

F0. Introduction

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F0.1

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

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

Our focus on great value food and convenient shopping, whether in-store or online is supported by our brands – Argos, Habitat, Tu, Nectar and Sainsbury's Bank. Sainsbury's has over 600 supermarkets and over 800 convenience stores. Argos is a leading digital retailer and is the third most visited retail website in the UK, with over 90 per cent of its sales starting online. Argos is conveniently available for customers to collect from hundreds of Sainsbury's stores. Digital and technology enables us to adapt as customers shop differently and our profitable, fast-growing online channels offer customers quick and convenient delivery and collection capability. Over 171,000 colleagues are integral to our success, now and in the future. Our colleagues who work hard every day to make our customers' lives easier and provide them with great products, quality and service. Our customers care about wide-ranging, complex issues that impact them and our wider world. They trust us to be a responsible business, whether that's by supporting the communities we serve and source from, managing our environmental impacts or contributing to a healthier, more inclusive society.

The environmental and social challenges that are facing the world have never been greater. As a UK retailer with a food, general merchandise and clothing business, we source from countries all over the world, therefore the production, sourcing, packaging and disposal of these products can have major consequences. Our commitment to Helping everyone eat better means we are playing a leading role in offering delicious, affordable food that supports healthy and sustainable diets, helping customers reduce their impact on the planet, one plate at a time. Last year, we still had our Net Zero by 2040 plan, announced the addition of a Scope 3 target, covering our indirect emissions that occur throughout our value chain, announced our position of Principal Supermarket Sponsor in the upcoming UN Climate Change Conference, COP26, and set remuneration targets for the Board against our key Net Zero by 2040 pillars to help drive business performance.

This year, in June 2021, we launched our Plan for Better, our new sustainability plan and strategy, covering our environmental and social commitments, which is integrated into our business strategy. Our Plan For Better sets out our sustainability goals across our whole business, outlining our priority areas of focus, our key commitments and our progress. We have identified areas which matter most to our stakeholders and are aligned to the UN Sustainable Development Goals, so that we can make the biggest difference. Our Plan for Better has three interlocking pillars; Better for you, Better for the planet and Better for everyone. We have committed to reporting on our plan twice a year to transparently share our progress, and shared our first half results of 2021/22.

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

F0.2

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

	Start Date	End Date
Reporting year	March 6 2021	March 5 2022

F0.3

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

GBP

F0.4

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**(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.**

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Retailing	<Not Applicable>
Palm oil	Disclosing	Retailing	<Not Applicable>
Cattle products	Disclosing	Retailing	<Not Applicable>
Soy	Disclosing	Retailing	<Not Applicable>
Other - Rubber	Not disclosing	Retailing	Sainsbury's 2021/22 CDP Forest disclosure focuses on the core commodities of the disclosure: timber, cattle, palm oil, and soy.
Other - Cocoa	Not disclosing	Retailing	Sainsbury's 2021/22 CDP Forest disclosure focuses on the core commodities of the disclosure: timber, cattle, palm oil, and soy.
Other - Coffee	Not disclosing	Retailing	Sainsbury's 2021/22 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 containing palm oil, soy, or cattle products.	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 own-brand products, the palm ingredient and the RSPO certification that applies to the palm oil are disclosed, however we do not have that visibility for branded products. Timber is an exception however. Any timber or paper based product in scope of the EUTR, UKTR, or FLEGT is included in our disclosure, as we collect information on this via our third party, TRG.
Direct operations	Business activity	Timber or paper used in goods not for resale (GNFR).	Potential for forests-related risk but not evaluated	We do not formally collect any information on the timber or paper used in the goods not for resale side of the business. Last year we conducted an exercise to determine if any products fell into scope of the UKTR, and will be continuing to monitor this to ensure we comply with legislation. Many of our GNFR products are FSC certified, for example, all our till receipts are printed on FSC paper. We are working with our GNFR teams to identify areas of material risk specifically for paper and timber products used across our business.
Supply chain	Specific product line(s)	Leather used in our own-brand and branded products sold across the business.	Potential for forests-related risk but not evaluated	Our work on deforestation -risk associated to cattle in South America has focused on beef to date, and not leather as we have smaller footprint in the latter, and less supply chain visibility. We know this is an area where we have a footprint and will be reviewing our approach to minimising deforestation risk in our leather supply chains next year. We are part of the Leather Working Group which seeks to increase the volume of certified leather that we sell, and acknowledge the risk that exists with leather contributing to deforestation. It remains an important material that we collaborate with our key commercial and technical stakeholders across the business on.
Supply chain	Business activity	Palm oil used in animal feed for our own-brand products and palm oil used in biofuels.	Potential for forests-related risk but not evaluated	Our work on palm oil has historically excluded palm oil used in animal feed and in biofuels. This is an area that we know we have a footprint in, and over the coming year will be conducting a scoping exercise to understand the scale of this. Our work done on soy in our animal feed supply chains puts us in a good position to replicate this for palm oil, and we will be taking our learnings into this workstream. We are collaborating with our technical team in fuel, and have been in conversations with our fuel supplier who is very engaged and open to developing their environmental agenda.
Supply chain	Specific product line(s)	Soy in products for direct human consumption	Potential for forests-related risk, evaluated, but not disclosing to CDP	Our disclosure on soy is focused on soymeal in animal feed, as this represents the vast majority of our footprint (c.a. >90%), and is sourced from high-risk origins. Soy for direct consumption in or UK market tends to be sourced from low-risk origins for deforestation. We will include soy for direct consumption from next year however, for completeness, and are developing the necessary data collection processes from suppliers to support this.

## F0.6

**(F0.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)**

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

## 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  
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  
Primary packaging  
Secondary packaging  
Tertiary packaging  
Cellulose-based textile fiber  
Wood-based bioenergy

### Source

Contracted suppliers (manufacturers)

### Country/Area of origin

Algeria  
Argentina  
Australia  
Austria  
Belarus  
Belgium  
Bosnia & Herzegovina  
Brazil  
Canada  
Chile  
China  
Croatia  
Czechia  
Denmark  
Estonia  
Finland  
France  
Germany  
Hungary  
India  
Indonesia  
Ireland  
Italy  
Latvia  
Lithuania  
Luxembourg  
Malaysia  
Namibia  
Netherlands  
New Zealand  
Norway  
Panama  
Poland  
Portugal  
Romania  
Russian Federation  
Serbia  
Slovakia  
Slovenia  
South Africa  
Spain  
Sweden  
Switzerland  
Taiwan, 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

### **% 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)  
Hides/leather

### **Source**

Contracted suppliers (manufacturers)

### **Country/Area of origin**

Argentina  
Brazil  
Ireland  
United Kingdom of Great Britain and Northern Ireland  
Uruguay

### **% of procurement spend**

1-5%

### **Comment**

Calculated with an estimated value of beef used as ingredient or as a whole product across our own brand range.

## **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  
Greece  
India  
Japan  
Paraguay  
United States of America

### **% of procurement spend**

<1%

### **Comment**

Estimated market value of total soymeal use as animal feed for the animal proteins in our own brand products

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## **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, as % of total revenue
Palm oil	1-5%	Estimated value of our own brand products that contain palm oil , as % of total revenue
Cattle products	1-5%	Estimated value of cattle products used as ingredients or as a whole in our own brand products, as % of total revenue
Soy	11-20%	Estimated value of revenue from Meat, Fish, Poultry, Egg, and Dairy Products dependent on soy as feed, as % of total revenue
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**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
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

**F1.5a**

**(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.**

**Forest risk commodity**

Palm oil

**Data type**

Consumption data

**Commodity production/ consumption volume**

12364

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Full commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

100

**Please explain**

We require that the palm oil in our food and non-food own brand products is physically certified by the Roundtable on Sustainable Palm Oil (RSPO), either Mass Balance or Segregated, with a preference for segregated. Our target year was 2020 and in 2021 we achieved this target, with 100 per cent of the palm oil used in our products being physically certified RSPO (99.3 per cent in 2020). In 2021, 80.9% of certified volumes were segregated, and 19.1% of volumes were certified mass-balance.

**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Commodity production/ consumption volume**

91875

**Metric for commodity production/ consumption volume**

Cubic meters

**Data coverage**

Full commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

77

**Please explain**

77% of our timber sold in calendar year 2021 was sourced to an independent sustainability standard with full chain of custody, e.g. FSC. This information is collected by our

**Forest risk commodity**

Soy

**Data type**

Consumption data

**Commodity production/ consumption volume**

179963

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Partial commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

1.6

**Please explain**

We consider DCF soy as soy verified to be from a low-risk origin (national or sub-national level), and certified Mass-Balance or Segregated. Regional credits, book & claim certificates or Area Mass Balance are not considered DCF volumes, but defined as progress against DCF. In 2021, 58.3% of our soymeal volumes were defined as progress against DCF.

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**Forest risk commodity**

Cattle products

**Data type**

Consumption data

**Commodity production/ consumption volume**

50886

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Full commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

97

**Please explain**

96.4% of our beef volumes were sourced from the UK and Ireland in 2021/22, and an additional 0.4% sourced from other low-risk origins for deforestation. 3.0% of our volumes were sourced from Brazil - which we consider high-risk and is not classified as DCF, given the lack to supply chain transparency and purchase control systems by meatpackers that cover their indirect supply chain.

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**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Commodity production/ consumption volume**

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Partial commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Please select

**% of reported volume verified as deforestation- and/or conversion-free**

<Not Applicable>

**Please explain**

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**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Commodity production/ consumption volume**

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Full commodity production/consumption

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**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Please select

**% of reported volume verified as deforestation- and/or conversion-free**

<Not Applicable>

**Please explain**

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**F1.5b**

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**(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**

Palm oil

**Country/Area of origin**

Unknown origin

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

100

**Please explain**

We don't request national or sub-national origin data from our supply base for palm oil, but will begin doing so in 2022. 80.1% of the palm oil in our products is segregated RSPO and therefore can be traced back to mill. To build better transparency across the sector, 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.

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**Forest risk commodity**

Cattle products

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

96.4

**Please explain**

96.4% of our beef volumes are produced in the UK or Ireland. We consider all volumes from the UK&Ireland to be low risk for deforestation and conversion risk, and therefore don't disclose any sub-national data.

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**Forest risk commodity**

Cattle products

**Country/Area of origin**

Brazil

**State or equivalent jurisdiction**

Don't know

**% of total production/consumption volume**

3

**Please explain**

3% of our beef volumes in 2021/22 were sourced from Brazil. Currently there are no robust purchase control systems in place by Brazilian meatpackers that can trace back the origin of the cattle throughout the life cycle of the cows, and therefore no systems to assess deforestation-risk (except for full-cycle farms).

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**Forest risk commodity**

Soy

**Country/Area of origin**

Unknown origin

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

73.1

**Please explain**

73.1% of the soymeal volumes used as animal feed for our products isn't traceable back to national origin of production by Sainsbury's. We are working with our suppliers, direct and indirect, to build better transparency into our soy supply chains, and increase visibility.

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**Forest risk commodity**

Soy

**Country/Area of origin**

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Brazil

**State or equivalent jurisdiction**

Don't know

**% of total production/consumption volume**

23.2

**Please explain**

23.1% of the soymeal volumes used as animal feed for our products can be traced back to Brazil. This is based on an annual assessment of our suppliers, where we request they share origin data (national and sub-national) on their soy supply chain.

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**Forest risk commodity**

Soy

**Country/Area of origin**

Paraguay

**State or equivalent jurisdiction**

Don't know

**% of total production/consumption volume**

7.8

**Please explain**

7.80% of the soymeal volumes used as animal feed for our products can be traced back to Paraguay. This is based on an annual assessment of our suppliers, where we request they share origin data (national and sub-national) on their soy supply chain.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

0.13

**Please explain**

For any timber products in scope of the UK/EU Timber Regulations, we conduct full due diligence assessments back to the forest/plantation. These due diligence assessments are carried out by Track Record Global. In the example above, we source 79 SKUs (totalling 122.4m3) from this region in Ukraine.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Argentina

**State or equivalent jurisdiction**

Not disclosing

**% of total production/consumption volume**

0.1

**Please explain**

For any timber products in scope of the UK/EU Timber Regulations, we conduct full due diligence assessments back to the forest/plantation. These due diligence assessments are carried out by Track Record Global.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Australia

**State or equivalent jurisdiction**

Not disclosing

**% of total production/consumption volume**

0.1

**Please explain**

For any timber products in scope of the UK/EU Timber Regulations, we conduct full due diligence assessments back to the forest/plantation. These due diligence assessments are carried out by Track Record Global.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Brazil

**State or equivalent jurisdiction**

Not disclosing

**% of total production/consumption volume**

7.1

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**Please explain**

For any timber products in scope of the UK/EU Timber Regulations, we conduct full due diligence assessments back to the forest/plantation. These due diligence assessments are carried out by Track Record Global.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

India

**State or equivalent jurisdiction**

Not disclosing

**% of total production/consumption volume**

0.01

**Please explain**

For any timber products in scope of the UK/EU Timber Regulations, we conduct full due diligence assessments back to the forest/plantation. These due diligence assessments are carried out by Track Record Global.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Not disclosing

**% of total production/consumption volume**

1.1

**Please explain**

For any timber products in scope of the UK/EU Timber Regulations, we conduct full due diligence assessments back to the forest/plantation. These due diligence assessments are carried out by Track Record Global.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Thailand

**State or equivalent jurisdiction**

Not disclosing

**% of total production/consumption volume**

7.5

**Please explain**

For any timber products in scope of the UK/EU Timber Regulations, we conduct full due diligence assessments back to the forest/plantation. These due diligence assessments are carried out by Track Record Global.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Viet Nam

**State or equivalent jurisdiction**

Not disclosing

**% of total production/consumption volume**

0.1

**Please explain**

For any timber products in scope of the UK/EU Timber Regulations, we conduct full due diligence assessments back to the forest/plantation. These due diligence assessments are carried out by Track Record Global.

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

61

**Please explain**

For any timber products in scope of the UK/EU Timber Regulations, we conduct full due diligence assessments back to the forest/plantation. These due diligence assessments are carried out by Track Record Global.

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## F1.5e

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### (F1.5e) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

**Data type**

<Not Applicable>

**Volume produced/consumed**

<Not Applicable>

**Metric**

<Not Applicable>

**Country/Area of origin**

<Not Applicable>

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

<Not Applicable>

**Does the source of your organization's biofuel material come from smallholders?**

<Not Applicable>

**Comment**

Our supplier of fuel and diesel volumes for our petrol filling stations does not use palm oil-derived biofuels for our products. They use Used Cooking Oils from different vegetable sources.

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## F1.6

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

Please select

## F1.7

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**(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.**

**Forest risk commodity**

Timber products

**Have you monitored or estimated your deforestation/conversion footprint?**

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

**Coverage**

<Not Applicable>

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

<Not Applicable>

**Known or estimated deforestation/ conversion footprint (hectares)**

<Not Applicable>

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

<Not Applicable>

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**Forest risk commodity**

Palm oil

**Have you monitored or estimated your deforestation/conversion footprint?**

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

**Coverage**

<Not Applicable>

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

<Not Applicable>

**Known or estimated deforestation/ conversion footprint (hectares)**

<Not Applicable>

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

<Not Applicable>

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**Forest risk commodity**

Cattle products

**Have you monitored or estimated your deforestation/conversion footprint?**

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

**Coverage**

<Not Applicable>

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

<Not Applicable>

**Known or estimated deforestation/ conversion footprint (hectares)**

<Not Applicable>

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

<Not Applicable>

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**Forest risk commodity**

Soy

**Have you monitored or estimated your deforestation/conversion footprint?**

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

**Coverage**

<Not Applicable>

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

<Not Applicable>

**Known or estimated deforestation/ conversion footprint (hectares)**

<Not Applicable>

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

<Not Applicable>

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## F2. Procedures

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### F2.1

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

Yes, forests-related risks are assessed

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(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**

More than once a year

**How far into the future are risks considered?**

> 6 years

**Tools and methods used**

Internal company methods  
External consultants  
Preferred by Nature Sourcing Hub  
Other, please specify (NEPCon Sourcing Hub)

**Issues considered**

Availability of forest risk commodities  
Quality of forests risk commodities  
Impact on water security

**Stakeholders considered**

Customers  
Employees  
Investors  
Local communities  
NGOs  
Other forest risk commodity users/producers at a local level  
Suppliers

**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**

More than once a year

**How far into the future are risks considered?**

> 6 years

**Tools and methods used**

Internal company methods  
External consultants  
Trase

**Issues considered**

Please select

**Stakeholders considered**

Please select

**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**

More than once a year

**How far into the future are risks considered?**

> 6 years

**Tools and methods used**

Internal company methods  
External consultants  
Other, please specify (Brazilian academic research on high-risk sub-national regions , shared through industry groups)

**Issues considered**

Availability of forest risk commodities  
Impact of activity on the status of ecosystems and habitats  
Regulation  
Climate change  
Loss of markets  
Leakage markets  
Corruption  
Social impacts

**Stakeholders considered**

Customers  
Employees  
Investors  
Local communities  
NGOs  
Other forest risk commodity users/producers at a local level  
Regulators  
Suppliers

**Please explain**

We have worked with our category teams and suppliers to map out the national origin of all beef in our own brand products. We are able to measure our volume and land footprint from beef, and separate this between high and low risk origins, as well as to different meatpackers for high-risk volumes.

## 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

More than once a year

### How far into the future are risks considered?

> 6 years

### Tools and methods used

Internal company methods  
External consultants  
Trase  
Jurisdictional/landscape assessment

### Issues considered

Availability of forest risk commodities  
Impact of activity on the status of ecosystems and habitats  
Climate change  
Tariffs or price increases  
Loss of markets  
Leakage markets  
Corruption  
Social impacts

### Stakeholders considered

Customers  
Employees  
Investors  
Local communities  
NGOs  
Other forest risk commodity users/producers at a local level  
Regulators  
Suppliers

### Please explain

With our external consultants we have mapped our soy use origin and certification status for soy used as feed in our product supply chains. We then compare this geographical analysis with risk levels from different regions, and estimate the share of our soy considered as sourced from a high-risk origin. There is limited data on national and sub-national origin of soy in our supply chains, but we are working with our suppliers to increase this. When origin data on our own supply chains is unavailable, we classify those volumes as high risk, and try to estimate their origin through trade flow analysis (Trase).

## F2.2

### (F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Palm oil	Yes, we have mapped the entire value chain	<Not Applicable>	<Not Applicable>
Cattle products	Yes, we have mapped the entire value chain	<Not Applicable>	<Not Applicable>
Soy	Yes, we have mapped the entire value chain	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

## F2.2a

### (F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

#### Forest risk commodity

Timber products

#### Scope of value chain mapping

Own operations  
Tier 1 suppliers  
Tier 2 suppliers  
Tier 3 suppliers  
Tier 4+ suppliers

Smallholders

**% of total suppliers covered within selected tier(s)**

100

**Description of mapping process and coverage**

We use a third party - Track Record Global - to carry out due diligence on all own-brand timber derived products that we sell. For any products in scope of the UK/EU timber regulations, the due diligence collected will go down to the plantation site. For products out of scope of the legislation, they will conduct a lighter touch assessment. These lighter touch assessments typically involve submission of a supply chain diagram, and invoices to support the traceability of the product. If the supply chain is deemed high risk, the assessment will be escalated to a full UK/EUTR level assessment. Coverage is 100% of all own-brand timber based products.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

-

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

-

---

**Forest risk commodity**

Palm oil

**Scope of value chain mapping**

Tier 1 suppliers

**% of total suppliers covered within selected tier(s)**

100

**Description of mapping process and coverage**

Annually, we identify all direct suppliers that use palm oil products or derivatives for our own brand products. We then contact these direct suppliers and assess the volumes they supply us (certification, origin, etc.). We request they share information about the traders/importers of the palm oil in their supply chain.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

Own Brand Manufacturers - Palm Oil\_2021 (1).pdf

---

**Forest risk commodity**

Palm oil

**Scope of value chain mapping**

Tier 2 suppliers

**% of total suppliers covered within selected tier(s)**

100

**Description of mapping process and coverage**

Annually, we identify all direct suppliers that use palm oil products or derivatives for our own brand products. We then contact these direct suppliers and assess the volumes they supply us (certification, origin, etc.). We request they share information about the traders/importers of the palm oil in their supply chain.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

Palm Oil Importers 2021.pdf

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**Forest risk commodity**

Cattle products

**Scope of value chain mapping**

Tier 1 suppliers

Tier 2 suppliers

**% of total suppliers covered within selected tier(s)**

100

**Description of mapping process and coverage**

Annually, we identify all direct suppliers of beef for our own brand products. We then contact these direct suppliers and assess the volumes they supply us, including the origin of the beef they supply. For suppliers of beef from high-risk origins (South America), we request they share information about the meatpackers in their supply chain.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

Brazilian Beef - Own Brand Suppliers and Meatpackers 2021.pdf

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**Forest risk commodity**

Soy

**Scope of value chain mapping**

Tier 1 suppliers

Tier 2 suppliers

Tier 3 suppliers

Tier 4+ suppliers

**% of total suppliers covered within selected tier(s)**

100

**Description of mapping process and coverage**

Annually, we identify all direct suppliers that use soy for our own brand products (either directly or as feed in animal protein products). We then contact these direct suppliers and assess the volumes they supply us (certification, origin, etc.). We request they share information about the traders/importers of the soy in their supply chain.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

Soy Own Brand Manufacturers - 2021.pdf

Soy Importers 2021.pdf

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

### 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
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

#### 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**

Acute physical

**Geographical scale**

Global

**Where in your value chain does the risk driver occur?**

Supply chain

**Primary risk driver**

**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 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)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

1000000

**Potential financial impact figure - maximum (currency)**



10000000

**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. 77% 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**

5000000

**Explanation of cost of response**

Cost estimate for due diligence and certification requirements

---

**Forest risk commodity**

Timber products

**Type of risk**

Regulatory

**Geographical scale**

Global

**Where in your value chain does the risk driver occur?**

Direct operation

Supply chain

**Primary risk driver**

Changes to national legislation

**Primary potential impact**

Fines, penalties or enforcement orders

**Company-specific description**

UK 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)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

1000000

**Potential financial impact figure - maximum (currency)**

10000000

**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.

**Cost of response**

5000000

**Explanation of cost of response**

Cost estimate for due diligence and certification 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

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Supply chain

**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)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

1000000

**Potential financial impact figure - maximum (currency)**

10000000

**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**

5000000

**Explanation of cost of response**

Cost estimate for due diligence and certification 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

Supply chain

**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 regardless of whether the palm oil is sustainable.

**Timeframe**

>6 years

**Magnitude of potential impact**

Medium

**Likelihood**

Unlikely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

10000000

**Potential financial impact figure - maximum (currency)**

200000000

**Explanation of financial**

Based on revenue from products that contain palm oil

**Primary response to risk**

Increased use of sustainably sourced materials

**Description of response**

We require that the palm oil in our food and non-food own brand products is physically certified by the Roundtable on Sustainable Palm Oil (RSPO), with a preference for segregated RSPO certification. Our target year was 2020 and in 2021 we achieved this target, with 100 per cent of the palm oil used in our products being physically certified RSPO (99.3 per cent in 2020)

**Cost of response**

3000000

**Explanation of cost of response**

Estimate of the cost of our sustainable sourcing requirements

---

**Forest risk commodity**

Palm oil

**Type of risk**

Regulatory

**Geographical scale**

Global

**Where in your value chain does the risk driver occur?**

Direct operation

Supply chain

**Primary risk driver**

Non-compliance with national legislation

**Primary potential impact**

Supply chain disruption

**Company-specific description**

The UK and EU are posed to introduce UK Due Diligence regulation that will ban the sale of products linked to deforestation. Sainsbury's are supportive of such legislation, as it should support better supply chain transparency and due diligence. There is a risk of non-compliance in our supply chains however, which could lead to supply chain disruptions and fines.

**Timeframe**

>6 years

**Magnitude of potential impact**

Medium

**Likelihood**

Unlikely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

10000000

**Potential financial impact figure - maximum (currency)**

200000000

**Explanation of financial**

Based on revenue from products that contain palm oil

**Primary response to risk**

Engagement with suppliers

**Description of response**

We are engaging with our supply base to build better supply chain transparency and traceability systems that will enable compliance to future legislation.

**Cost of response**

**Explanation of cost of response**

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**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

Supply chain

---

**Primary risk driver**

Negative media coverage

**Primary potential impact**

Reduced demand for products and services

**Company-specific description**

The links between cattle farming in Brazil and deforestation are increasingly highlighted by media coverage, as well as NGO campaigns.

**Timeframe**

>6 years

**Magnitude of potential impact**

Low

**Likelihood**

More likely than not

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

1000000

**Potential financial impact figure - maximum (currency)**

20000000

**Explanation of financial**

Based on revenue from products containing beef sourced from Brazil and other high-risk origins for deforestation.

**Primary response to risk**

Avoidance of sourcing from high-deforestation risk jurisdictions

**Description of response**

In November 2021 we made the decision to stop selling Brazilian beef in our own-brand products.

**Cost of response**

10000000

**Explanation of cost of response**

Estimated cost to shift sourcing away from Brazil and other high-risk origins for deforestation

---

**Forest risk commodity**

Cattle products

**Type of risk**

Regulatory

**Geographical scale**

Country

**Where in your value chain does the risk driver occur?**

Direct operation

Supply chain

**Primary risk driver**

Non-compliance with national legislation

**Primary potential impact**

Disruption to sales

**Company-specific description**

The UK and EU are poised to introduce UK Due Diligence regulation that will ban the sale of products linked to deforestation. Sainsbury's are supportive of such legislation, as it should support better supply chain transparency and due diligence. There is a risk of non-compliance in our supply chains however, which could lead to supply chain disruptions and fines.

**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)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

1000000

**Potential financial impact figure - maximum (currency)**

20000000

**Explanation of financial**

Based on revenue from products containing beef sourced from Brazil and other high-risk origins for deforestation.

**Primary response to risk**

Avoidance of sourcing from high-deforestation risk jurisdictions

**Description of response**

In November 2021 we made the decision to stop selling Brazilian beef in our own-brand products.

**Cost of response**

10000000

**Explanation of cost of response**

Estimated cost to shift sourcing away from Brazil and other high-risk origins for deforestation

---

**Forest risk commodity**

Soy

**Type of risk**

Acute physical

**Geographical scale**

Global

**Where in your value chain does the risk driver occur?**

Supply chain

**Primary risk driver**

Drought

**Primary potential impact**

Increased production 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**

Medium

**Likelihood**

Unlikely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

10000000

**Potential financial impact figure - maximum (currency)**

200000000

**Explanation of financial**

Based on revenue dependent on soy, principally animal protein products that require soy as animal feed.

**Primary response to risk**

Greater traceability of forest-risk commodities

**Description of response**

We are working with our supply chain partners to build better transparency and traceability in complex soy supply chains, to ensure we can verify the soy used in for products is deforestation and conversion-free.

**Cost of response**

1000000

**Explanation of cost of response**

Estimated cost of establishing the procurement systems to verify the origin and deforestation-risk status of soy

---

**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

Supply chain

**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**

About as likely as not

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

1000000

**Potential financial impact figure - maximum (currency)**

100000000

**Explanation of financial**

Based on revenue dependent on soy, principally animal protein products that require soy as animal feed.

**Primary response to risk**

Greater traceability of forest-risk commodities

**Description of response**

We are working with our supply chain partners to build better transparency and traceability in complex soy supply chains, to ensure we can verify the soy used in for products is deforestation and conversion-free.

**Cost of response**

1000000

**Explanation of cost of response**

Estimated cost of establishing the procurement systems to verify the origin and deforestation-risk status of soy

**Forest risk commodity**

Please select

**Type of risk**

Please select

**Geographical scale**

Please select

**Where in your value chain does the risk driver occur?**

Please select

**Primary risk driver**

<Not Applicable>

**Primary potential impact**

Please select

**Company-specific description**

**Timeframe**

Please select

**Magnitude of potential impact**

Please select

**Likelihood**

Please select

**Are you able to provide a potential financial impact figure?**

Please select

**Potential financial impact (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial**

**Primary response to risk**

Please select

**Description of response**

**Cost of response**

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
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

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)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1000000

**Potential financial impact figure – maximum (currency)**

10000000

**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)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1000000

**Potential financial impact figure – maximum (currency)**

10000000

**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)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

100000

**Potential financial impact figure – maximum (currency)**

2000000

**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)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1000000

**Potential financial impact figure – maximum (currency)**

20000000

**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	The Board Chair has ultimate accountability for ensuring the success of the Sainsbury's sustainability strategy and currently sits as Chair of the Corporate Responsibility and Sustainability Committee (CR&S). The Committee's principal role is to review the sustainability strategy, ensuring it is aligned with the Company's purpose, strategy, culture, vision and values, and ultimately the governance of Sainsbury's being a sustainable business. The Committee has oversight and final sign off on all forest-related initiatives and developments, and subsequently risks and issues that are flagged and raised. They are regularly updated on how we are tracking against our key commitments, KPIs and performance in relation to forests e.g. our commitments and targets across timber, palm oil and soy, available on pg. 42 of our Plan for Better Sustainability Report

**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

	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	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies 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.)	Sainsbury's PLC Board reviews and guides strategy and major plans of action, oversee major capital expenditures, acquisitions and divestitures and monitor our progress against our goals and targets (with the Sainsbury's Board chairman and CEO having ultimate responsibility). They have direct oversight over Sainsbury's Plan for Better sustainability strategy, through updates on performance (e.g. periodic review of progress against our Scope 1 & 2 science-based targets, and soon Scope 3) and changes in strategy. These are delivered by the Sainsbury's CR&S Committee, which is a PLC board level group. Its purpose is overseeing significant challenges and recommending solutions, making ultimate decisions about our sustainability plan and ultimately the governance of Sainsbury's being a sustainable business. Our Net Zero by 2035 target acceleration is a good example of this. In a critical year for tackling the climate crisis, the business took the decision to accelerate its commitment to Net Zero by no later than 2035, five years earlier than previously stated. The Board was fully supportive of this decision having carefully reviewed the plans and actions required to effectively deliver this level of commitment.

#### F4.1d

##### (F4.1d) Does your organization have at least one board member with competence on forests-related issues?

###### Row 1

###### Board member(s) have competence on forests-related issues

Yes

###### Criteria used to assess competence on forests-related issues

The board's competence in forests related issues has been influenced and upskilled by both internal and external expertise, through consistent and regular communication on the Plan for Better. Specifically, two of our board members are accountable for different elements of Plan for Better: the Chief Marketing Officer and the Chief Finance Officer. Our criteria for assessing this is completed by ensuring our board members are educated and updated on our sustainability strategy. Our committee also reviews the sustainability strategy, ensuring it is aligned with the company's purpose, strategy, culture, vision and values. The Committee also plays a part in monitoring the business's engagement with stakeholders including customers, suppliers, the community, colleagues, shareholders and government on sustainability and corporate responsibility matters. Attendance was complete this year with all relevant parties attending each of the meetings that were held. Therefore, the board is assessed for competency across all areas of our Plan for Better strategy, as it is integrated within our financial planning. We recognise that no individual company can tackle an industry-wide issue, and are therefore working closely with others in the industry through Multi-stakeholder Initiatives such as the Forest Positive Coalition of Action, the WWF Retailer Nature Commitment, the UK Soy Manifesto, and many others. Our CEO is also an active participant in these multi stakeholder industry action groups, and attends regular CEO meetings to discuss strategy, progress, delivery of targets and key industry action needed address the forests related issues and risks. The Board continues to ensure that there is appropriate climate related expertise within the business and has undertaken training provided by the Cambridge Institute for Sustainability Leadership. Some of our board members have further past experience working within the retail environmental and sustainability domain, which will have included forests related issues : for example, championing new ways of integrating sustainability into businesses and leading global corporate sustainability programmes. Please see page 54 of our Annual Report for biographies of our Board members.

###### Primary reason for no board-level competence on forests-related issues

<Not Applicable>

###### Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future

<Not Applicable>

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	Our governance framework includes other management-level positions and committees with climate-related responsibilities, including our CEO, the Corporate Responsibility and Sustainability (CR&S) Committee, the Operating Board, and our Plan for Better Steering Committee, which includes three Plan for Better Working Groups. Our CEO is a member of the CR&S Committee and chairs our Operating Board and Plan for Better Steering Committee. The CEO is responsible for overseeing our Plan for Better commitments and providing regular updates to the PLC Board via our CR&S Committee (monitoring process described below). Climate-related responsibilities have been assigned to the CEO because their role in the CR&S Committee, Operating Board and Plan for Better Steering Committee places them in a strong position to support with implementing decisions taken at the Board level into day-to-day operations; and also ensures ongoing representation of related matters at the highest level of the company, and that our strategy in this area remains a key focus for our business.
Other, please specify (Corporate Responsibility & Sustainability (CR&S) Committee)	Both assessing and managing forests-related risks and opportunities	Quarterly	The principal role of the CR&S Committee (which is a board level committee) is to review the sustainability strategy, ensuring it is aligned with the Company's purpose, strategy, culture, vision and values. The Committee also plays a part in monitoring the business's engagement with stakeholders including customers, suppliers, the community, colleagues, shareholders and government on sustainability and corporate responsibility matters. Climate-related issues have been assigned to this Committee because the group is responsible for overseeing the delivery of our Corporate Social Responsibility agenda, a key part of which is our climate change strategy. The Committee meets four times a year to discuss progress against our climate change strategy and Net Zero targets. The CR&S Committee provides updates to the Board (as a report along with meeting minutes), ensuring that the new approach to sustainability under the expanded Net Zero by 2040 commitment remains in focus, aligned with the updated strategy and meets the expectations in the market. Monitoring of climate-related issues takes place primarily through engagement with the Net Zero Steering Group, described below.
Other, please specify (Operating Board)	Both assessing and managing forests-related risks and opportunities	Quarterly	Matters not specifically reserved for the PLC Board have been delegated to the Operating Board, which is chaired by the CEO. The Operating Board defines business-wide strategy including our sustainability strategy, adapting to new regulatory requirements and trends, reviewing cross-value progress and signing off major climate-related investments.
Other, please specify (Plan for Better Steering Committee)	Both assessing and managing forests-related risks and opportunities	More frequently than quarterly	Our Plan for Better Steering Committee, which is an Operating Board Committee, provides updates to the Operating Board on relevant matters during regular meetings in the form of reports and meeting minutes. It now leads the operational execution of our new Plan for Better Strategy, by overseeing working group activity, ensuring delivery of performance, including our investment of £1 billion to achieve Net Zero by 2035. The Plan for Better Steering Committee, which is chaired by our CMO, presides over three Plan for Better Commitment Working Groups (described below) and monitors KPIs specific to each Plan for Better commitment area by receiving frequent updates from Working Group leads. Climate-related issues have been assigned to the Operating Board due to the unique position of this group in the corporate structure (direct relationship with the Plan for Better Steering Committee and Working Groups) to drive the day-to-day management of the business and the execution of the strategy as set out by the Board.
Other, please specify (Plan for Better Working Groups)	Both assessing and managing forests-related risks and opportunities	More frequently than quarterly	At the start of the year, we had six working groups which were reduced to three. Our Plan for Better Working Groups now oversees three working groups which cover Environmental, Social and Health. These are led by Working Group leads representing different parts of the business. The Working Groups preside over all activity related to Plan for Better, ensuring cross-functional working is unlocked and plans are on track to deliver. Related KPIs are reviewed quarterly during Working Group meetings. The rationale for assigning climate-related issues to the Working Groups is that they have direct oversight of individual commitment areas; therefore, they are in a strong position to implement our strategy on the ground. Our working groups cover our Plan for Better Sustainability strategy areas such as Carbon & Water, Scope 3, Plastic & Recycling, Healthy & Sustainable Diets, Food Waste and Biodiversity and are led by Working Group leads representing different parts of the business. The Working Groups report into the Plan for Better Steering Committee, which is an Operating Board Committee, and preside over all activity related to our Plan for Better, including forests related issues and risks, ensuring cross-functional working is unlocked and plans are on track to deliver. Related KPIs are reviewed on a quarterly basis during Working Group meetings. The rationale for assigning forest-related issues to the Working Groups is that they have direct oversight of individual commitments.

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 remuneration Committee reviews remuneration targets aligned to the sustainability strategy. The Remuneration Committee reviews remuneration for Executive Directors against our Plan for Better strategy, including long-term targets for Scope 1, 2 and 3 GHG emissions. Delivering on this strategy means delivering on our sustainability targets which include a variety of forest related issues. We have long-term remuneration targets for Executive Directors on Scopes 1, 2 and 3. Stretching targets have been set for both Carbon reduction across Scope 1, 2 & 3 and plastic reduction. For Executive Directors 80 per cent of the plan will be based on the four key financial measures (retail free cash flow, ROCE, EPS and cost savings). The remaining 20 per cent of the plan will be subject to key strategic indicators (market share, customer, colleague and Plan for Better). Please see page 17 in our FY22 Annual Report for full details.

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 Other, please specify (Chief Marketing Officer)	Achievement of commitments and targets Supply chain engagement	Our incentivised performance indicators consider delivery against our corporate values, one of which is environmental performance. The Deferred Share Award (DSA) targets are set at the beginning of each financial year, covering financial performance, return to shareholders, relative performance against peers and delivery of our business strategy. 'Our values make us different', along with the 4 other elements of our strategy, are all broadly considered in determining the DSA provided to department directors and more senior positions in the Company at the end of the financial year. Ultimately, the DSA recognizes and rewards for delivery of short-term strategic and financial objectives (including around water withdrawals reductions) which contribute towards the long-term sustainable growth of the Company. Performance is measured over one year, after which award is made as conditional shares deferred for two financial years. Last year saw the conclusion of our 2020 Sustainability Plan and we expect that the DSA (or an equivalent) will be offered for our Net Zero strategy as well. Our Chief Marketing Officer receives a financial bonus that includes the continual achievement of targets of our Marketing Division, which has overall responsibility for forest-related issues. Our existing targets in this area include sourcing 100% of the palm oil we use to an independent sustainability standard. The threshold used to indicate successful performance is meeting these targets successfully. Our CFO is eligible for the bonus if the performance targets are met, which is how performance impacts the incentive.
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
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	Scope	Content	Please explain
Row 1	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to no land clearance by burning or clearcutting</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to take action beyond own supply chain to tackle environmental issues</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound milestones and targets</p> <p>Description of forests-related standards for procurement</p>	<p>In November 2021 we committed to achieving Deforestation and Conversion Free (DCF) own-brand supply chains by 2025, with a cut-off date of 2020. Our approach looks not only to ensure that our volumes of forest-risk commodities are verified sustainable and deforestation-free, but to encourage the companies in our supply chains to adopt better production and sourcing practices. This will help ensure that our collective supply chains support sustainable production of forest-risk commodities that benefit both people and nature. In parallel, we are supporting landscape and jurisdictional solutions that aim to tackle the root causes of deforestation, considering economic and social factors at production level. We know that supporting farmers, communities and local authorities in conserving natural ecosystems is central to our approach to tackling global deforestation. We also want to ensure the impact of our operations is net positive for biodiversity, so that we are playing our part in restoring nature. We are also working closely with farmers, growers and suppliers, in the UK and internationally, so we can reassure customers about where and how our products are sourced. Sourcing our products sustainably helps us to improve people's livelihoods and tackle climate change while improving the quality of our products and ensuring we secure the future of our products for our customers.</p>

#### 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

	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 no land clearance by burning or clearcutting Commitment to eliminate deforestation Commitments beyond regulatory compliance Description of business dependency on forests Recognition of potential business impact on forests and other natural ecosystems List of timebound commitments and targets Description of forests-related performance standards for direct operations Description of forests-related standards for procurement	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 UK/EU Timber Regulation are risk assessed before being placed on the market. We track all products (in scope of UK/EUTR) against legal compliance and compliance to our certification requirements.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Palm oil	Yes	Company-wide	<p>Commitment to no land clearance by burning or clearcutting</p> <p>Commitment to eliminate deforestation</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to take action beyond own supply chain to tackle environmental issues</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p>	<p>Sainsbury's is committed to eliminating deforestation and conversion of any ecosystem from our palm oil supply chains, in line with the Accountability Framework Initiative (AFI) definition. We require that the palm oil in our food and non-food own brand products is physically certified by the Roundtable on Sustainable Palm Oil (RSPO), with a preference for segregated RSPO certification (see definitions at bottom of this page). Our target year was 2020 and in 2021 we achieved this target, with 100 per cent of the palm oil used in our products being physically certified RSPO (99.3 per cent in 2020). Whilst setting clear expectations for our own products is an important first step, we do not think this is sufficient. We want to work with our suppliers and the palm oil traders they source from to ensure that they are not contributing to deforestation elsewhere in their operations. We know this will be achieved progressively, but by working collaboratively with others we believe we can send a clear market signal to bring sector-wide change. As members of the Consumer Goods Forum (CGF) Forest Positive Coalition of Action we have developed a shared vision for what it means to be Forest Positive as a company in a palm oil supply chain, building on the Coalition's Palm Oil Roadmap. In parallel, we are committed to supporting landscape and jurisdictional solutions that aim to tackle the root causes of deforestation, considering economic and social factors at production level. We know that supporting farmers, communities and local authorities in conserving natural ecosystems is central to our approach to tackling global deforestation.</p>

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Cattle products	Yes	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to no land clearance by burning or clearcutting</p> <p>Commitment to eliminate deforestation</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p>	<p>At COP26 in November 2021, we committed to ensuring our own brand product supply chains would be Deforestation and Conversion Free (DCF) by 2025, with a cut-off date of 2020. This includes our beef supply chains. The great majority of our beef is sourced from the UK and Ireland, however some of our existing corned beef products originate from Brazil. We have taken a range of steps together with our suppliers and the wider industry to try to address the link between cattle farming and the destruction of ecosystems like the Amazon and The Cerrado. However, not enough progress has been made, particularly on the traceability of cattle to direct and indirect farms. Given the relatively small share of our beef volumes originate from Brazil, we realise we have limited influence over agricultural practices in the Brazilian beef industry. Therefore, in November 2021 we made the decision to stop selling Brazilian beef in our own-brand products. We're looking to remove all own-brand Brazilian beef products by summer 2023.</p>



	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Soy	Yes	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to no land clearance by burning or clearcutting</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to transparency</p> <p>Commitment to take action beyond own supply chain to tackle environmental issues</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p>	<p>We have long been committed to tackling deforestation and land conversion associated with our supply chains, and at COP26, in November 2021, we committed to ensuring our own-brand product supply chains would be Deforestation and Conversion Free (DCF) by 2025, with a cut-off date of 2020. This includes our soy supply chains, which we have identified as some of the most salient for ecosystem conversion risk. Whilst setting clear expectations for our own products is an important first step, we don't think this is sufficient. We want to work with our suppliers and the soy traders they source from to ensure that they are not contributing to deforestation elsewhere in their operations. We know this will be achieved progressively, but by working with other retailers and manufacturers we believe we can send a clear market signal to bring sector-wide change. We are founding signatories of the UK Soy Manifesto, which was launched in November 2021. All signatories to the manifesto share the goal of ensuring all soy imports to the UK are verified DCF by 2025, and pledge to take action in their supply chain to achieve this. We are also committed to support landscape initiatives that go beyond our own supply chain to address the root causes of deforestation, taking into account economic and social factors facing producers.</p>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

#### 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

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### (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?

Tropical Forest Alliance

Cerrado Manifesto

Soy Moratorium

Other, please specify (Uk Soy Manifesto; UK Roundtables of Sustainable Palm Oil/Soy; CGF Forest Positive Coalition of Action)

## F4.6b

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

#### Forest risk commodity

Palm oil

#### Criteria

No conversion of natural ecosystems

Zero gross deforestation/ no deforestation

No land clearance by burning or clearcutting

No conversion of High Conservation Value areas

No conversion of High Carbon Stock forests

Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals

Implementation of Nature-based Solutions that support landscape restoration and long-term protection of natural ecosystems

Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities

Facilitate the inclusion of smallholders into the supply chain

No sourcing of illegally produced and/or traded forest risk commodities

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

100%

#### Cutoff date

2005

#### Commitment target date

2020

#### Please explain

Sainsbury's is committed to eliminating deforestation and conversion of any ecosystem from our palm oil supply chains, in line with the Accountability Framework Initiative (AFi) definition. We require that the palm oil in our food and non-food own brand products is physically certified by the Roundtable on Sustainable Palm Oil (RSPO), with a preference for segregated RSPO certification. Our target year was 2020 and in 2021 we achieved this target, with 100 per cent of the palm oil used in our products being physically certified RSPO (99.3 per cent in 2020). Whilst setting clear expectations for our own products is an important first step, we do not think this is sufficient. We want to work with our suppliers and the palm oil traders they source from to ensure that they are not contributing to deforestation elsewhere in their operations. We know this will be achieved progressively, but by working collaboratively with others we believe we can send a clear market signal to bring sector-wide change. As members of the Consumer Goods Forum (CGF) Forest Positive Coalition of Action we have developed a shared vision for what it means to be Forest Positive as a company in a palm oil supply chain, building on the Coalition's Palm Oil Roadmap. We engage our direct and indirect suppliers on these asks. In parallel, we are committed to supporting landscape and jurisdictional solutions that aim to tackle the root causes of deforestation, considering economic and social factors at production level. We know that supporting farmers, communities and local authorities in conserving natural ecosystems is central to our approach to tackling global deforestation.

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#### Forest risk commodity

Timber products

#### Criteria

No conversion of natural ecosystems

Zero gross deforestation/ no deforestation

No trade of CITES listed species

No land clearance by burning or clearcutting

No conversion of High Conservation Value areas

No conversion of High Carbon Stock forests

Adoption of the UN International Labour Organization principles

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**

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 UK/EU Timber Regulation are risk assessed before being placed on the market. We track all products (in scope of UK/EUTR) against legal compliance and compliance to our certification requirements. \*This includes Sainsbury's Own Brand products only\*.

**Forest risk commodity**

Soy

**Criteria**

No conversion of natural ecosystems  
 Zero gross deforestation/ no deforestation  
 No land clearance by burning or clearcutting  
 No conversion of High Conservation Value areas  
 No conversion of High Carbon Stock forests  
 Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals  
 Implementation of Nature-based Solutions that support landscape restoration and long-term protection of natural ecosystems  
 Adoption of the UN International Labour Organization principles  
 No sourcing of illegally produced and/or traded forest risk commodities

**Operational coverage**

Supply chain

**% of total production/ consumption covered by commitment**

100%

**Cutoff date**

2020

**Commitment target date**

2021-25

**Please explain**

We have long been committed to tackling deforestation and land conversion associated with our supply chains, and at COP26, in November 2021, we committed to ensuring our own-brand product supply chains would be Deforestation and Conversion Free (DCF) by 2025, with a cut-off date of 2020. This includes our soy supply chains, which we have identified as some of the most salient for ecosystem conversion risk. Whilst setting clear expectations for our own products is an important first step, we don't think this is sufficient. We want to work with our suppliers and the soy traders they source from to ensure that they are not contributing to deforestation elsewhere in their operations. We know this will be achieved progressively, but by working with other retailers and manufacturers we believe we can send a clear market signal to bring sector-wide change. We are founding signatories of the UK Soy Manifesto, which was launched in November 2021. All signatories to the manifesto share the goal of ensuring all soy imports to the UK are verified DCF by 2025, and pledge to take action in their supply chain to achieve this. Specifically we are asking suppliers to: 1. Set deforestation and conversion-free commitment with a cut-off date of January 2020 or earlier. 2. Ask direct suppliers to adopt and cascade the same commitment 3. Integrate Manifesto commitments within direct supplier commercial contractual requirements, and support compliance 4. Publicly disclose progress 5. Encourage harmonised monitoring, verification, and reporting We are also committed to support landscape initiatives that go beyond our own supply chain to address the root causes of deforestation, taking into account economic and social factors facing producers.

**Forest risk commodity**

Cattle products

**Criteria**

No conversion of natural ecosystems  
 Zero gross deforestation/ no deforestation  
 No land clearance by burning or clearcutting  
 No conversion of High Conservation Value areas  
 No conversion of High Carbon Stock forests  
 Adoption of the UN International Labour Organization principles  
 No sourcing of illegally produced and/or traded forest risk commodities  
 No sourcing of forest risk commodities from unknown/controversial sources

**Operational coverage**

Supply chain

**% of total production/ consumption covered by commitment**

100%

**Cutoff date**

2020

**Commitment target date**

2021-25

**Please explain**

At COP26 in November 2021, we committed to ensuring our own brand product supply chains would be Deforestation and Conversion Free (DCF) by 2025, with a cut-off date of 2020. This includes our beef supply chains. The great majority of our beef is sourced from the UK and Ireland, however some of our existing corned beef products originate from Brazil. We have taken a range of steps together with our suppliers and the wider industry to try to address the link between cattle farming and the destruction of ecosystems like the Amazon and The Cerrado. However, not enough progress has been made, particularly on the traceability of cattle to direct and indirect farms. Given the relatively small share of our beef volumes originate from Brazil, we realise we have limited influence over agricultural practices in the Brazilian beef industry. Therefore, in November 2021 we made the decision to stop selling Brazilian beef in our own-brand products. We're looking to remove all own-brand Brazilian beef products by summer 2023.

## F5. Business strategy

**(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	Forest related issues and risks are considered as part of our Plan for Better, which is one of our core strategic business priorities. These strategic business priorities are our long term business objectives. At the Group level, we have identified 'Environment and Sustainability' as a principal risk and source of uncertainty to our long term objectives. Sainsbury's considers reputational, policy and legal both reputational and financial impacts in the context of the Group's strategic long term business objectives. We have a robust process of assessing and measuring environmental and sustainability risks based on a combination of likelihood and impact, considering both financial, policy and legal and reputational elements. We have this strong risk assessment from our own processes as well as now reporting for the Task Force on Climate-related Financial Disclosures (TCFD) by undertaking qualitative and quantitative scenario analyses. We also assess the "gross risk" which is the impact of the risk before existing controls, and the "net risk" which is the risk after the current controls are put in place. Any longer-term risks are considered emerging risks and are reviewed annually by the Ops Board. The potential impact of these risks is measured using similar time and probability-based indicators. In line with this framework, we define substantive financial impact as one that impacts Sainsbury's revenue by at least £25 million, and substantive strategic impact as one that generates high local/regional media interest (impacting our reputation), and/or an event or series of events that puts the safety and well-being of our colleagues or customers at risk.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	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. Our approach to the managing forest-related risks is informed by the learnings of the past ten years on efforts to tackle deforestation in soy and other forest commodity supply chains, particularly palm. Specifically, we've learned that depending only on certification risked creating segmented markets for sustainable volumes, instead of driving a shift towards sustainable production as a norm. As a result, our evolved approach looks not only to ensure that our volumes are verified deforestation and conversion free, but to encourage the companies in our supply chains to adopt better production and sourcing practices. This will help ensure that our collective supply chains support the sustainable development of soy production that benefit both people and nature. We recognise that no individual company can tackle an industry-wide issue, and are therefore working closely with others in the industry through Multitakeholder Initiatives such as the Forest Positive Coalition of Action, the WWF Retailer Nature Commitment, the UK Soy Manifesto, and many others. In parallel, we are supporting landscape and jurisdictional solutions that aim to tackle the root causes of deforestation and other environmental degradation, considering economic and social factors at production level. We know that supporting farmers, communities and local authorities in conserving natural ecosystems is central to our approach to tackling global deforestation and conversion.
Financial planning	Yes, forests-related issues are integrated	16-20	Climate-related matters, including forests, are considered within our business financial planning. We have committed to spend £1 billion to become Net Zero by 2035 and this is built into our financial plan, approved by the Board. As mentioned above, we have also considered what impact the revenue losses identified in our TCFD scenario analysis (on page 20 of our annual report) could have on the carrying value of the Group's store assets, by modelling the impact on cash flows. To help shape our understanding of the potential implications of both the physical and transition risks associated with climate change and forests related risks, we have conducted both qualitative and quantitative scenario analysis, with the support of an external specialist, through our reporting for the Task Force on Climate-related Financial Disclosures (TCFD). Scenario analysis can act as a 'stress test' for our current business operations and supply chain and help to explore a range of different outcomes. This has allowed us to evaluate the potential effects on our strategic and financial position under a variety of sustainability related/ defined scenarios. We have then been able to use the results to inform strategic thinking on how to manage the identified risks and opportunities.

**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**

We have a commitment to achieve verified deforestation and conversion free own brand supply chains by 2025, including timber, with a cut-off date of 2020. Our target is for all of our own brand paper and timber products to be sourced sustainably to an independent standard. Our sourcing hierarchy supports post-consumer recycled material and FSC certified material. Where this is not available PEFC certified material is accepted. We also require traceability to forest and verification of deforestation-free status in accordance with EU/UKTR.

**Linked commitment**

No conversion of natural ecosystems

**Traceability point**

&lt;Not Applicable&gt;

**Third-party certification scheme**

FSC Forest Management certification  
 FSC Chain of Custody  
 FSC Controlled Wood  
 FSC Recycled  
 PEFC (any type)  
 PEFC Sustainable Forest Management certification

PEFC Chain of Custody  
Other, please specify (Recycled material)

**Start year**

1995

**Target year**

2025

**Quantitative metric**

<Not Applicable>

**Target (number)**

<Not Applicable>

**Target (%)**

100

**% of target achieved**

71

**Please explain**

Our target is for all of our own brand paper and timber products to be verified deforestation and conversion free by 2025. Currently we consider DCF volumes sourced to an independent sustainability standard. This year we have started reporting our group figure for achieving this target, which is at 71% sustainably sourced. Our sourcing hierarchy supports post-consumer recycled material and FSC certified material. Where this is not available PEFC certified material is accepted. We also require traceability to forest and verification of deforestation-free status in accordance with EU/UKTR.

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**Target reference number**

Target 2

**Forest risk commodity**

Palm oil

**Type of target**

Third-party certification

**Description of target**

We have a commitment to achieve verified deforestation and conversion free own brand supply chains by 2025, including palm oil, with a cut-off date of 2020. Currently, we require that the palm oil in our food and non-food own brand products is physically certified by the Roundtable on Sustainable Palm Oil (mass-balance or segregated), with a preference for segregated RSPO certification. Our target year was 2020 and in 2021 we achieved this target, with 100 per cent of the palm oil used in our products being physically certified RSPO. We reviewing how we evidence DCF by 2025 for palm oil, as this won't rely on mass-balance certification but instead on segregated certification or traceability to plantation/farm.

**Linked commitment**

No conversion of natural ecosystems

**Traceability point**

<Not Applicable>

**Third-party certification scheme**

RSPO Identity Preserved  
RSPO Segregated  
RSPO Mass Balance

**Start year**

2007

**Target year**

2025

**Quantitative metric**

<Not Applicable>

**Target (number)**

<Not Applicable>

**Target (%)**

100

**% of target achieved**

100

**Please explain**

Currently we accept mass-balance and segregated RSPO certification as evidence of deforestation and conversion free volumes. In 2021, 100.00% of our own brand volumes met this definition. In 2021, 80.9% of certified volumes were segregated, and 19.1% of volumes were certified mass-balance. We are reviewing our sustainable palm oil requirements, including how we define Deforestation and Conversion Free palm oil. This will likely rely on segregated certification and traceability to plantation/farm.

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**Target reference number**

Target 3

**Forest risk commodity**

Cattle products

**Type of target**

Traceability

**Description of target**

We have a commitment to achieve verified deforestation and conversion free own brand supply chains by 2025, including beef, with a cut-off date of 2020. We require

100% traceability to country of origin, and to farm (direct and indirect) for countries classified as high-risk for deforestation (South America). In 2021, 97% of our beef volumes were traceable to a low-risk country, with 3% traceable to high-risk (Brazil). Of the Brazilian volumes, 0% were traceable to indirect farms.

**Linked commitment**

No conversion of natural ecosystems

**Traceability point**

**Third-party certification scheme**

<Not Applicable>

**Start year**

2011

**Target year**

2025

**Quantitative metric**

<Not Applicable>

**Target (number)**

<Not Applicable>

**Target (%)**

100

**% of target achieved**

97

**Please explain**

3% of our beef volumes in 2021 were sourced from Brazil, which we classify as high-risk for deforestation. These volumes were exported by meatpackers that do not have purchase control systems that give full visibility of all the farms the cattle was linked to, and therefore does not meet the Sasinbury's threshold for evidence of deforestation and conversion free. 97% of volumes were traceable to low-risk countries, 96.4% being from UK&Ireland, and 0.4% from various other low risk countries.

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**Target reference number**

Target 4

**Forest risk commodity**

Soy

**Type of target**

Traceability

**Description of target**

We have a commitment to achieve verified deforestation and conversion free own brand supply chains by 2025, including soy, with a cut-off date of 2020. We consider soy to be DCF by virtue of its low-risk national or sub-national origin, or be sourced through a purchase control system that uses farm-level monitoring , or be certified mass-balance or segregated to a sustainable standard that requires a 2020 no-conversion cut-off date. From 2025 we won't accept certification as evidence and will require evidence of DCF by virtue of low-risk origin or farm-level monitoring.

**Linked commitment**

No conversion of natural ecosystems

**Traceability point**

Farm

**Third-party certification scheme**

<Not Applicable>

**Start year**

2018

**Target year**

2025

**Quantitative metric**

<Not Applicable>

**Target (number)**

<Not Applicable>

**Target (%)**

100

**% of target achieved**

1.6

**Please explain**

We have a commitment to achieve verified deforestation and conversion free own brand supply chains by 2025, including soy, with a cut-off date of 2020. We consider soy to be DCF by virtue of its low-risk national or sub-national origin, or be sourced through a purchase control system that uses farm-level monitoring , or be certified mass-balance or segregated to a sustainable standard that requires a 2020 no-conversion cut-off date. IN 2021, 1.6% of our soybean meal volumes (feed) met this definition. Regional credits, book & claim certificates or Area Mass Balance are not considered DCF volumes, but defined as progress against DCF. In 2021, 58.3% of our soymeal volumes were defined as progress against DCF. From 2025 we won't accept certification as evidence and will require evidence of DCF by virtue of low-risk origin or farm-level monitoring (traceability only).

**(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 and UK 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.	Specific product line(s) Specific supplier(s) Not applicable	<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 volume we source certified material through supply chains that have chain of custody which supports, to an extent, traceability. 80.9% of the palm oil in our own brand products was segregated certified, which allows traceability down to mill level. 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.	Specific product line(s) Specific supplier(s) Not applicable	<Not Applicable>
Cattle products	Yes	Our product specification system provides information on the country of origin of the beef volumes used in our own brand products. This is reviewed by technical teams in discussion with suppliers.	Not applicable	<Not Applicable>
Soy	Yes	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 a third party, 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 therefore soymeal. 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 150 producers were engaged through this process and 3Keel guided and completed the analysis using our actual protein volumes.	Specific product line(s) Specific supplier(s)	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.
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**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	Mill	80.9
Soy	Country	26.9
Cattle products	Country	100
Timber products	Tree plantation	83

**F6.3**

**(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?**

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	77
Palm oil	Yes	100
Cattle products	Yes	96
Soy	Yes	57.2
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.3a**

**(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.**

**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO Segregated

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

80.9

**Form of commodity**

Crude palm kernel oil (CPKO)

Palm kernel meal (PKM)

Palm oil derivatives

Palm kernel oil derivatives

**Volume of production/ consumption certified**

10002

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

80.9% of the palm oil used in our own brand products was certified Segregated RSPO in 2021

**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO Mass Balance

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

19.1

**Form of commodity**

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Palm oil derivatives

Palm kernel oil derivatives

**Volume of production/ consumption certified**

2356

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

19.1% of the palm oil used in our own brand products was certified Mass Balance RSPO in 2021

**Forest risk commodity**

Soy

**Third-party certification scheme**

RTRS Credits

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

45.7

**Form of commodity**

Soy bean meal

Soy derivatives

**Volume of production/ consumption certified**

41079

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

45.7% of our soybean meal volumes were covered by RTRS credits - 34.3% by Regional Credits and 1.4% by Standard Credits



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**Forest risk commodity**

Soy

**Third-party certification scheme**

Other, please specify (ADM Responsible Soybean Standard, Cargill Triple S, CRS AMB and Credits, USSAP)

**Chain-of-custody model used**

Certificate trading

**% of total production/consumption volume certified**

11.6

**Form of commodity**

Soy bean meal

Soy derivatives

**Volume of production/ consumption certified**

20918.3

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

Yes

**Please explain**

11.6% of our soybean meal volumes were covered by certificates from sustainable soy production standards - all benchmarked against the FEFAC standard, and including a 2020 cut-off date for no-conversion.

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**Forest risk commodity**

Soy

**Third-party certification scheme**

RTRS Mass Balance

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

0.2

**Form of commodity**

Soy bean meal

Soy derivatives

**Volume of production/ consumption certified**

433.8

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

0.2% of our soybean volumes were certified RTRS mass balance

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**Forest risk commodity**

Soy

**Third-party certification scheme**

ProTerra certification

**Chain-of-custody model used**

Segregation

**% of total production/consumption volume certified**

0.1

**Form of commodity**

Soy bean meal

Soy derivatives

**Volume of production/ consumption certified**

170.5

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

0.1% of our soybean volumes were certified segregated Proterra

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**Forest risk commodity**

Timber products

**Third-party certification scheme**

FSC (any type)

**Chain-of-custody model used**

&lt;Not Applicable&gt;

**% of total production/consumption volume certified**

76.9

**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**

70189

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

77% of the timber used for our products was certified FSC

## 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	Comment
Timber products	No, but we plan to develop one within the next two years	We use an external third party, TRG, to collect origin and legality information from our suppliers of timber-based products, who carry out an independent verification of it's legal status and compliance with EU/UKTR legislation. We also use certification as a verification mechanism for deforestation and conversion free commitments. In 2021, 77% of our volumes were deforestation and conversion free.
Palm oil	No, but we plan to develop one within the next two years	We use an external third-party, 3Keel, to independently assess the performance of our suppliers against our no deforestation-conversion requirements. Specifically they verify, through a questionnaire, the certification status of palm oil volumes against our policy, and collect information on the first importer of the palm oil.
Cattle products	No, but we plan to develop one within the next two years	Our suppliers disclose the list of ingredients and their country of origin through our supplier portal, where we can then assess the country of origins and their risk classification for deforestation. Low-risk countries are classified as DCF.
Soy	No, but we plan to develop one within the next two years	We use an external third-party, 3Keel, to independently assess the performance of our suppliers against our no deforestation-conversion requirements. Specifically they verify the certification status of soy volumes against our policy, and collect information on the first importer as well as origin information on soy.
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

## 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	Comment
Timber products	Yes, from suppliers	<Not Applicable>
Palm oil	Yes, from suppliers	<Not Applicable>
Cattle products	Yes, from suppliers	<Not Applicable>
Soy	Yes, from suppliers	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

## F6.6a

**(F6.6a) For your 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; UK Timber Regulation)

### 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 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. UK Timber Regulation: TRG completes due diligence for all of our products that are in scope of UKTR and where Sainsbury's is in an operator relationship with the supplier. 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 2021, 100.00% 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

We verify compliance against the law in for our UK&Ireland origins, which make up 96.4% of our beef volumes. We have decided to stop selling beef products from Brazil - 3% of volumes in 2021 - given the lack of indirect farm supply chain traceability, which inhibits verification against forest regulation.

### 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: Considering the lack of transparency in Brazilian beef supply chains, Sainsbury's cannot independently verify compliance against the Brazilian Forest Code for our Brazilian volumes. We have therefore decided to stop selling Brazilian beef volumes.

**Soy**

**Procedure to ensure legal compliance**

We have a commitment to achieve deforestation and conversion free soy by 2025

**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**

General Assessment of legal compliance: As a retailer, we do not currently have visibility of soy farms in our soy supply chain (particularlry for soy feed), which is needed to verify farm compliance with local forestry and environmental laws. We therefore depend on an assessment of the actors in our supply chain that do farm-level visibility: traders and importers. Through the Soy Transparency Coalition, we carry out an assessment of the commitments and management systems of the traders in our supply chain, to evaluate their ability to verify compliance of their volumes with local forestry laws. In addition to this, we are requiring that our suppliers, by 2025, be able to verify that the soy in our supply chains is deforestation and conversion free (which includes legal compliance) through procurement control systems that are independently verified.

**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?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	The timber in our products is sourced predominantly from large farms and plantations, not smallholder farmers.
Palm oil	Yes, working with smallholders	Capacity building Financial and commercial incentives	Offering on-site technical assistance and extension services Disseminating technical materials Organizing capacity building events Supporting smallholders to clarify and secure land tenure Prioritizing support for smallholders in high-risk deforestation regions Financial incentives for certified products		The palm oil in our products is sourced predominantly from large farms and plantations, not smallholder farmers.
Cattle products	Not applicable	<Not Applicable>	<Not Applicable>	<Not Applicable>	The beef in our products is sourced predominantly from large farms and plantations, not smallholder farmers.
Soy	Not applicable	<Not Applicable>	<Not Applicable>	<Not Applicable>	The soy in our products is sourced predominantly from large farms and plantations, not smallholder farmers.
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**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
Timber products	Yes, working with direct suppliers	Supply chain mapping Capacity building Other	Supplier questionnaires on environmental and social indicators Supplier audits Encourage suppliers to work collaboratively on sector, landscape, or jurisdictional initiatives	Please select	
Palm oil	Yes, working with direct suppliers	Supply chain mapping Capacity building Other	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Organizing capacity building events Support suppliers to set their own no deforestation/conversion commitments across their entire commodity operation Support suppliers to develop public time-bound action plans with clear milestones Encourage suppliers to work collaboratively on sector, landscape, or jurisdictional initiatives	Please select	
Cattle products	Yes, working with direct suppliers	Supply chain mapping Other		Please select	
Soy	Yes, working with direct suppliers	Supply chain mapping Capacity building Financial and commercial incentives Other	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Disseminating technical materials Organizing capacity building events Support suppliers to set their own no deforestation/conversion commitments across their entire commodity operation Support suppliers to develop public time-bound action plans with clear milestones Encourage suppliers to work collaboratively on sector, landscape, or jurisdictional initiatives Paying higher prices linked to best agricultural practices Financial incentives for certified products	Please select	
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**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 human rights risk assessment tool for all of our supply chains which enables us to assess human rights 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 Supplier questionnaires on environmental and social indicators On-site meetings with indirect suppliers Disseminating technical materials 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 industry sustainability objectives. Each year we produce a report on performance to encourage best practice in the supply chain. We have also built a human rights risk assessment tool for all of our supply chains which enables us to assess human rights risks in our palm oil supply chains.

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Cattle products	Yes, working beyond first tier	Supply chain mapping Capacity building Other	Developing or distributing supply chain mapping tools Participating in workshops Investing in pilot projects Other, please specify (Supplier enga)	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 human rights risk assessment tool for all of our supply chains which enables us to assess human rights risks in our cattle supply chains. We are working with our Brazilian tier two suppliers to identify where there 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.
Soy	Yes, working beyond first tier	Supply chain mapping Capacity building Other	Developing or distributing supply chain mapping tools Supplier questionnaires On-site environmental and social indicators On-site meetings with indirect suppliers Offering on-site training and technical assistance Disseminating technical materials Participating in workshops Investing in pilot projects	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 human rights risk assessment tool for all of our supply chains which enables us to assess human rights risks in our soy supply chains.
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

## F6.10

### (F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Please explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	Yes, we engage in landscape/jurisdictional approaches	<Not Applicable>	<Not Applicable>

## F6.10a

### (F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

	Criteria for prioritizing landscapes/jurisdictions for engagement	Please explain
Row 1	High commodity sourcing footprint from area Opportunity for smallholder inclusion Opportunity to implement Nature-based Solutions Opportunity to protect natural ecosystems Risk of deforestation/conversion Risk of forest/land degradation	

## F6.10b

### (F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.

**Country/Area**

Indonesia

**Name of jurisdiction or landscape area**

Sintang, West Kalimantan

**Is the landscape defined by administrative boundaries of sub-national governments and does the approach have active government involvement?**

Yes, the landscape is defined by administrative boundaries and the approach has active government involvement

**Brief description of landscape/ jurisdictional approach**

The landscape initiative promotes integrated landscape management that brings land-users and stakeholders together to address issues around palm oil production, including the protection of High Conservation Value areas through collaborative management between palm oil companies and communities. The project supports increasing awareness on environmental degradation and sustainability practices for palm oil smallholders farmers, as well as other stakeholders including companies and their communities and form action plans to promote more sustainable palm oil production. In addition to this, we help to strengthen the capacity of the Sintang Government on requirements for enabling sustainability practices and managing a sustainable district

**Forest risk commodities relevant to this landscape/jurisdictional approach**

Palm oil  
Rubber

**Type of engagement**

Funder: Provides full or partial financial support

**Description of engagement**

Sainsbury's is supporting this initiative as members of the CGF Forest Positive Coalition of Action, alongside other members of the coalition. In 2021 we pledged 100,000 GBP to support this initiative, led by Rainforest Alliance.

**Goals supported by engagement**

Decreased ecosystem degradation rate  
Avoided deforestation/conversion of other natural ecosystems  
Local government policy development aligned with landscape goals  
Legalization of production  
Smallholders mapped in landscape/jurisdiction  
Implementation of livelihood activities/practices that reduce pressure on forests  
Greater smallholder inclusion  
Improved capacity for community engagement in multi-stakeholder processes  
Increased uptake of certification

**Company actions supporting approach**

Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative  
Identify opportunities for pre-competitive collaboration with your sector  
Financially support multi-stakeholder entity leading the initiative  
Support uptake of certification

**Implementation partner(s)**

This initiative in the Sintang District of West Kalimantan is facilitated by Rainforest Alliance, and we are supporting this alongside Metro, another CGF Forest Positive member.

**Engagement start year**

2021

**Engagement end year**

Please specify (2023)

**Total investment over the project period (currency)**

100000

**Details of your investment**

Sainsbury's is providing an initial 100,000 GBP donation to help fund the initiative

**Type of assessment framework**

Specific initiative defined framework

**Is progress monitored and publicly reported on?**

Yes, progress is monitored and publicly reported on

**State the achievements of your engagement so far, and how progress is monitored**

The initiatives we are supporting are due to be implemented in the course of 2022. We will report on our progress in the coming year.

---

**Country/Area**

Brazil

**Name of jurisdiction or landscape area**

Matto Grosso, Para, Bahia

**Is the landscape defined by administrative boundaries of sub-national governments and does the approach have active government involvement?**

The landscape is defined by administrative boundaries, but the approach does not have active government involvement

**Brief description of landscape/ jurisdictional approach**

In 2021 we became one of four early investors in the Responsible Commodities Facility (RCF). We are providing a £3.5m investment to this fund. It's stated purpose is to prevent deforestation and conversion in the Cerrado by providing low-interest green loans to soy farmers on the condition that they preserve all native vegetation on their land that they could legally convert. The fund is targeting farmers in areas assessed as high-risk for future deforestation and conversion in the Cerrado. We believe the RCF, once scaled up, can help us achieve the objectives of the 2017 Statement of Support (SoS) for the Cerrado Manifesto – a multi-stakeholder call to action to halt deforestation and native vegetation loss in Brazil's Cerrado which are were founding signatories of. By attracting institutional and large-scale investors seeking purposeful investment, the RCF can become a long-term system to reward farmers for protecting ecosystems.

**Forest risk commodities relevant to this landscape/jurisdictional approach**

Cattle products

Soy

### Type of engagement

Please select

### Description of engagement

Sainsbury's is one of four original investors in the RCF. We are providing a £3.5m loan - out of a total of c.a. £10m GBP - over a four-year period. In addition to this, in 2021 we made a 100k donation to fund managers SIM to help with the fees incurred in setting up the fund. The fund will be used to purchase securitised loans made to individual farmers. We are also members of the investment committee, which set out the principles and rules for the selection of farmers, and general investment strategy. We are investing alongside Tesco, Waitrose, and Barry Callebaut.

### Goals supported by engagement

Carbon removals through restoration  
Decreased ecosystem degradation rate  
Landscape conservation  
Credit available to family farms  
Increased adoption of sustainable production practices  
Increased adoption of sustainable production practices

### Company actions supporting approach

Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative  
Help establish an entity responsible for managing the initiative and its activities with clear and transparent governance roles, responsibilities and decision-making for different stakeholders in that initiative  
Help establish effective mechanisms for undertaking human rights due diligence, risk management, monitoring, verification, and grievance resolution  
Identify opportunities for pre-competitive collaboration with your sector  
Identify opportunities for public private collaboration  
Financially support multi-stakeholder entity leading the initiative  
Support producers, producer groups, and primary processors to improve agricultural practices and technologies  
Support development of carbon offset programs

### Implementation partner(s)

The RCF is managed by Sustainable Investment Management (SIM), which coordinates the actions of the different fund partners and is responsible for the overall running of the fund. Sainsbury's is providing a loan to the fund alongside Tesco, Waitrose (John Lewis Partnership) as well as Barry Callebaut. The total fund for the first year of investment is c.a. £10m GBP, of which Sainsbury's is providing £3.5m GBP.

### Engagement start year

2021

### Engagement end year

Please specify (2026)

### Total investment over the project period (currency)

3600000

### Details of your investment

Sainsbury's are providing a 3.5m GBP loan to be recouped over four years. The funds will be used to purchase securitised debt obligations, made up of the individual loans provided to the selected soy farmers. We have also made a 100,000 GBP donation to the fund managers to help in the establishment of the fund (legal costs).

### Type of assessment framework

Specific initiative defined framework

### Is progress monitored and publicly reported on?

Yes, progress is monitored and publicly reported on

### State the achievements of your engagement so far, and how progress is monitored

The first loans to farmers will be made in the course of 2022, and Sainsbury's will be reporting on its initial impact in the coming year 2022/23.

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## F6.11

### (F6.11) Do you participate in any other 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

#### Country/Area

Not applicable

#### Subnational area

Please select

#### Initiatives

Forest Stewardship Council (FSC)  
Programme for the Endorsement of Forest Certification (PEFC)  
Other, please specify (CGF Forest Positive Coalition of Action)

#### Please explain

We are part of the CGF Forest Positive Coalition of Action, which includes a Paper Pulp and Packaging sub-group.

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#### Forest risk commodity



Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Please select

**Subnational area**

Please select

**Initiatives**

Roundtable on Sustainable Palm Oil (RSPO)

Palm Oil Transparency Coalition (POTC)

Other, please specify (CGF Forest Positive Coalition of Action)

**Please explain**

As a co-lead of the Palm Oil Working Group, we are actively involved in driving a collaborative effort to eliminate deforestation and protect forests. In 2020, the CGF launched the Forest Positive Coalition of Action, comprised of 18 member companies committed to moving efficiently and quickly toward a forest positive future. With a collective market value of USD 1.8 trillion (GBP 1.3 trillion), these member companies are in a leading position to leverage collective action and accelerate systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains. In 2021, the focus was on developing and publishing the individual commodity roadmaps, which translate our vision for Forest Positive production into tangible actions and KPIs that members commit to. Our aim in participating in the implementation of these roadmaps is to drive collaborative efforts to accelerate the removal of commodity-driven deforestation and human rights abuses from individual supply chains and drive transformational change in key commodity landscapes.

**Forest risk commodity**

Cattle products

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Please select

**Subnational area**

Please select

**Initiatives**

Other, please specify (CGF Forest Positive Coalition of Action)

**Please explain**

As members of the Forest Positive Coalition, led by the Consumer Goods Forum, we have helped develop a roadmap of action on beef, which outlines best practice for any supply chain actor in Brazilian beef supply chains. As a Coalition, we have also published Guidance for Forest Positive Suppliers of Cattle Products, which details how meatpackers can adopt sourcing practices that will drive forward a more sustainable beef industry in Brazil. Through the coalition we have informed and engaged the two large meatpackers currently in our supply chain and assessed their performance against them through a questionnaire sent this year.

**Forest risk commodity**

Soy

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Please select

**Subnational area**

Please select

**Initiatives**

Roundtable on Sustainable Soy (RTRS)

UK Roundtable on Sustainable Soy

Other, please specify (CGF Forest Positive Coalition of Action, WWF Commitment For Nature, UK Soy Manifesto, The Cerrado Manifesto)

**Please explain**

As a member of the CGF Forest Positive Coalition of Action, we are actively involved in driving a collaborative effort to eliminate soy-driven deforestation and conversion and drive forward efforts to protect forests and natural ecosystems. In 2020, the CGF launched the Forest Positive Coalition of Action, comprised of 18 member companies committed to moving efficiently and quickly toward a forest-positive future. With a collective market value of USD 1.8 trillion (GBP 1.3 trillion), these member companies are in a leading position to leverage collective action and accelerate systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains. In 2020, the focus was on developing and committing to the Coalition's Charter and driving stakeholder engagement through Commodity Working Groups. Our aim in participating in the implementation of these roadmaps is to drive collaborative efforts to accelerate the removal of commodity-driven deforestation and human rights abuses from individual supply chains and drive transformational change in key commodity landscapes. The latest public soy roadmap we have committed to can be found here. WWF Retailers' Commitment for Nature During COP26, where Sainsbury's was a principal supermarket partner, we also signed the WWF Retailers' Commitment for Nature. The collective aim of this initiative is to halve the environmental impact of UK shopping baskets by 2030 and tackle deforestation, supporting our commitment to achieve 100% deforestation and conversion free supply chains by 2025. In March 2022, our CEO Simon Roberts joined other UK retail CEOs as part of this commitment in signing a letter to the major soy traders, calling on them to become signatories to the UK Soy Manifesto and collaborate on better supply chain transparency. UK Soy Manifesto We are founding signatories of the UK Soy Manifesto, which was launched in November 2021. All signatories to the manifesto share the goal of ensuring all soy imports to the UK are verified DCF by 2025, and pledge to take action in their supply chain to achieve this.

## F6.12

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### (F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

Yes

## F6.12a

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### (F6.12a) 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 £10.8 million for the Woodland Trust and planted 4.2 million native trees, which have the potential to mitigate over 1 million tonnes of CO2. This year we planted 325,000 native trees, and moving forward we aim to plant a further 1.5 million native trees by 2025.

#### 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

4.2 million trees planted with The Woodland Trust since 2004, with 325,000 trees being planted this year. A total of £10.8 million has been raised through the sale of our Woodland products - including eggs & chicken. The trees planted have the potential to mitigate over 1 million tonnes of CO2.

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#### 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

Please select

**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.

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**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 with pilots commencing in September. 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**

Other, please specify (2023)

**Project area to date (Hectares)**

0

**Project area in the target year (Hectares)**

0

**Country/Area**

Please select

**Latitude**

0

**Longitude**

0

**Monitoring frequency**

Six-monthly or more frequently

**Measured outcomes to date**

Carbon sequestration

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, launched in 2021. 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/>

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**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**

2021

**Project area to date (Hectares)**

0

**Project area in the target year (Hectares)**

0

**Country/Area**

Please select

**Latitude**

0

**Longitude**

0

**Monitoring frequency**

Please select

**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.

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**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 - Third party (3Keel) supply chain mapping report Soy - Third party (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

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**Disclosure module**

F6. Implementation

**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 (TRG, 3Keel, 3Keel respectively).

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**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 value 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.

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**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

**Primary barrier/challenge type**

Lack of adequate and/or consolidated monitoring

**Comment**

Whilst there has been progress made on monitoring and traceability systems in the palm oil industry, they remain insufficient. There does not exist complete monitoring of palm farms - particularly smallholder farms - and information flows to link them to supply chains. This is especially true for uncertified or mass balance certified volumes. Better visibility of farms, concessions and mills would enable better monitoring of supply chains.

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**Forest risk commodity**

Cattle products

**Coverage**

Supply chain

**Primary barrier/challenge type**

Lack of adequate traceability systems

**Comment**

There is currently no traceability system that covers all volumes of beef from Brazilian meatpackers, and allows traceability all the way through the indirect farm supply chain. This is a major obstacle in being able to verify legality as well as compliance with deforestation-free policies.

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**Forest risk commodity**

Soy

**Coverage**

Supply chain

**Primary barrier/challenge type**

Lack of adequate and/or consolidated monitoring

**Comment**

Whilst a large proportion of soy volumes can be linked back to farm-level by traders and importers, this information is not shared by these actors down the supply chain. This prevents any mapping of origin at national and sub-national level, and more importantly, verification of compliance with local laws and deforestation-free commitments.

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**F8.2**

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**(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**

Improvement in 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**

Investment in monitoring tools and traceability systems

**Comment**

Improved data collection at production level, and transparency from mills and importers, would improve our ability to monitor deforestation risk in our supply chains

**Forest risk commodity**

Cattle products

**Coverage**

Supply chain

**Main measure**

Investment in monitoring tools and traceability systems

**Comment**

Nation-wide traceability systems in production countries, including Brazil, would ensure better monitoring of farms in beef supply chains. Due diligence legislation in consuming countries has the potential to support a common ask for traceability.

**Forest risk commodity**

Soy

**Coverage**

Supply chain

**Main measure**

Greater transparency

**Comment**

There needs to be greater transparency from importers and trader on the origin of soy in our common supply chains, to allow for better monitoring and response to deforestation and conversion. Due diligence legislation in consuming countries has the potential to support a common ask for traceability.

**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.**

**F17.1**

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

	<b>Job Title</b>	<b>Corresponding job category</b>
Row 1	Director of Corporate Responsibility & Sustainability	Other, please specify (Director of Corporate Responsibility & Sustainability)

**Submit your response**

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

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

**Please confirm below**

I have read and accept the applicable Terms