targets	Our incentivised performance indicators consider delivery against our corporate values, one of which is environmental performance. The Deferred Share Award (DSA) targets are set at the beginning of each financial year, covering financial performance, return to shareholders, relative performance against peers and delivery of our business strategy. 'Our values make us different', along with the 4 other elements of our strategy, are all broadly considered in determining the Deferred Share Award provided to department directors and more senior positions in the Company at the end of the financial year. Ultimately, the DSA recognizes and rewards for

	Chief Procurement Officer (CPO) Chief Risk Officer (CRO) Chief Sustainability Officer (CSO) Chief Purchasing Officer (CPO) Other C-suite Officer Other, please specify All employees		delivery of short-term strategic and financial objectives which contribute towards the long-term sustainable growth of the Company. Performance is measured over one year, after which award is made as conditional shares deferred for two financial years. Once they have completed a 3 month period of employment, the majority of our colleagues benefit from a Staff Discount of 10% in our stores. At certain periods of the year and at important milestones this discount increases to 15% or 20% in order that benefits can be spread as widely as possible. We anticipate that upon achieving our corporate Net Zero targets such an increase will be applied so that all of our colleagues can share in the achievement.
Non-monetary reward	No one is entitled to these incentives	No indicator for incentivized performance	Not applicable.

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation Commitment to protect rights and livelihoods of local communities	At Sainsbury's our core values are integral to how we do business and they enable us to drive lasting, positive change in communities across the UK and overseas. Our value, Sourcing with Integrity, means we seek to build resilient supply chains by sourcing products ethically and sustainably. Our approach is to work collaboratively to tackle climate change, reduce the environmental impact of our raw materials, advance respect for human rights across our supply chain and improve the livelihoods of our farmers, growers and suppliers. Sainsbury's Sustainability Plan was updated in 2015 and commits to ensuring that our

		<p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>List of timebound milestones and targets</p>	<p>own brand products do not contribute to global deforestation by 2020. It specifically states that: ‘Our own-brand products will not contribute to global deforestation and we’ll source all commodities which can cause deforestation (timber, palm, soy, beef) from sustainable sources.’ Furthermore, Sainsbury’s will source its key raw materials (which includes timber, palm, soy, beef) sustainably to an independent standard. To ensure we are constantly working towards our targets we have developed a number of commodity specific policy documents which suppliers must comply with in order to supply us products. This includes policy documents on soy, palm oil, timber and beef. In each case we collect information on supplier performance annually through a supplier disclosure process. This allows us to track performance of individual products and suppliers against our sustainability targets. For example our most recent performance was 99.1% RSPO certified palm oil. Our policy also ensures that suppliers at that level are implementing our Ethical Trade Policy which builds on the core areas of the ETI base code to include additional areas for the protection of workers such as entitlement to work, labour agencies and environment.</p>
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F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation Commitment to protect rights and livelihoods	Our paper/timber policy sourcing hierarchy requires post-consumer recycled or FSC certified material. If this is not available then PEFC certified material is accepted. Our policy also requires that products that fall inside of the scope of the EU Timber Regulation are risk assessed before being placed on the market. We track all products (in scope of EUTR) against legal compliance and compliance to our certification requirements. Through the CGF

			of local communities Recognition of the overall importance of forests and other natural ecosystems List of timebound commitments and targets	Forest Positive Coalition of Action, we have committed to remove commodity-driven deforestation from all supply chains by 2020.
Palm oil	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation Commitment to protect rights and livelihoods of local communities Recognition of the overall importance of forests and other natural ecosystems List of timebound commitments and targets	Here at Sainsbury's we use palm oil in a wide variety of our Sainsbury's own brand products and we have been working for many years to ensure we source our palm oil from sustainable sources. We are proud to now sustainably source 99.1 per cent of our palm oil and continue to seek new and alternative ways to ensure that more of our palm oil is certified sustainable each year Our policy requires our palm oil to be sourced sustainably to an independent standard. Sourcing RSPO certified palm oil (with a full chain of custody) is a key requirement for our suppliers. The 2005 cut-off date relates to the RSPO requirements on avoiding primary forest and areas of HCV. We are also committed to no deforestation by 2020 and we are working with our palm oil supply chain to achieve this.
Cattle products	Yes	Selected facilities, businesses or geographies only	Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation Commitment to protect rights	Our suppliers of corned beef from Brazil have public commitments in place not to source from farmers engaged in deforestation of the Amazon biome after 2009. Our direct suppliers have due diligence systems in place throughout their supply chains and with their Tier 2 suppliers in Brazil to ensure that they do not source beef from protected areas, that their suppliers are not

			and livelihoods of local communities Recognition of the overall importance of forests and other natural ecosystems List of timebound commitments and targets	involved in illegal deforestation, and that they comply with any other legal requirements.
Soy	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation Commitment to protect rights and livelihoods of local communities Recognition of the overall importance of forests and other natural ecosystems List of timebound commitments and targets	Increasingly forests are under threat due to expansion of agricultural land into forested areas, especially for producing soy in areas such as Brazil, Argentina and Paraguay. In response to this challenge we have committed to achieving zero-net deforestation by 2020 and ensuring that our Sainsbury's Own Brand products do not contribute to global deforestation. Soy is a key part of this and we are working hard to ensure soy in our supply chains is not linked to global deforestation and we have recently launched our Sainsbury's Transformational Plan for Sustainable Soy. We are committed to sourcing our soy sustainably to an independent standard. We are long standing supporters of the Amazon soy moratorium via the European Soy Customer Group. We are also involved in the CGF Soy Working group and linked to this the Soy Buyers Coalition. Additionally, we are signatories to the Cerrado Manifesto and members of the UK Sustainable Soy Roundtable.

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

We Mean Business

Cerrado Manifesto

Soy Moratorium

Other, please specify

Cocoa & Forests Initiative, Tropical Forest Alliance 2020 (indirectly through the CGF), Cattle Agreement TAC (indirectly, our Brazilian suppliers that we use have signed it).

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Palm oil

Criteria

Zero gross deforestation/ no deforestation

No conversion of High Carbon Stock forests

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

91-99%

Cutoff date

2005

Commitment target date

2020

Please explain

We are part of the Consumer Goods Forum Forest Positive Coalition of Action, and as part of this, have committed to removing commodity-driven deforestation from all supply chains by 2020, which includes palm oil. Going forward, the CoA will focus on supply chain management and integrated land use collectively, across multiple supply chain

businesses and other stakeholders. As a coalition, we will:

- Accelerate efforts to remove commodity-driven deforestation from our individual supply chains.
- Set higher expectations for traders to act across their entire supply base.
- Drive more transformational change in these key commodity landscapes.
- Transparently report on progress to ensure accountability.

In 2019/20 99.1% of the palm oil that we used in Sainsbury's our own brand products was certified sustainable. We are working hard to ensure the remaining volume is converted this year. Over 1500 of our own brand products including biscuits and pies now use certified (CSPO). *This includes Sainsbury's Own Brand products only*

Forest risk commodity

Timber products

Criteria

- Zero gross deforestation/ no deforestation
- No trade of CITES listed species
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources
- Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

81-90%

Cutoff date

Not applicable

Commitment target date

2020

Please explain

We are part of the Consumer Goods Forum Forest Positive Coalition of Action, and as part of this, have committed to removing commodity-driven deforestation from all supply chains by 2020, which includes timber. Going forward, the CoA will focus on supply chain management and integrated land use collectively, across multiple supply chain businesses and other stakeholders. As a coalition, we will:

- Accelerate efforts to remove commodity-driven deforestation from our individual supply chains.
- Set higher expectations for traders to act across their entire supply base.
- Drive more transformational change in these key commodity landscapes.
- Transparently report on progress to ensure accountability.

In 2019/20 90% of our timber in our Sainsbury's own brand products were sourced sustainably (FSC/PEFC). *This includes Sainsbury's Own Brand products only*.

Forest risk commodity

Soy

Criteria

Zero gross deforestation/ no deforestation
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

11-20%

Cutoff date

2009

Commitment target date

2021-25

Please explain

We are part of the Consumer Goods Forum Forest Positive Coalition of Action, and as part of this, have committed to removing commodity-driven deforestation from all supply chains by 2020, which includes soy. Going forward, the CoA will focus on supply chain management and integrated land use collectively, across multiple supply chain businesses and other stakeholders. As a coalition, we will:

- Accelerate efforts to remove commodity-driven deforestation from our individual supply chains.
- Set higher expectations for traders to act across their entire supply base.
- Drive more transformational change in these key commodity landscapes.
- Transparently report on progress to ensure accountability.

Sainsbury's Transformational Plan for Sustainable Soy

We have committed to tackling deforestation caused by soy production and to do so we have launched our step by step approach to work with our suppliers to ensure that soy bean meal used in our value chains is sustainably sourced. Our aim is to transform our supply chain by working with our suppliers to move the industry towards deforestation and conversion free soy bean meal. Transformational Plan: Overall objective – 100% certified sustainable soy bean meal (animal feed) by 2025, through a phased approach of credits, area mass balance, mass balance or fully segregated soy.

Forest risk commodity

Cattle products

Criteria

Zero gross deforestation/ no deforestation

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

Not applicable

Commitment target date

2020

Please explain

We are part of the Consumer Goods Forum Forest Positive Coalition of Action, and as part of this, have committed to removing commodity-driven deforestation from all supply chains by 2020, which includes beef. Going forward, the CoA will focus on supply chain management and integrated land use collectively, across multiple supply chain businesses and other stakeholders. As a coalition, we will:

- Accelerate efforts to remove commodity-driven deforestation from our individual supply chains.
- Set higher expectations for traders to act across their entire supply base.
- Drive more transformational change in these key commodity landscapes.
- Transparently report on progress to ensure accountability.

Our tier 2 Brazilian beef suppliers have signed the TAC agreement & our direct suppliers have due diligence systems in place throughout their supply chains and with their Tier 2 suppliers in Brazil to ensure that they do not source beef from protected areas, that their suppliers are not involved in illegal deforestation, and that they comply with any other legal requirements.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	16-20	Deforestation is a complex, global challenge and we believe collective industry action is the only way to tackle the root causes and drive change at the speed and scale required. We are working with the Consumer Goods Forum on its zero net deforestation commitment. With soy production being a major driver in deforestation, we

			<p>pledged our support for the Cerrado Manifesto in 2017 – a multi-stakeholder call to action to halt deforestation and native vegetation loss in Brazil’s Cerrado. We have been longstanding members of Roundtable on Responsible Soy and are also members of the Consumer Goods Forum soy working group, collaborating on initiatives such as the Soya Buyers Coalition which looks to track and trace soya usage in the value chain right back to farm. In 2017, we pledged our support of the Cerrado Manifesto to halt deforestation and native vegetation loss in Brazil’s Cerrado. Additionally we are also members of the Retail Soy Group and the Palm Oil Transparency Coalition which aim to drive the industry forward to sustainable palm oil using the collective efforts of the industry. We recognise that climate change has significant implications on our key commodities, and therefore our revenue. For example, the lack of availability or access to water threatens the yield of commodities, which pushes prices up and as such, it has the potential to cause uncertainty in the market and may impact our projected revenues. In response to the identification of such risks in our supply chain we have relied on internal company methods and established innovative supplier engagement projects such as the Sustainable Potato Production initiative. The project focuses on crop modelling, tillage best practice and irrigation efficiency. Potatoes are hugely reliant on receiving enough water, which impacts both yield and overall quality. Since the end of the project in 2017, we now have over 50 farmers implementing the learnings from the project and we are measuring yield and quality from planting all the way through to the customer. In relation to deforestation we have been working with the Palm Oil Transparency Coalition to ensure that the top importers of palm oil into Europe are supplying RSPO certified palm oil.</p>
<p>Strategy for long-term objectives</p>	<p>Yes, forests-related issues are integrated</p>	<p>5-10</p>	<p>Deforestation is a complex, global challenge and we believe collective industry action is the only way to tackle the root causes and drive change at the speed and scale required. In addition to our 2020 target that our own-brand products will not contribute to deforestation, we are working with the Consumer Goods Forum on its zero net deforestation commitment. With soy production being a major driver in deforestation, we pledged our support for the Cerrado Manifesto in 2017 – a multi-stakeholder call to action to halt deforestation and native</p>

			vegetation loss in Brazil's Cerrado. We have been longstanding members of Roundtable on Responsible Soy and are also members of the Consumer Goods Forum soy working group, collaborating on initiatives such as the Soya Buyers Coalition which looks to track and trace soya usage in the value chain right back to farm. In 2017, we pledged our support of the Cerrado Manifesto to halt deforestation and native vegetation loss in Brazil's Cerrado.
Financial planning	Yes, forests-related issues are integrated	16-20	Sainsbury's has committed to investing £1 billion over twenty years towards becoming a Net Zero business across its own operations by 2040, aligned to the highest ambitions of the Paris Climate Change Agreement and a decade ahead of the UK Government's own target. Sainsbury's will use the £1 billion investment to implement a programme of changes, which includes protecting biodiversity and forests in supply chains associated to forest-related risks.

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

Our target is for all of our own brand paper and timber products to be sourced sustainably to an independent standard by 2020. Our sourcing hierarchy supports post-consumer recycled material and FSC certified material. Where this is not available PEFC certified material is accepted.

Linked commitment

Not linked to specific commitment

Traceability point

Third-party certification scheme

FSC Forest Management certification
FSC Chain of Custody
FSC Controlled Wood
FSC Recycled
PEFC Sustainable Forest Management certification
PEFC Chain of Custody
Other, please specify
Recycled

Start year

1995

Target year

2020

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

90

Please explain

Our target is for all of our own brand paper and timber products to be sourced sustainably to an independent standard by 2020. Our sourcing hierarchy supports post-consumer recycled material and FSC certified material. Where this is not available PEFC certified material is accepted.

Target reference number

Target 2

Forest risk commodity

Palm oil

Type of target

Third-party certification

Description of target

Our target was for all of our palm oil in our own brand products to be RSPO physically certified (segregated or mass balance) by the end of 2014. By the end of 2014, 95% of our palm oil was RSPO certified as segregated or mass balance. By the end of 2019, 99.1% of our palm oil was RSPO certified. The remaining volume was covered by 'Book and Claim' certificates meaning that 100% of our palm oil volume was covered.

Linked commitment

Not linked to specific commitment

Traceability point

Third-party certification scheme

RSPO Segregated
RSPO Mass Balance

Start year

2007

Target year

2016

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

99.1

Please explain

The conservation charity WWF's Palm Oil Buyers Scorecard report says we are one of the retailers "leading the way" on sustainable palm oil. It also gave us nine out of nine on its Palm Oil Buyers Scorecard, which judges businesses on their actions to source sustainable palm oil. By the end of 2019, 99.1% of our palm oil was RSPO certified. The remaining volume was covered by 'Book and Claim' certificates meaning that 100% of our palm oil volume was covered.

Target reference number

Target 3

Forest risk commodity

Cattle products

Type of target

Other, please specify

Sustainable procurement standard

Description of target

Sainsbury's has a public commitment to source all our beef in our own brand products sustainably. Our direct suppliers have due diligence systems in place throughout their supply chains and with their Tier 2 suppliers in Brazil to ensure that they do not source beef from protected areas, that their suppliers are not involved in illegal deforestation, and that they comply with any other legal requirements.

Linked commitment

Not linked to specific commitment

Traceability point

Third-party certification scheme

Start year

2011

Target year

2020

Quantitative metric

Percentage

Target (number)

Target (%)

100

% of target achieved

92

Please explain

Our direct suppliers have due diligence systems in place throughout their supply chains and with their Tier 2 suppliers in Brazil to ensure that they do not source beef from protected areas, that their suppliers are not involved in illegal deforestation, and that they comply with any other legal requirements.

Target reference number

Target 4

Forest risk commodity

Soy

Type of target

Third-party certification

Description of target

Sainsbury's will source its soy sustainably to an independent standard. We are also involved in the CGF Soy Working group and linked to this the Soy Buyers Coalition. We are also signatories to the Cerrado Manifesto and members of the UK Sustainable SoyRoundtable. We have developed our Transformational Soy Plan where we plan to work with our suppliers towards 100% physical sustainable soy for our animal feed supply chain by 2025. This target is for soy bean meal.

Linked commitment

Not linked to specific commitment

Traceability point

Third-party certification scheme

RTRS Credits

ProTerra certification

International Sustainability and Carbon Certification (ISCC)

Other, please specify

Cargill SSS, Cefetra CRS, ADM RSBS v2

Start year

2018

Target year

2025

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

6

Please explain

Sainsbury's will source its soy sustainably to an independent standard. We are also involved in the CGF Soy Working group and linked to this the Soy Buyers Coalition. We are also signatories to the Cerrado Manifesto and members of the UK Sustainable Soy Roundtable. We have developed our Transformational Soy Plan where we plan to work with our suppliers towards 100% physical sustainable soy for our animal feed supply chain by 2025. This target is for soy bean meal.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	We have two main systems. Our product specification system holds information on our timber/paper products and packaging and provides information on our immediate supply chain. We are then able to ascertain our board mill suppliers for packaging from this information. Our second system is our due diligence system (to comply with EU timber regulations) which provides traceability for all our own brand products back to mill for paper products and forest for timber products. Finally, for much of our volume we source certified material through supply chains that have chain of custody which supports, to an extent, traceability.	Not applicable	
Palm oil	Yes	Our product specification system provides the country of origin of the palm derivatives used in our own brand products. We also collect information on the palm oil refiners in our supply chain through this system. In addition, for the vast majority of our	Not applicable	

		<p>volume we source certified material through supply chains that have chain of custody which supports, to an extent, traceability. Key players in our supply chain are vertically integrated and we are therefore able to trace a significant portion of our palm usage back to below the country level. We are in regular discussions with other key supply chain suppliers who have traceability programmes in place back to mill and plantation.</p>		
Cattle products	Yes	<p>Our product specification system provides country of origin information. We also source from approved abattoirs and this coupled with production batch codes enables us to trace our beef back to a range of farms.</p>	Specific product line(s)	<p>We are working to continuously improve our traceability information for our leather products.</p>
Soy	Yes	<p>We have two systems in place. Our product specification system provides information on country of origin for the soy ingredients used in our own brand products. In addition, for animal feed we send questionnaires to our suppliers to ascertain this information. During the reporting period we worked with 3Keel to map our total usage of soy (including animal feed for own brand proteins – both primary and further processed) as well as its country of origin and region of origin where possible. Collecting soymeal information from our direct and indirect supply chain is challenging given the nature of the food system. The suppliers we directly contract with are often not those that are responsible for sourcing or handling animal feed, and</p>	Specific product line(s)	<p>Sainsbury's total soy usage has been referenced including soy used as an ingredient in our own brand products and soy used as animal feed for our own brand proteins (both primary and further processed). Obtaining information for soy used as animal feed for further processed proteins is particularly challenging given the complicated nature of the supply chain.</p>

	<p>therefore soymeal. This challenge is shared by all retailers and in 2018 we worked together with several others to appoint an expert sustainability consultancy - 3Keel LLP – to standardise the assessment approach we have used to understand our soy footprint. We selected 3Keel to do this work through a competitive tendering process and chose their approach given their experience in working with suppliers, traders, and policymakers on understanding the nuances and challenges of collecting soy information and making it meaningful for our business. 3Keel's approach considered the activities and functions of our suppliers to determine whether it was more appropriate for primary soymeal data to be used from supplier systems, or to use a credible conversion factor where feed information is unavailable. This distinction is important as some of our direct suppliers only handle meat and dairy products as ingredients (e.g. a ready meal manufacturer) and they have no direct contact with the farms that rear the livestock. Additionally, we worked with them to make sure that the full feed system was covered by our supplier disclosures and not just the last stage of an animal's life. Over 230 producers were engaged through this process and 3Keel guided and completed the analysis using our actual 2018 protein volumes</p>		
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F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Country	100
Palm oil	Country	100
Soy	Country	100
Cattle products	Country	100
Timber products	Tree plantation	17

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption.

Forest risk commodity

Timber products

Third-party certification scheme

Other, please specify

FSC Forest Management certification, FSC Chain of Custody, FSC Controlled Wood, FSC Recycled, PEFC Sustainable Forest Management certification, PEFC Chain of Custody

Certification coverage

Consumption volume

% of total production/consumption volume certified

90

Form of commodity

Hardwood logs
 Softwood logs
 Sawn timber, veneer, chips
 Unprocessed wood fiber
 Pulp
 Paper
 Boards, plywood, engineered wood

Volume of production/ consumption certified

127,656.1

Metric

Cubic meters

Please explain

This figure relates only to our own brand products. Our sourcing hierarchy supports post-consumer recycled material and FSC certified material. Where this is not available PEFC certified material is accepted.

Forest risk commodity

Palm oil

Third-party certification scheme

Other, please specify

RSPO Segregated, RSPO Mass Balance, RSPO Book and Claim.

Certification coverage

Consumption volume

% of total production/consumption volume certified

99.1

Form of commodity

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

12,197

Metric

Metric tons

Please explain

By the end of 2019 99.1% of the palm oil used in our own brand products was physically RSPO certified with a full chain of custody. The remaining volume was covered by 'Book and Claim' certificates meaning that 100% of our palm oil volume was covered.

Forest risk commodity

Cattle products

Third-party certification scheme

Other, please specify

Red Tractor or equivalent.

Certification coverage

Consumption volume

% of total production/consumption volume certified

92

Form of commodity

Beef
By-products (e.g. glycerin, gelatin)

Volume of production/ consumption certified

39,920

Metric

Metric tons

Please explain

The absolute vast majority of our beef volume is sourced from within the UK or Ireland. All our fresh beef is sourced from UK or Ireland and all our TTD and Counters fresh beef is British. All of Sainsbury's fresh and frozen beef meets the Red Tractor standard or equivalent.

Forest risk commodity

Soy

Third-party certification scheme

Other, please specify
RTRS Chain of Custody, RTRS Standard for Responsible Soy Production, RTRS certificate trading, ProTerra certification, International Sustainability and Carbon Certification (ISCC), Cargill SSS, Cefetra CRS, ADM RSS v2.

Certification coverage

Consumption volume

% of total production/consumption volume certified

6

Form of commodity

Soy bean meal

Volume of production/ consumption certified

11,070

Metric

Metric tons

Please explain

We have conducted an analysis with 3Keel during the reporting period where suppliers have disclosed information around soy bean meal use, country of origin and certification status. Following this analysis we have released our soy policy and transformational plan publicly with an aim to certify our volumes with our suppliers by 2025.

Forest risk commodity

Timber products

Third-party certification scheme

FSC (any type)

Certification coverage

Consumption volume

% of total production/consumption volume certified

100

Form of commodity

Wood-based bioenergy

Volume of production/ consumption certified

3,140

Metric

Metric tons

Please explain

All of our own-brand charcoal is FSC certified.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance
Timber products	Yes, we have a system in place, but for other commitments
Palm oil	Yes, we have a system in place, but for other commitments
Cattle products	Yes, we have a system in place, but for other commitments
Soy	Yes, we have a system in place, but for other commitments

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations
Timber products	Yes, from suppliers
Palm oil	Yes, from suppliers
Cattle products	Yes, from suppliers
Soy	Yes, from suppliers

F6.6a

(F6.6a) For you disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

The legal/mandatory standards that have been selected here are directly relevant to our business and are consequently assessed by our 3rd party (TRG) to ensure we comply.

Country/Area of origin

Australia
Brazil
India
Indonesia
Malaysia
Panama
Thailand
Viet Nam

Law and/or mandatory standard(s)

General assessment of legal compliance
Brazilian Forest Code
EU Timber Regulation
CITES
Other, please specify
FLEGT

Comment

Australia Illegal Logging Prohibition Act: We do not import timber or timber products into Australia & therefore not relevant to our business.

Forest Law – Argentina: We do not source timber or timber products from Argentina & therefore not relevant to our business.

Forest Law – Paraguay: We do not source timber or timber products from Paraguay & therefore not relevant to our business.

Zero Deforestation Law – Paraguay: We do not source from Paraguay & therefore not relevant to our business.

Forest and Wildlife Law – Peru: We do not source timber or timber products from Peru & therefore not relevant to our business.

Brazilian Forest Code: TRG carries out due diligence on governance aspects of all timber & timber products imported from Brazil.

General assessment of legal compliance: TRG carries out due diligence on governance aspects for all timber & timber products imported from around the world.

Other, please specify - FLEGT: EU piece of legislation linked to EUTR and Voluntary Partnership agreements between the EU and producer countries. Only one has been signed (with Indonesia) but others are in the pipeline. As we source from Indonesia, this is assessed by TRG.

EU Timber Regulation: TRG completes due diligence for all of our products that are in scope of EUTR and where Sainsbury's is in an operator relationship with the supplier.

USA Lacey Act: We do not import timber or timber products into the USA & therefore not relevant to our business.

Japanese Clean Wood Act: We do not source timber or timber products from Japan & therefore not relevant to our business.

CITES: TRG checks species purchased by Sainsbury's to see if they are CITES listed.

Palm oil

Procedure to ensure legal compliance

We require that all palm oil used in our own brand products be sourced to the RSPO standard. IN 2019, 99.1% of palm oil in our products was certified against this standard. Through this policy, we ensure that the palm oil used in our own brand products is produced to legal requirements in its country of origin, and meets the RSPO standards for deforestation and conversion.

Country/Area of origin

Indonesia
Malaysia
Papua New Guinea

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Australia Illegal Logging Prohibition Act: We do not import palm oil into Australia & therefore not relevant to our business.

Forest Law – Argentina: We do not source palm oil from Argentina & therefore not relevant to our business.

Forest Law – Paraguay: We do not source palm oil from Paraguay & therefore not relevant to our business.

Zero Deforestation Law – Paraguay: We do not source palm oil from Paraguay & therefore not relevant to our business.

Forest and Wildlife Law – Peru: We do not source palm oil from Peru & therefore not relevant to our business.

Brazilian Forest Code: We do not source Palm oil from Brazil & therefore not relevant to our business.

General assessment of legal compliance: We require that all palm oil used in our own brand products be sourced to the RSPO standard. IN 2019, 99.1% of palm oil in our products was certified against this standard. Through this policy, we ensure that the palm oil used in our own brand products is produced to legal requirements in its country of origin, and meets the RSPO standards for deforestation and conversion.

Cattle products

Procedure to ensure legal compliance

Our direct suppliers have due diligence systems in place throughout their supply chains and with their Tier 2 suppliers in Brazil to ensure that they do not source beef from protected areas, that their suppliers are not involved in illegal deforestation, and that they comply with any other legal requirements.

Country/Area of origin

Brazil

Law and/or mandatory standard(s)

General assessment of legal compliance
Brazilian Forest Code

Comment

Australia Illegal Logging Prohibition Act: We do not import cattle products into Australia & therefore not relevant to our business.

Forest Law – Argentina: We do not source cattle products from Argentina & therefore not relevant to our business.

Forest Law – Paraguay: We do not source cattle products from Paraguay & therefore not relevant to our business.

Zero Deforestation Law – Paraguay: We do not source cattle products from Paraguay & therefore not relevant to our business.

Forest and Wildlife Law – Peru: We do not source cattle products from Peru & therefore not relevant to our business.

Brazilian Forest Code: Sainsbury's is in regular contact with its Brazilian beef suppliers to ensure its supply base is legally compliant. Our direct suppliers have due diligence systems in place throughout their supply chains and with their own suppliers in Brazil to ensure that they do not source beef from protected areas, that their suppliers are not

involved in illegal deforestation, and that they comply with any other legal requirements.

General assessment of legal compliance: Our direct suppliers have due diligence systems in place throughout their supply chains and with their Tier 2 suppliers in Brazil to ensure that they do not source beef from protected areas, that their suppliers are not involved in illegal deforestation, and that they comply with any other legal requirements.

Soy

Procedure to ensure legal compliance

We are working with our direct suppliers that use soy feed, directly or indirectly, to promote and encourage the use of independently certified sustainable soy from deforestation/conversion free farms. This includes producer level compliance against the Brazilian Forest Code, as well as a more rigorous 'zero deforestation/conversion' requirement.

Country/Area of origin

Argentina
Brazil
India
Paraguay

Law and/or mandatory standard(s)

General assessment of legal compliance
Forest Law - Argentina
Forest Law - Paraguay
Zero Deforestation Law - Paraguay
Brazilian Forest Code

Comment

Australia Illegal Logging Prohibition Act: We do not import soy into Australia & therefore not relevant to our business.

Forest Law – Argentina: We are working with our direct suppliers that use soy feed, directly or indirectly, to promote and encourage the use of independently certified sustainable soy from deforestation/conversion free farms. This includes producer level compliance against the Argentinian Forest Law, as well as a more rigorous 'zero deforestation/conversion' requirement.

Forest Law – Paraguay: We are working with our direct suppliers that use soy feed, directly or indirectly, to promote and encourage the use of independently certified sustainable soy from deforestation/conversion free farms. This includes producer level compliance against the Paraguayan Forest Law, as well as a more rigorous 'zero deforestation/conversion' requirement.

Zero Deforestation Law – Paraguay: We are working with our direct suppliers that use soy feed, directly or indirectly, to promote and encourage the use of independently certified sustainable soy from deforestation/conversion free farms. This includes

producer level compliance against the Paraguayan Zero Deforestation Law, as well as a more rigorous ‘zero deforestation/conversion’ requirement.

Forest and Wildlife Law – Peru: We do not source soy from Peru & therefore not relevant to our business.

Brazilian Forest Code: We are working with our direct suppliers that use soy feed, directly or indirectly, to promote and encourage the use of independently certified sustainable soy from deforestation/conversion free farms. This includes producer level compliance against the Brazilian Forest Code, as well as a more rigorous ‘zero deforestation/conversion’ requirement.

General assessment of legal compliance: We are working with our direct suppliers that use soy feed, directly or indirectly, to promote and encourage the use of independently certified sustainable soy from deforestation/conversion free farms. This includes producer level compliance against any legal requirements, as well as a more rigorous ‘zero deforestation/conversion’ requirement.

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Please explain
Timber products	No, not working with smallholders	The timber in our products is sourced predominantly from large farms and plantations, not smallholder farmers.
Palm oil	No, not working with smallholders	The palm oil in our products is sourced predominantly from large farms and plantations, not smallholder farmers.
Cattle products	No, not working with smallholders	The beef in our products is sourced predominantly from large farms and plantations, not smallholder farmers.
Soy	No, not working with smallholders	The soy in our products is sourced predominantly from large farms and plantations, not smallholder farmers.

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
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Timber products	Yes, working with direct suppliers	Supply chain mapping Capacity building Other	Supplier questionnaires on environmental and social indicators Supplier audits Offering on-site training and technical assistance Disseminating technical materials Other, please specify Contractual agreements, encouraging work with multi-stakeholder groups, collecting data in central database, encouraging certification.	100%	Through discussions with tier 1 and tier 2 suppliers and other stakeholders such as the FSC we are able to understand what sustainably certified material is available on the market and predicted future trends. This market insight feeds into our sustainability plans and discussions with suppliers for converting our products. Advice is also provided to suppliers on how to source sustainable material and meet our requirements. Sainsbury's issues clear policy guidance on its sustainable timber and paper requirements for its suppliers to enable them to source sustainable material. Each year we collect data on sustainable timber/paper usage from our suppliers to understand our progress. Sainsbury's regularly meets with its suppliers to discuss compliance with our policy requirements, the availability of sustainable material and plans for product conversions. We collect information on the availability of sustainable materials from our suppliers and from tier 2 suppliers to help inform our conversion plans and discussions. Finally, we also provide technical advice to our suppliers. This includes what information is required for our legal due diligence system and also on how to
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					obtain the necessary chain of custody for certified material.
Palm oil	Yes, working with direct suppliers	Supply chain mapping Capacity building Other	Supplier questionnaires on environmental and social indicators Supplier audits Other, please specify Contractual agreements, encouraging work with multi-stakeholder groups, collecting data in central database, encouraging certification.	100%	We are in regular discussions with our suppliers and other actors in the supply chain regarding the continuing supply of certified palm oil. Through discussions with refineries, ingredient suppliers and our product suppliers we have compiled a list of available sustainable palm oil derivatives. This list informs our discussions with suppliers regarding product conversion plans and provides clarity on what actions suppliers can and should take. Training and advice are also regularly provided to our suppliers on how to get certified and source sustainable material. We have a clear policy (in place since 2007) that our palm oil should be RSPO certified and this provides clarity to suppliers. Sainsbury's runs supplier training sessions to build supplier capacity to understand our palm oil policy, to understand the RSPO standard and to be able to convert to sustainable palm oil and meet all of our technical requirements. We have also provided technical guidance on how to achieve chain of custody certification for our suppliers. Each year we collect data on our sustainable palm oil usage

					<p>from our suppliers to understand our progress. Furthermore, Sainsbury's agrees and sets product conversion plans with its tier one suppliers. Finally, through discussions with key stakeholders and data collection from suppliers we provide a central list to our suppliers of palm oil ingredients that we are aware are available as sustainable on the market. This helps suppliers then source these derivatives sustainably.</p>
Cattle products	Yes, working with direct suppliers	Supply chain mapping Other	Supplier audits Other, please specify Contractual agreements, collecting data in central database, supplier charters.	100%	<p>Our direct suppliers have due diligence systems in place throughout their supply chains and with their Tier 2 suppliers in Brazil to ensure that they do not source beef from protected areas, that their suppliers are not involved in illegal deforestation, and that they comply with any other legal requirements.</p> <p>We have engaged frequently with our suppliers to understand their supply chains and the measures in place to reduce the risk of deforestation. Processes and checks have been put in place to verify the implementation of these agreements. We are working with all our direct suppliers to ensure we have maximum visibility on the traceability of our corned beef product and are continually working to improve transparency. In</p>

					addition, through our Beef Development Group we engage with beef farmers across England, Scotland, Wales and Northern Ireland and a key element of this engagement is supporting improvements in sustainability.
Soy	Yes, working with direct suppliers	Supply chain mapping Other	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Other, please specify Collecting data in a central database, encouraging work with multi-stakeholder groups, encouraging certification, supplier charters.	100%	We have participated in a multi-stakeholder project to better understand our total soy footprint. The project involved four UK retailers (Sainsbury's, Asda, Tesco and M&S) and their respective suppliers and was led by 3Keel Building on the soy ladder framework developed by the Consumer Goods Forum the project sought to calculate the soy footprint for a variety of products (including ingredients and animal feed for primary and further processed proteins) to determine the total soy footprint for each retailer. The project also mapped the soy supply chains for these products working with suppliers to obtain this information. The data from this work will now enable further activities and discussions with the supply chain on sourcing sustainable soy. We are also members of the UK Sustainable Soy Roundtable where we have committed to a timebound action plan. We are members of the Soy Buyers Coalition and

					signatories to the Cerrado Manifesto.
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F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping Capacity building Other	Developing or distributing supply chain mapping tools Participating in workshops Other, please specify Supplier engagement.	Sainsbury's regularly meets with its suppliers and tier 2 suppliers to discuss the availability of sustainable material. These meetings are an opportunity to communicate our sourcing requirements beyond our immediate suppliers. We have also built a modern slavery risk assessment tool for all of our supply chains which enables us to assess modern slavery risks in our timber supply chains.
Palm oil	Yes, working beyond first tier	Supply chain mapping Capacity building Other	Developing or distributing supply chain mapping tools Participating in workshops Other, please specify Supplier engagement.	We have regular conversations with suppliers beyond tier 1 in our supply chain in order to mitigate risk. We are, for example, engaging with key EU palm oil refiners on how to go beyond certification and ensure zero deforestation in our palm oil supply chains. This has involved collecting data from refiners on their commitments towards zero deforestation palm oil and on their processes and plans to deliver this. We are also a member of the Retailers Palm Oil Group which discusses sustainability issues with key stakeholders within the palm oil supply chain including NGOs. The Retailers Palm Oil Group is also represented on the Board of Governors of the RSPO which allows engagement with growers and other actors in the supply chain. We are also members of the Palm Oil Transparency Coalition which looks to assess the main importers of palm oil into Europe and their progress towards

				<p>industry sustainability objectives. Each year we produce a report on performance to encourage best practice in the supply chain. We have also built a modern slavery risk assessment tool for all of our supply chains which enables us to assess modern slavery risks in our palm oil supply chains.</p>
Cattle products	Yes, working beyond first tier	<p>Supply chain mapping Capacity building Other</p>	<p>Developing or distributing supply chain mapping tools Participating in workshops Investing in pilot projects Other, please specify Supplier enga</p>	<p>Through our Sustainable Beef Development Group we engage with beef farmers across England, Scotland, Wales and Northern Ireland and a key element of this engagement is supporting improvements in sustainability. Our SBDG Steering Group meet once every quarter to provide the opportunity for all stakeholders in the supply chain to discuss challenges and opportunities within the UK beef sector. In September 2017 we completed a soil health trial with SBDG member Graeme Mather from Brechin, Scotland. Through adopting a holistic approach to soil health management, he was able to increase the volume of beef produced from grass through increasing grass volume and quality. We are now working with Graeme and students from Aberdeen University to see how we can further improve soil health to improve grassland performance and sustainability of beef production. Partnered with AHDB Beef & Lamb on a 2 year programme to establish discussion groups to aid successful knowledge transfer around efficient beef production through the use of on-farm technologies. The work is part of AHDB Beef & Lamb's inspiring success strategy that looks at continually improve the beef & lamb sectors and creating sustainable industries. We have also built a modern slavery risk assessment tool for all of our supply chains which enables us to assess modern slavery risks in our cattle supply chains. We are working with our Brazilian tier two suppliers to identify where there</p>

				<p>may be risks associated with deforestation, human rights, ethical trade, and antibiotic use, to ensure alignment with the high standards required by Sainsbury's. Our direct suppliers have due diligence systems in place throughout their supply chains and with their Tier 2 suppliers in Brazil to ensure that they do not source beef from protected areas, that their suppliers are not involved in illegal deforestation, and that they comply with any other legal requirements.</p>
Soy	Yes, working beyond first tier	<p>Supply chain mapping</p> <p>Capacity building</p> <p>Other</p>	<p>Developing or distributing supply chain mapping tools</p> <p>Participating in workshops</p> <p>Investing in pilot projects</p>	<p>Through our membership of the European Soy Customer Group we are engaged in discussions with key soy producers and traders. This includes discussing what capacity improvements are required in the soy supply chain to ensure farmers are legally compliant (ie registered on CAR and against the Forest Code). We have over many years through this Group and through these discussions supported the Amazon moratorium and its extension. We also discuss sustainable soy one-to-one with key soy importers. Through our membership of the Retailers Soy Group (RSG) we have also engaged with representatives of the feed industry to understand how sustainable soy can be encouraged in the supply chain. The RSG is represented on the board of the RTRS and feeds into reviews/consultations where appropriate. We are also members of the UK Round table on Sustainable Soy where we have committed to a timebound plan for Sustainable Soy. We are members of the Soy Buyers Coalition where we are working with TRACE to map our soy volumes back to specific regions in Brazil in order to partner with producer organisations in Brazil. We are also signatories to the Cerrado Manifesto where we pledge to support ending deforestation and conversion of natural habitats in the Cerrado. We have also built a modern slavery risk assessment</p>

				tool for all of our supply chains which enables us to assess modern slavery risks in our soy supply chains.
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F6.10

(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Forest Stewardship Council (FSC)

Programme for the Endorsement of Forest Certification (PEFC)

Other, please specify

Consumer Goods Forum Forest Positive Coalition of Action.

Jurisdictional approaches

Please explain

We are part of the CGF Forest Positive Coalition of Action, which includes a Paper Pulp and Packaging sub-group. We are in the process of exploring other multi-stakeholder initiatives to join, to strengthen the impact of our work in timber and timber derived products.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Roundtable on Sustainable Palm Oil (RSPO)

Palm Oil Transparency Coalition (POTC)

Other, please specify

Retail Palm Oil Group, Consumer Goods Forum Forest Positive Coalition of Action.

Jurisdictional approaches

Please explain

We have been a member of the RSPO since 2006 and we have previously fed into the RSPO's principle and criteria review to support the strengthening of the standard (eg. with regard to no deforestation and peatland conversion). We are also a member of the Retail Palm Oil Group (RPOG) which is represented on the Board of Governors of the RSPO. Through the RPOG we have consistently called for the RSPO to fully address deforestation and other concerns. Through the RPOG we have also discussed traceability and no deforestation efforts with key stakeholders including palm refiners in order to support progress in this area. We are also members of the Palm Oil Transparency Coalition which looks to assess the main importers of palm oil into Europe and their progress towards industry sustainability objectives. Each year we produce a report on performance to encourage best practice in the supply chain.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Other, please specify

BLC Leather Technology Centre, Consumer Goods Forum Forest Positive Coalition of Action.

Jurisdictional approaches

Please explain

Through our Beef Development Group we engage with beef farmers across England, Scotland, Wales and Northern Ireland and a key element of this engagement is supporting improvements in sustainability.' o SBDG Steering Group met once every quarter to provide the opportunity for all stakeholders in the supply chain to discuss challenges and opportunities within the UK beef sector.

In September 2017 we completed a soil health trial with SBDG member Graeme Mather from Brechin, Scotland. Through adopting a holistic approach to soil health management, he was able to increase the volume of beef produced from grass through increasing grass volume and quality. We are now working with Graeme and students from Aberdeen University to see how we can further improve soil health to improve grassland performance and sustainability of beef production.

Partnered with AHDB Beef & Lamb on a 2 year programme to establish discussion groups to aid successful knowledge transfer around efficient beef production through the use of on-farm technologies. The work is part of AHDB Beef & Lamb's inspiring success strategy that looks at continually improve the beef & lamb sectors and creating sustainable industries. We ask all our tanneries to be members of the Leather Working Group.

Forest risk commodity

Soy

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Roundtable on Sustainable Soy (RTRS)

Other, please specify

Retail Soy Group, Consumer Goods Forum Forest Posi

Jurisdictional approaches

Please explain

We have been members of the RTRS since 2011. We are also a member of the Retail Soy Group which is represented on the Board of Governors of the RTRS. Through the RSG we have supported the improvement of the RTRS standard. Together with other retailers we work collaboratively with the Retail Soy Group to determine the minimum requirements we believe industry standards should include. This ensures we can help develop and foster a strong, multi-stakeholder set of zero deforestation standards that can bring benefits to growers and for sustainable development. We also continue to collaborate with the UK industry and government via the UK Roundtable on Sustainable Soy to address the link between soy and tropical deforestation. The Roundtable brings together significant players in the UK soya market, providing a space for companies and industry associations to work together to achieve a shared goal of a secure, resilient, sustainable supply of soya to the UK, with joint progress monitoring and reporting. Sainsbury's also sits on the Consumer Goods Forum soy working group, collaborating on initiatives such as the Soya Buyers Coalition which looks to track and trace soya usage in the value chain right back to source.

The Cerrado Manifesto

With soy production being a major driver in deforestation, we pledged our support to the Cerrado Manifesto in 2017 by signing the Statement of Support (SoS) – a multi-stakeholder call to action to halt deforestation and native vegetation loss in Brazil's

Cerrado. The Cerrado is a global biodiversity hotspot that is also critical for carbon storage and rainfall, and thus Brazil's agricultural productivity, but is suffering high rates of deforestation and native vegetation loss. The group of signatories, all who use Brazilian soy, have signed the SoS with an immediate priority to develop a roadmap and implementation plan to deliver on their aims and objectives. Since then, support for the Cerrado Manifesto has nearly tripled, with all signatories committing to work collaboratively with local and international stakeholders to promote resilient agricultural practices.

F6.11

(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

Yes

F6.11a

(F6.11a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Reforestation

Primary motivation

Voluntary

Description of project

Woodland Trust Partnership: We continue to support the protection of woodland and biodiversity in the UK, and since our partnership with the Woodland Trust began in 2004, we have raised £9.8 million for the Woodland Trust and planted 3.9 million native trees. This year to celebrate our 150th Birthday, a tree was planted for every Sainsbury's colleague, including the creation of 150 woods with landowners and farmers. We also provided colleagues with tree seeds to plant themselves.

Start year

2004

Target year

Indefinitely

Project area to date (Hectares)

0

Project area in the target year (Hectares)

0

Country/Area

United Kingdom of Great Britain and Northern Ireland

Latitude

0

Longitude

0

Monitoring frequency

Annually

Measured outcomes to date

Other, please specify
Number of trees planted.

Please explain

3.9 million trees planted with The Woodland Trust since 2004, with 493,750 trees being planted this year. A total of £9.1 million has been raised through the sale of our Woodland products - including eggs & chicken. Up to 900,000 tonnes of CO2 has been mitigated through our planting of trees.

Project reference

Project 2

Project type

Other, please specify
Collaboration and sharing best practice.

Primary motivation

Voluntary

Description of project

GIGs & CAGs: We have been working closely with our growers through Crop Action Groups (CAG) since 2006, and we're proud to say that the number, size and reach of these groups has grown considerably over this time. We are currently running CAGs across over 30 crop areas, this covers the UK as well as other countries and regions, including Spain, South Africa and South America. We also work with our growers via Grower Interaction Groups (GIGs), which are forums to get growers of different crops together to identify new thinking and advance best practice.

Start year

2006

Target year

Indefinitely

Project area to date (Hectares)

0

Project area in the target year (Hectares)

0

Country/Area

United Kingdom of Great Britain and Northern Ireland

Latitude

0

Longitude

0

Monitoring frequency

Annually

Measured outcomes to date

Other, please specify

Crop areas covered.

Please explain

We are currently running CAGs across over 30 crop areas in the UK, Spain, South Africa, and South America.

Project reference

Project 3

Project type

Forest ecosystem restoration

Primary motivation

Voluntary

Description of project

ForestMind: We are one of the first companies to collaborate with the UK government-funded Satellite Applications Catapult on the ForestMind initiative which launches this year. The programme aims to use satellite technology to monitor and track the impacts of sourcing from forest areas, so action can be taken where needed.

Start year

2020

Target year

Indefinitely

Project area to date (Hectares)

0

Project area in the target year (Hectares)

0

Country/Area

Brazil

Latitude

0

Longitude

0

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

No measured outcomes

Other, please specify

No measured outcomes - although the project starts this year it has yet to get underway practically.

Please explain

We are one of the first companies to collaborate with the UK government-funded Satellite Applications Catapult on the ForestMind initiative which launches this year. This will be a global project across all countries, and will be monitored constantly. The programme aims to use satellite technology to monitor and track the impacts of sourcing from forest areas, so action can be taken where needed. More information will be available here:

<http://forestmind.org/>

Project reference

Project 4

Project type

Agroforestry

Primary motivation

Voluntary

Description of project

Fairly Traded Tea Pilot: As part of the Sainsbury's Fairly Traded tea pilot, we are supporting smallholder tea farmers in Malawi and Rwanda with the growing and planting of fruit tree seedlings. Across both countries, representative structures such as cooperatives have used the Sainsbury's Fairly Traded Social Premium to finance the growing and distribution of 560,000 tree seedlings. These fruit trees not only represent a secondary source of income for farmers, they rejuvenate the forest, sequester carbon, and help prevent soil run-off on the hills above tea crops.

Start year

2018

Target year

2022

Project area to date (Hectares)

0

Project area in the target year (Hectares)

0

Country/Area

Rwanda

Latitude

0

Longitude

0

Monitoring frequency

Measured outcomes to date

Carbon sequestration

Soil

Water

Climate regulation

Financial

Please explain

The 560,000 fruit tree seedlings, once grown will not only represent a secondary source of income for farmers, they help sequester carbon help prevent soil run-off in the hills above tea crops, and protect these from heavy rains.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

Yes

F7.1a

(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module

F1. Current State

Data points verified

Timber Volumes
Palm Oil Volumes
Soy Volumes
Cattle Volumes

Verification standard

All Verified internally by Sainsbury's group finance team in addition to:
Timber - TRG reporting
Palm oil - RSPO ACOP Submission
Soy - 3Keel supply chain mapping report

Please explain

Verification of volumes carried out by the Sainsbury's group finance team.
Sustainability of Timber, Palm Oil and Soy also verified via 3rd party initiatives

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Limited supply chain engagement

Comment

In each of the deforestation commodities that we focus on (timber products, palm oil, soy, cattle products) there is limited consistent data available for our supply chains in relation to sourcing, traceability, transparency, impact or mitigation. The industry requires a consolidated and consistent data source for companies to assess their supply chain and sourcing risks. The industry lacks a consistent reporting protocol that all supply chain actors are signed up to and report against which is then shared with supply chain partners to encourage transparency of positive actors in the supply chain. This could potentially then link with forest monitoring tools which enable actionable intelligence. The finance industry have yet to become fully engaged in the supply chain engagement process to encourage zero deforestation/conversion at farm level. They are a key stakeholder that are required to influence decision making at farm level in the direction of zero deforestation production.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Limited supply chain engagement

Comment

In each of the deforestation commodities that we focus on (timber products, palm oil, soy, cattle products) there is limited consistent data available for our supply chains in relation to sourcing, traceability, transparency, impact or mitigation. The industry requires a consolidated and consistent data source for companies to assess their supply chain and sourcing risks. The industry lacks a consistent reporting protocol that all supply chain actors are signed up to and report against which is then shared with supply chain partners to encourage transparency of positive actors in the supply chain. This could potentially then link with forest monitoring tools which enable actionable intelligence. For example there are data capture and monitoring efforts happening in palm oil currently but this is in small sections of the value chain. The finance industry have yet to become fully engaged in the supply chain engagement process to encourage zero deforestation/conversion at farm level. They are a key stakeholder that are required to influence decision making at farm level in the direction of zero deforestation production.

Forest risk commodity

Soy

Coverage

Supply chain

Primary barrier/challenge type

Limited supply chain engagement

Comment

In each of the deforestation commodities that we focus on (timber products, palm oil, soy, cattle products) there is limited consistent data available for our supply chains in relation to sourcing, traceability, transparency, impact or mitigation. The industry requires a consolidated and consistent data source for companies to assess their supply chain and sourcing risks. The industry lacks a consistent reporting protocol that all supply chain actors are signed up to and report against which is then shared with supply chain partners to encourage transparency of positive actors in the supply chain. This could potentially then link with forest monitoring tools which enable actionable intelligence. The finance industry have yet to become fully engaged in the supply chain engagement process to encourage zero deforestation/conversion at farm level. They are

a key stakeholder that are required to influence decision making at farm level in the direction of zero deforestation production.

Forest risk commodity

Cattle products

Coverage

Supply chain

Primary barrier/challenge type

Lack of adequate traceability systems

Comment

In each of the deforestation commodities that we focus on (timber products, palm oil, soy, cattle products) there is limited consistent data available for our supply chains in relation to sourcing, traceability, transparency, impact or mitigation. The industry requires a consolidated and consistent data source for companies to assess their supply chain and sourcing risks. The industry lacks a consistent reporting protocol that all supply chain actors are signed up to and report against which is then shared with supply chain partners to encourage transparency of positive actors in the supply chain. This could potentially then link with forest monitoring tools which enable actionable intelligence. The finance industry have yet to become fully engaged in the supply chain engagement process to encourage zero deforestation/conversion at farm level. They are a key stakeholder that are required to influence decision making at farm level in the direction of zero deforestation production. For corned beef, the supply chain is complex and there is currently no way to trace the beef back to farm level. Our supplier has tight controls in place to mitigate against deforestation, including an FRI for farms & satellite monitoring to check for deforestation, but we are still unable to get full traceability down to farm level on the beef that we use.

F8.2

(F8.2) Describe the main measures that would improve your organization’s ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Improved data collection and quality

Comment

An industry platform for sharing data that is captured alongside monitoring data would encourage transparency in the industry which in turn incentivises those who are producing commodities sustainably.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Improved data collection and quality

Comment

An industry platform for sharing data that is captured alongside monitoring data would encourage transparency in the industry which in turn incentivises those who are producing commodities sustainably.

Forest risk commodity

Soy

Coverage

Supply chain

Main measure

Greater stakeholder engagement and collaboration

Comment

The finance industry have yet to become engaged at a tangible level in forest commodities and the industry zero deforestation targets. As a key driver of producer behaviour the finance industry would be influential in the discussions with producers and producing countries on achieving zero deforestation targets.

Forest risk commodity

Cattle products

Coverage

Supply chain

Main measure

Other, please specify

For corned beef, increased availability from other countries.

Comment

The supply base for beef in South America is consolidated to a small number of suppliers and there is limited availability of regulation or certification programmes that


provide for zero deforestation. Having the flexibility to be able to source from other regions which pose a lower risk to deforestation would be positive, but currently limited.

F17 Signoff

F-FI

(F-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.

 2019 CDP JSP Signoff Forests - signed.pdf

 Sainsburys Sustainability Update 1920.pdf

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms