

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.

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 2022/23.

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	January 1 2022	December 31 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.**

## Timber products

### Commodity disclosure

Disclosing

### Stage of the value chain

Retailing

### Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

### Explanation if not disclosing

<Not Applicable>

## Palm oil

### Commodity disclosure

Disclosing

### Stage of the value chain

Retailing

### Are you disclosing information on embedded commodities?

Yes

### Explanation if not disclosing

<Not Applicable>

## Cattle products

### Commodity disclosure

Disclosing

### Stage of the value chain

Retailing

### Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

### Explanation if not disclosing

<Not Applicable>

## Soy

### Commodity disclosure

Disclosing

### Stage of the value chain

Retailing

### Are you disclosing information on embedded commodities?

Yes

### Explanation if not disclosing

<Not Applicable>

## Other - Rubber

### Commodity disclosure

Not disclosing

### Stage of the value chain

Retailing

### Are you disclosing information on embedded commodities?

<Not Applicable>

### Explanation if not disclosing

We do not have the supply chain data to be able to disclose this information.

## Other - Cocoa

### Commodity disclosure

Not disclosing

### Stage of the value chain

Retailing

### Are you disclosing information on embedded commodities?

<Not Applicable>

### Explanation if not disclosing

We do not have the supply chain data to be able to disclose this information.

**Other - Coffee**

**Commodity disclosure**

Not disclosing

**Stage of the value chain**

Retailing

**Are you disclosing information on embedded commodities?**

<Not Applicable>

**Explanation if not disclosing**

We do not have the supply chain data to be able to disclose this information.

F0.5

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**(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported**

Operational control

F0.6

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**(F0.6) Select the countries/areas in which you operate.**

United Kingdom of Great Britain and Northern Ireland

F0.7

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**(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?**

Yes

F0.7a

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**(F0.7a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.**

**Forest risk commodity**

Timber products

**Value chain stage**

Supply chain

**Exclusion**

Business activity

**Description of exclusion**

Timber or paper used in goods not for resale (GNFR) and in packaging.

**% of volume excluded**

1-5%

**Potential for forests-related risk**

Potential for forests-related risk but not evaluated

**Please explain**

We do not formally collect any information on the timber or paper used in the goods not for resale side of the business or in packaging. In 2021, 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, particularly with the introduction of the EUDR. 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 and packaging teams to identify areas of material risk specifically for paper and timber products used across our business. The plan is to bring these goods in scope of our timber policy by 2025.

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**Forest risk commodity**

Cattle products

**Value chain stage**

Supply chain

**Exclusion**

Specific product line(s)

**Description of exclusion**

Leather used in our own-brand and branded products sold across the business.

**% of volume excluded**

1-5%

**Potential for forests-related risk**

Potential for forests-related risk but not evaluated

**Please explain**

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. By 2024, we aim to ensure that we have identified the leather in our supply chains and are sourcing DCF leather.

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**Forest risk commodity**

Palm oil

**Value chain stage**

Supply chain

**Exclusion**

Business activity

**Description of exclusion**

Palm oil used in animal feed for our own-brand products.

Palm oil used in branded products as we do not collect information on our branded products.

**% of volume excluded**

1-5%

**Potential for forests-related risk**

Potential for forests-related risk but not evaluated

**Please explain**

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 2023-2024 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. We aim to have an understanding of palm oil in these areas by the end of 2024 and be sourcing sustainably by 2025.

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**F0.8**

**(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)**

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

**F1. Current state**

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**F1.1**

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**(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**

- Australia
- Brazil
- Canada
- Chile
- China
- Costa Rica
- Croatia
- Czechia
- Estonia
- Falkland Islands (Malvinas)
- Finland
- France
- Germany
- India
- Ireland
- Latvia
- Malaysia
- New Zealand
- Norway
- Panama
- Poland
- Romania
- Slovenia
- Sweden
- Ukraine
- United States of America
- Uruguay

**% of procurement spend**

- 1-5%

**Comment**

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

## **Palm oil**

### **Activity**

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

### **Form of commodity**

Refined palm oil  
Palm oil derivatives  
Palm kernel oil derivatives

### **Source**

Contracted suppliers (manufacturers)

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

Indonesia  
Malaysia  
Papua New Guinea

### **% of procurement spend**

1-5%

### **Comment**

Calculated with an estimated value of palm oil used as ingredients in our own brand products. Country of origin also estimated based on conversations with suppliers.

## **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  
Austria  
Brazil  
Croatia  
Germany  
Ireland  
Poland  
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**

1-5%

### **Comment**

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

F1.2

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

	% of revenue dependent on commodity	Comment
Timber products	1-5%	Calculated based on sales data.
Palm oil	1-5%	Calculated based on sales data.
Cattle products	1-5%	Calculated based on sales data.
Soy	1-5%	Calculated based on sales data.
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**

11141.8

**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**

82

**Please explain**

All our palm oil is certified by RSPO as coming from segregated supply chains meaning it can be traced back to a plantation that has not contributed to deforestation or land conversion.

**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Commodity production/ consumption volume**

76629.42

**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**

87

**Please explain**

These volumes are certified by either FSC, PEFC or are from recycled timber with an independently verified chain of custody. We are making significant progress in improving the volume of DCF timber in our supply chains. This is demonstrated by our DCF volumes being 92% for the financial year 22/23.

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**Forest risk commodity**

Soy

**Data type**

Consumption data

**Commodity production/ consumption volume**

210467

**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**

7

**Please explain**

7% of our soy volumes are either physically verified, certified organic, from a low risk origin or from a FEFAC benchmarked Mass Balance scheme. This is because of the traceability challenges around sourcing South American soy. By 2025, we plan to be 100% DCF and are working with wider industry as part of the UK Soy Manifesto to ensure that all soy coming into the UK will be 100% DCF. This will be supported by the EU Deforestation Regulation.

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**Forest risk commodity**

Cattle products

**Data type**

Consumption data

**Commodity production/ consumption volume**

61861

**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**

99

**Please explain**

Over 99% of our cattle volumes are from low-risk origins.

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F1.5b

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**(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.**



**Timber products – DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

95

**% of DCF production/consumption volume verified through monitoring systems**

5

**% of DCF production/consumption volume physically certified**

0

**% of non-DCF production/consumption volume from unknown origin**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as country level**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

<Not Applicable>

**% of non-DCF production/consumption volume traceable to production unit level**

<Not Applicable>

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

100

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**

<Not Applicable>

**Timber products – Non DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

<Not Applicable>

**% of DCF production/consumption volume verified through monitoring systems**

<Not Applicable>

**% of DCF production/consumption volume physically certified**

<Not Applicable>

**% of non-DCF production/consumption volume from unknown origin**

0

**% of non-DCF production/consumption volume traceable only as far as country level**

100

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

0

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

0

**% of non-DCF production/consumption volume traceable to production unit level**

0

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

<Not Applicable>

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**

100

**Palm oil – DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

0

**% of DCF production/consumption volume verified through monitoring systems**

0

**% of DCF production/consumption volume physically certified**

100

**% of non-DCF production/consumption volume from unknown origin**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as country level**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

<Not Applicable>

**% of non-DCF production/consumption volume traceable to production unit level**

<Not Applicable>

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

100

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**

<Not Applicable>

**Palm oil – Non DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

<Not Applicable>

**% of DCF production/consumption volume verified through monitoring systems**

<Not Applicable>

**% of DCF production/consumption volume physically certified**

<Not Applicable>

**% of non-DCF production/consumption volume from unknown origin**

100

**% of non-DCF production/consumption volume traceable only as far as country level**

0

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

0

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

0

**% of non-DCF production/consumption volume traceable to production unit level**

0

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

<Not Applicable>

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**

100

**Cattle – DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

100

**% of DCF production/consumption volume verified through monitoring systems**

0

**% of DCF production/consumption volume physically certified**

0

**% of non-DCF production/consumption volume from unknown origin**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as country level**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

<Not Applicable>

**% of non-DCF production/consumption volume traceable to production unit level**

<Not Applicable>

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

100

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**

<Not Applicable>

**Cattle – Non DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

<Not Applicable>

**% of DCF production/consumption volume verified through monitoring systems**

<Not Applicable>

**% of DCF production/consumption volume physically certified**

<Not Applicable>

**% of non-DCF production/consumption volume from unknown origin**

0

**% of non-DCF production/consumption volume traceable only as far as country level**

100

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

0

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

0

**% of non-DCF production/consumption volume traceable to production unit level**

0

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

<Not Applicable>

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**

100

**Soy – DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

1

**% of DCF production/consumption volume verified through monitoring systems**

85

**% of DCF production/consumption volume physically certified**

14

**% of non-DCF production/consumption volume from unknown origin**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as country level**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

<Not Applicable>

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

<Not Applicable>

**% of non-DCF production/consumption volume traceable to production unit level**

<Not Applicable>

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

100

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**

<Not Applicable>

**Soy – Non DCF**

**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

<Not Applicable>

**% of DCF production/consumption volume verified through monitoring systems**

<Not Applicable>

**% of DCF production/consumption volume physically certified**

<Not Applicable>

**% of non-DCF production/consumption volume from unknown origin**

91

**% of non-DCF production/consumption volume traceable only as far as country level**

9

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

0

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

0

**% of non-DCF production/consumption volume traceable to production unit level**

0

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

<Not Applicable>

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**

100

**F1.5c**

**(F1.5c) 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**

Soy

**Country/Area of origin**

Brazil

**State or equivalent jurisdiction**

Don't know

**% of total production/consumption volume**

5.4

**Please explain**

**Forest risk commodity**

Soy

**Country/Area of origin**

Argentina

**State or equivalent jurisdiction**

Don't know

**% of total production/consumption volume**

1.5

**Please explain**

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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**

2

**Please explain**

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**Forest risk commodity**

Timber products

**Country/Area of origin**

Brazil

**State or equivalent jurisdiction**

Don't know

**% of total production/consumption volume**

11

**Please explain**

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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**

23

**Please explain**

Sourcing from predominantly China

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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**

1

**Please explain**

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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**

66

**Please explain**

We source from over 50 different countries, including France, Ireland, Germany Slovenia, Spain, Malaysia New Zealand, Canada, Romania, Poland, Indonesia, Japan, Thailand, Hungary, Estonia, Algeria, Argentina and Austria. 1% of our volumes cannot be traced back to a country.

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**Forest risk commodity**

Soy

**Country/Area of origin**

Unknown origin

**State or equivalent jurisdiction**

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<Not Applicable>

**% of total production/consumption volume**

57.6

**Please explain**

Soy from unknown origins that were not disclosed

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**Forest risk commodity**

Soy

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

0.4

**Please explain**

Sourced from low risk origin countries including France, Greece, Poland, India and the USA.

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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**

99

**Please explain**

From Ireland, UK, and European countries. All low risk in terms of deforestation.

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**Forest risk commodity**

Soy

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

33

**Please explain**

From multiple origins, including South America. However, it is not possible to break down this figure into individual countries based on the information we have from suppliers.

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## F1.5f

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**(F1.5f) 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?**

No

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, and we do not 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, and we do not 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>

---

**Forest risk commodity**

Cattle products

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

No, and we do not 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, and we do not 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

### F2.1a

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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 of activity on the status of ecosystems and habitats  
Regulation  
Climate change  
Impact on water security  
Tariffs or price increases  
Loss of markets  
Leakage markets  
Brand damage related to forests risk commodities  
Social impacts

##### Stakeholders considered

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

##### Please explain

NEPC on Sourcing Hub: our sourcing policy and supplier assessment process is aligned with the NEPC on 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**

Availability of forest risk commodities  
Quality of forests risk commodities  
Impact of activity on the status of ecosystems and habitats  
Regulation  
Climate change  
Impact on water security  
Tariffs or price increases  
Leakage markets  
Brand damage related to forests risk commodities  
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 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.

**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  
Quality of forests risk commodities  
Impact of activity on the status of ecosystems and habitats  
Regulation  
Climate change  
Impact on water security  
Tariffs or price increases  
Loss of markets  
Leakage markets  
Brand damage related to forests risk commodities  
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  
Quality of forests risk commodities  
Embedded commodities  
Impact of activity on the status of ecosystems and habitats  
Regulation  
Climate change  
Impact on water security  
Tariffs or price increases  
Loss of markets  
Leakage markets  
Brand damage related to forests risk commodities  
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 mapped the entire 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**

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**

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  
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 palm oil products or derivatives for our own brand products. We then contact these direct suppliers and assess the RSPO certification of 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)**

---

**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)**

2022 Own Brand Suppliers.pdf

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

2022 Soy Importers.pdf

---

**Forest risk commodity**

Cattle products

**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 our direct suppliers of beef products. For any beef coming from high risk areas (South America) we have decided to move our sourcing to low risk areas.

**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)**

---

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
<p>1 Yes, we use a classification system</p>	<p>We source hundreds of key raw materials and ingredients from over 70 countries. Each of these materials presents unique challenges and requires specific commitments and targeted action. As part of our sustainable sourcing work, we conducted assessments of our supply chains and sourcing practices to identify our salient environmental and human rights risks. These risks represent the most severe potential negative impacts on people and the planet that could arise as a result of our business' operations and supply chains. By prioritising our salient environmental and human rights risks, we can better understand, manage, and respond to these risks and build on our long-standing commitments to address them.</p> <p>Our assessment of environmental risks builds on the UN Guiding Principles Reporting Framework and consists of 3 steps:</p> <p>1) Identify the full range of environmental issues resulting from Sainsbury's key raw material sourcing</p> <p>2) Prioritise the most severe potential negative impacts on the environment. This is based on assessing: the number of commodities that give rise to an environmental issue; the severity of the environmental issue; and the impact Sainsbury's could have in mitigating this environmental issue.</p> <p>3) Engage with stakeholders to discuss results and potential actions</p>	<p>We classify risks based on the following factors:</p> <p>Severity How severe an environmental is. This is assessed used global datasets and applied to sourcing countries.</p> <p>Remediability - the possibility of remedying the damage or impact that a particular environmental issue has had on ecosystems, whether that be through conservation or restoration. This is assessed from a global, organisation agnostic perspective and focuses on the feasibility of reversing, rather than simply mitigating, damage.</p> <p>Likelihood the probability that an environmental issue is occurring within Sainsbury's supply chain as a result of its activities and commercial relationships. This has been measured as both ' frequency ' and timeframe '. Based on how frequently the environmental issue occurs and if the issue will become acute in the long term or is already acute.</p> <p>We used this system to produce an overall score for which environmental issues are salient to Sainsbury's. It is these issues that we then focus on when considering where we source commodities from.</p>	

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?

At the Group level, we have identified 'Environment and Sustainability' as a principal risk and source of uncertainty. Sainsbury's considers both reputational and financial impacts in the context of the Group's strategic objectives. We have a robust process of assessing and measuring environmental and sustainability risks based on a combination of likelihood and impact, considering both financial and reputational elements.

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

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

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

### F3.1b

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#### (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**

Reputational and markets

**Geographical scale**

Country

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

Direct operation

Supply chain

**Primary risk driver**

Increased stakeholder concern or negative stakeholder feedback

**Primary potential impact**

Brand damage

**Company-specific description**

Sourcing from unsustainable sources risks being publicly linked to deforestation causing damage to our brand. NGOs also produce scorecards comparing company performance on sourcing sustainable timber. Customers and investors are likely to express their concerns about this which could impact their purchases or investment in Sainsbury's.

**Timeframe**

>6 years

**Magnitude of potential impact**

Medium-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 impact**

The figure is calculated based on the commercial importance of paper and timber for our business and our annual sales. This figure is broad due to commercial sensitivities.

**Primary response to risk**

Increased use of sustainably sourced materials

**Description of response**

By sourcing from sustainable material and publicly disclosing how much of the wood used in our own brand paper and timber products is recycled, FSC or PEFC certified, it will reassure customers and investors that we are committed to responsible sourcing and reducing deforestation. This is in line with Sainsbury's Responsible Sourcing policy.

**Cost of response**

5000000

**Explanation of cost of response**

Per annum cost estimate for due diligence and certification requirements including administrative oversight and costs for suppliers to comply.

---

**Forest risk commodity**

Timber products

**Type of risk**

Chronic physical

**Geographical scale**

Global

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

Supply chain

**Primary risk driver**

Increased severity of extreme weather events

**Primary potential impact**

Supply chain disruption

**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 impact**

Based on the commercial importance of paper and timber for our business and our annual sales. This figure is broad due to commercial sensitivities.

**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, PEFC or recycled) to be used in our products. In FY22/23, 92% 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. This is in line with Sainsbury's Responsible Sourcing policy.

**Cost of response**

5000000

**Explanation of cost of response**

Per annum cost estimate for due diligence and certification requirements including administrative oversight and costs for suppliers to comply.

---

**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**

Non-compliance with 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**

Medium-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 impact**

Based on the commercial importance of paper and timber for our business and our annual sales. This figure is broad due to commercial sensitivities.

**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**

Per annum cost estimate for due diligence and certification requirements including administrative oversight and costs for suppliers to comply.

---

**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 impact**

Based on annual revenue dependent on soy, principally animal protein products that require soy as animal feed. This figure is broad due to commercial sensitivities.

**Primary response to risk**

Greater traceability of forest-risk commodities

**Description of response**

To meet our commitment to Deforestation and Conversion Free soy across our own brand supply chains by 2025, we are working with our supply chain partners and through international and domestic coalitions to build better transparency and traceability in complex soy supply chains.

---



**Cost of response**

1000000

**Explanation of cost of response**

Estimated yearly 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)**

10000000

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

100000000

**Explanation of financial impact**

Based on annual revenue dependent on soy, principally animal protein products that require soy as animal feed. This figure is broad due to commercial sensitivities.

**Primary response to risk**

Greater traceability of forest-risk commodities

**Description of response**

To meet our commitment to Deforestation and Conversion Free soy across our own brand supply chains by 2025, we are working with our supply chain partners and through international and domestic coalitions to build better transparency and traceability in complex soy supply chains.

**Cost of response**

1000000

**Explanation of cost of response**

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

---

**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**

Negative media coverage

**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 impact**

Based on annual revenue from products that contain palm oil. This figure is broad due to commercial sensitivities.

**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, in 2021 and 2022 we achieved this target with 100 per cent of the palm oil used in our products being certified RSPO.

**Cost of response**

3000000

**Explanation of cost of response**

Estimate of the yearly cost of our sustainable sourcing requirements based on additional costs for buying RSPO certified palm oil and purchasing a small number of credits.

**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 Due Diligence regulation that will ban the sale of palm oil 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-high

**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 impact**

Based on annual revenue from products that contain palm oil. This figure is broad due to commercial sensitivities.

**Primary response to risk**

Engagement with suppliers

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

future legislation and RSPO are working towards delivering this.

**Cost of response**

1000000

**Explanation of cost of response**

Estimated based on yearly costs of introducing traceability into supply chains that would allow businesses to comply with future legislative requirements.

---

**Forest risk commodity**

Cattle products

**Type of risk**

Reputational and markets

**Geographical scale**

Global

**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)**

2000000

**Explanation of financial impact**

Based on revenue from products containing beef sourced from Brazil and other high-risk origins for deforestation. This figure is broad due to commercial sensitivities.

**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. 99% of our own-brand beef volumes are from low-risk origins. In 2021, we chose to stop selling . We are in process of moving sourcing our remaining own-brand beef products away from Brazil.

**Cost of response**

10000000

**Explanation of cost of response**

Estimated one off 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)**

2000000

**Explanation of financial impact**

Based on revenue from products containing beef sourced from Brazil and other high-risk origins for deforestation. This figure is broad due to commercial sensitivities.

**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.

**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

Supply chain

**Primary forests-related opportunity**

Increased sales of existing products/services

**Company-specific description**

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**

Based on the annual revenues from timber and paper based products. 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.

**Cost to realize opportunity**

5000000

**Strategy to realize opportunity**

Sourcing sustainable timber will form a key element of communicating our overall strategy to reduce deforestation and land conversion to consumers to highlight to consumers how we can deliver excellent value, taste which is good for people and the planet. This is being currently articulated to customers, investors and other stakeholders through our 'Plan for Better' but further direct communications to consumers and other stakeholders are being planned.

**Forest risk commodity**

Palm oil

**Type of opportunity**

Products & services

**Where in your value chain does the opportunity occur?**

Direct operation

Supply chain

**Primary forests-related opportunity**

Increased sales of existing products/services

**Company-specific description**

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**

Based on the annual revenues from products containing palm oil and its derivatives. . 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. We have a variety of products that contain palm oil and the potential opportunity is commercially sensitive so a range has been provided.

**Cost to realize opportunity**

5000000

**Strategy to realize opportunity**

We have already met this target through ensuring all the palm oil in our own brand products is 100% RSPO certified with a preference for segregated. We delivered this by working closely with our suppliers.

**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 sales of existing products/services

**Company-specific description**

Action protects value of brand and meets customers' expectations. Increased market share is not expected as a direct result. Sourcing sustainably provides opportunities

for product claims, 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**

Based on the annual revenues for the products sourced from high risk areas. We have 2 products which contain beef and sourced from areas at high risk of deforestation. The potential opportunity is commercially sensitive so a range has been provided.

**Cost to realize opportunity**

100000

**Strategy to realize opportunity**

Switching our supply of these products to low risk origin areas.

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**Forest risk commodity**

Soy

**Type of opportunity**

Products & services

**Where in your value chain does the opportunity occur?**

Direct operation

Supply chain

**Primary forests-related opportunity**

Increased sales of existing products/services

**Company-specific description**

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**

Based on annual revenues of products that contain soy or embedded soy. 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.

**Cost to realize opportunity**

1000000

**Strategy to realize opportunity**

We are working with suppliers and industry partners to ensure we can source DCF soy by 2025 and play our part in wider supply chains transformation.

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## F4. Governance

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### 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 or committee	Responsibilities for forest-related issues
Board Chair	<p>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&amp;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. This includes the commitment made in 2021 that our own brand supply chains would be Deforestation and Conversion Free by 2025.</p> <p>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.</p>
Chief Executive Officer (CEO)	<p>Our CEO has part of the highest responsibility due to their role in the CR&amp;S Committee, Operating Board and Plan for Better Steering Committee. This puts them in a strong position to support with implementing Board-level decisions into day-to-day operations. It also ensures ongoing representation of related matters at the highest levels of the company and that they remain a key focus for Sainsbury's. The CEO updates the Board quarterly via the CR&amp;S Committee (in the form of an in-person or virtual meeting) on the outcomes of each meeting, ensuring that our approach to deforestation under our Plan for Better strategy remains in focus. In terms of examples of specific climate related decisions/issues, the Chair and CEO were responsible for signing off our new Plan for Better strategy in 2021 and approving our commitment to becoming DCF by 2025.</p>
Other C-Suite Officer	<p>The Chief Marketing Officer chairs the Plan For Better Steering Committee. This supports the Operating Board and leads the operational execution of our Plan for Better Strategy. It oversees business activity and monitors performance against our climate-related metrics. Climate risks are agreed once per year at the Plan for Better Steering Committee with Board level oversight from the Corporate Responsibility and Sustainability Committee. Climate risks and mitigations are monitored throughout the year by the Plan for Better business leads and Steering Committee. The Government Affairs team provides regular updates to the Plan for Better Steering Committee, Operating Board and Corporate Responsibility and Sustainability Committee on relevant legislation and regulation impacting Plan for Better, including those relating to climate.</p>

**F4.1b**

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

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

	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, mergers, and divestitures Overseeing major capital expenditures Providing employee incentives 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 Sainsburys 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 our Non-Executive Director.

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. This is supported by training provided by the Cambridge Institute for Sustainability Leadership which includes training of deforestation and regular 1:1 training session between the Director of Corporate Responsibility, the CEO and CMO.

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.

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. Non executive directors of the board have experience of incorporating sustainability in large organisations such as Unilever and advise on how sustainability principles can be built into the business. 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**

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**(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)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Integrating forests-related issues into business strategy Assessing forests-related risks and opportunities 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 committee, please specify (CR&S Committee)	Integrating forests-related issues into business strategy Assessing forests-related risks and opportunities 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 committee, please specify (Operating Board)	Integrating forests-related issues into business strategy Assessing forests-related risks and opportunities 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 committee, please specify (Plan for Better Steering Committee)	Integrating forests-related issues into business strategy Assessing forests-related risks and opportunities 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 committee, please specify (Plan for Better Working Groups)	Integrating forests-related issues into business strategy Assessing forests-related risks and opportunities 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	<p>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.</p> <p>We have long-term remuneration targets for Executive Directors on Scopes 1, 2 and 3.</p> <p>Stretching targets have been set for both Carbon reduction across Scope 1, 2 &amp; 3 and plastic reduction.</p> <p>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).</p> <p>Please see page 18 in our FY23 Annual Report for full details: <a href="https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/reports-and-presentations/2023/annual-report-2023/annual-report-and-financial-statements-2023.pdf">https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/reports-and-presentations/2023/annual-report-2023/annual-report-and-financial-statements-2023.pdf</a></p>

**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	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	Board chair Board/Executive board Director on board Other, please specify (Chief Marketing Officer)	Ending deforestation and/or conversion of other natural ecosystems Increased supply chain mapping	These incentives ensure that deforestation remains a priority for senior executives at Sainsbury's and that we have clear long term goals to support our work towards reducing deforestation and conversion.	Our incentivised performance indicators consider delivery against our corporate values, including 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 considered in determining the DSA provided to directors and more senior positions in the Company at the end of the financial year. Ultimately, the DSA rewards for delivery of short-term strategic and financial objectives (including around water withdrawals reductions) which contribute towards long-term sustainable growth. 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 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 for successful performance is meeting these targets successfully. Our CFO is eligible for the bonus if the performance targets are met.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	<Not Applicable>	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)  
[annual-report-and-financial-statements-2023.pdf](#)

**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.**

**Row 1**

**Scope**

Company-wide

**Commodity coverage**

- Cattle products
- Palm oil
- Soy
- Timber products
- Other – Cocoa
- Other – Coffee
- Other – Rubber

**Content**

- Commitment to eliminate conversion of natural ecosystems
- Commitment to no land clearance by burning or clearcutting
- Commitment to eliminate deforestation
- Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)
- Commitment to remediation, restoration and/or compensation of past harms
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Adoption of the UN International Labour Organization principles
- Commitment to best management practices for soils and peat
- Commitment to take action beyond own supply chain to tackle environmental issues
- Commitment to resolving both social and environmental issues in own operations and supply chain
- Commitments beyond regulatory compliance
- Commitment to transparency
- Commitment to stakeholder awareness and engagement
- Commitment to align with the SDGs
- Recognition of the overall importance of forests and other natural ecosystems
- Description of business dependency on forests
- Recognition of potential business impact on forests and other natural ecosystems
- Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy
- List of timebound milestones and targets
- Description of forests-related performance standards for direct operations
- Description of forests-related standards for procurement

**Document attachment**

Sainsbury deforestation policy link.docx

**Please explain**

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.

More information on our deforestation commitment can be found at: <https://www.about.sainsburys.co.uk/sustainability/better-for-the-planet/nature/deforestation#:~:text=At%20Sainsbury%E2%80%99s%2C%20we%20support%20landscape%20initiative%20projects%20both,regenerate%20entire%20ecosystems%20in%20South%20Africa%20and%20Peru.>

**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?**

Forest risk commodity	Public commitments made
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes

**F4.6a**

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

Tropical Forest Alliance  
Cerrado Manifesto  
Soy Moratorium

**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  
Avoidance of negative impacts on threatened and protected species and habitats  
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  
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  
Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples  
Adoption of the UN International Labour Organization principles  
Resolution of complaints and conflicts through an open, transparent and consultative process  
Facilitate the inclusion of smallholders into the supply chain  
Build community capacity and incentivize engagement in multi-stakeholder processes  
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

**Forest risk countries/areas that the cutoff date applies to**

Applied globally

**Reason for selecting cutoff date**

Sector-wide agreement/recommendation

**Commitment target date**

<2017

**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).

RSPO certification requires palm oil that is certified to be grown in areas where FPIC can be exercised in order to protect the rights of indigenous people and their land.

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  
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

Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples  
Adoption of the UN International Labour Organization principles  
Facilitate the inclusion of smallholders into the supply chain  
Build community capacity and incentivize engagement in multi-stakeholder processes  
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**

100%

**Cutoff date**

2020

**Forest risk countries/areas that the cutoff date applies to**

Applied globally

**Reason for selecting cutoff date**

Sector-wide agreement/recommendation

**Commitment target date**

2021-25

**Please explain**

To achieve zero deforestation on timber, 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. We also accept recycled material with a preference for post-consumer waste.

FSC and PEFC also require certificate holders to protect the rights of indigenous peoples and secure a participatory and equitable approach to decision making through the implementation of FPIC

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. It also falls within the scope of our group wide policy to be Deforestation and Conversion Free by 2025.

\*This includes Sainsbury's Own Brand products only\*.

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**Forest risk commodity**

Soy

**Criteria**

No conversion of natural ecosystems  
Zero gross deforestation/ no deforestation  
Avoidance of negative impacts on threatened and protected species and habitats  
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  
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  
Resolution of complaints and conflicts through an open, transparent and consultative process  
Facilitate the inclusion of smallholders into the supply chain  
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**

Supply chain

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

100%

**Cutoff date**

2020

**Forest risk countries/areas that the cutoff date applies to**

Applied globally

**Reason for selecting cutoff date**

Sector-wide agreement/recommendation

**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  
 Avoidance of negative impacts on threatened and protected species and habitats  
 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  
 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  
 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**

Supply chain

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

100%

#### **Cutoff date**

2020

#### **Forest risk countries/areas that the cutoff date applies to**

Applied globally

#### **Reason for selecting cutoff date**

Sector-wide agreement/recommendation

#### **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 2024.

## **F5. Business strategy**

### **F5.1**

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

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	16-20	<p>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 e.g. our commitment to make our own brand supply chains Deforestation and Conversion Free by 2025 and be nature positive by 2030 . 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, legal 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, 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.</p> <p>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.</p>
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	<p>Deforestation is a complex, global challenge and we believe collective industry action is the only way to tackle the root causes and drive change at the speed and scale required. Our objectives are delivered through our Responsible Sourcing policy which sets out our requirements for suppliers. This forms an important part of 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 Multi-stakeholder 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 in Brazil and Indonesia 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.</p>
Financial planning	Yes, forests-related issues are integrated	16-20	<p>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 Task Force on Climate-related Financial Disclosure (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 TCFD.</p> <p>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.</p>

**F6. Implementation**

**F6.1**

**(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?**

Yes

**F6.1a**

**(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.**

**Target reference number**

Target 1

**Forest risk commodity**

Timber products

**Year target was set**

2021

**Target coverage**

Company-wide

**Target category**

Third-party certification

**Metric**

% of volume third-party certified

**Traceability point**

<Not Applicable>

**Third-party certification scheme**

FSC (any type)

PEFC (any type)

**Base year**

2021

**Base year figure**



**Target year**

2025

**Target year figure**

100

**Reporting year figure**

87

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

43.4782608695652

**Target status in reporting year**

Underway

**Is this target linked to a commitment?**

Zero net/gross deforestation

**Please explain**

We are committed to DCF by 2025 for our own brand supply chains. This applies to our non-food business and includes timber. Our aim is for 100% of our timber to be FSC, PEFC certified or recycled by 2025.

**Target reference number**

Target 2

**Forest risk commodity**

Soy

**Year target was set**

2021

**Target coverage**

Company-wide

**Target category**

Engagement with direct suppliers

**Metric**

% of volume from direct suppliers compliant with your no deforestation and/or conversion commitments

**Traceability point**

&lt;Not Applicable&gt;

**Third-party certification scheme**

&lt;Not Applicable&gt;

**Base year**

2021

**Base year figure**

41

**Target year**

2025

**Target year figure**

100

**Reporting year figure**

79

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

64.4067796610169

**Target status in reporting year**

Underway

**Is this target linked to a commitment?**

Zero net/gross deforestation

**Please explain**

As part of our commitment to DCF soy by 2025, we require all our suppliers to sign up to the UK Soy Manifesto which commits companies to DCF soy by 2025 and, as part of its commitment to wider supply chain transformation, asks signatories to cascade the DCF commitment down their supply chain.

**Target reference number**

Target 3

**Forest risk commodity**

Palm oil

**Year target was set**

2015

**Target coverage**

Company-wide

**Target category**

Third-party certification

**Metric**

% of volume third-party certified

**Traceability point**

<Not Applicable>

**Third-party certification scheme**

RSPO (any type)

**Base year**

2014

**Base year figure**

95

**Target year**

2025

**Target year figure**

100

**Reporting year figure**

100

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

100

**Target status in reporting year**

Achieved

**Is this target linked to a commitment?**

Zero net/gross deforestation

**Please explain**

As part of our DCF 2025 commitments, Sainsbury's sources 99.9% of its palm oil from RSPO certified plantations with credits bought to cover the remaining 0.1%.

---

**Target reference number**

Target 4

**Forest risk commodity**

Cattle products

**Year target was set**

2021

**Target coverage**

Company-wide

**Target category**

Engagement with direct suppliers

**Metric**

% of volume from direct suppliers compliant with your no deforestation and/or conversion commitments

**Traceability point**

<Not Applicable>

**Third-party certification scheme**

<Not Applicable>

**Base year**

2021

**Base year figure**

97

**Target year**

2025

**Target year figure**

100

**Reporting year figure**

99

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

66.66666666666666

**Target status in reporting year**

Underway

**Is this target linked to a commitment?**

Zero net/gross deforestation

**Please explain**

As part of our commitment to DCF beef by 2025, we require all our suppliers sourcing from high risk origins to commit to no deforestation and conversion by 2025 with supporting sourcing policies and time-bound plans. Where suppliers cannot meet our targets we are transitioning away from high risk origin sourcing.

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F6.2

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

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	Volume from direct and indirect suppliers	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	Volume from direct suppliers only	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. 81% 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. We do have indirect suppliers but currently do not have systems in place, we collect information through our direct suppliers.	Specific product line(s) Specific supplier(s) Not applicable	<Not Applicable>
Cattle products	Yes	Volume from direct suppliers only	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. We do have indirect suppliers but currently do not have systems in place, we collect information through our direct suppliers.	Not applicable	<Not Applicable>
Soy	Yes	Volume from direct suppliers only	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 180 businesses were engaged through this process and 3Keel guided and completed the analysis using our actual protein volumes. We do have indirect suppliers but currently do not have systems in place, we collect information through our direct suppliers.	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>	<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>

F6.2a

**(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	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Timber products	Country	Algeria Argentina Australia Austria Belarus Belgium Bosnia & Herzegovina Brazil Canada Chile China Costa Rica Croatia Czechia Estonia Finland France Germany Hungary India Indonesia Ireland Italy Japan Latvia Lithuania Luxembourg Malaysia New Zealand Norway Poland Portugal Romania Slovenia South Africa Spain Sweden Thailand United Kingdom of Great Britain and Northern Ireland United States of America Uruguay	99
Palm oil	Not traceable	Please select	0
Soy	Country	Argentina Brazil France Greece India Paraguay Poland United States of America	9
Cattle products	Country	Australia Austria Belgium Brazil Canada Croatia Finland France Germany Ireland Netherlands New Zealand Poland Spain Sweden United Kingdom of Great Britain and Northern Ireland	100

**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	87
Palm oil	Yes	100
Cattle products	No, we have not adopted any third-party certification schemes for this commodity	<Not Applicable>
Soy	Yes	45
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**

81.75

**Form of commodity**

Crude palm kernel oil (CPKO)

Palm kernel meal (PKM)

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

**Volume of production/ consumption certified**

9108.03

**Metric for volume**

Metric tons

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

No

**Is embedded soy certified through this scheme?**

No

**Please explain**

We have a clear requirement in our 'Responsible Sourcing Manual' that palm oil must be RSPO certified with a preference for segregated palm oil. The remainder is mostly from palm oil derivatives which currently can only be sourced as Mass Balance.

---

**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**

18.05

**Form of commodity**

Crude palm kernel oil (CPKO)

Palm kernel meal (PKM)

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

**Volume of production/ consumption certified**

2011.31

**Metric for volume**

Metric tons

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

No

**Is embedded soy certified through this scheme?**

No

**Please explain**

The majority of our Mass Balance palm oil is from palm oil derivatives which currently cannot be sourced as segregated in Europe. We are collaborating with industry partners to examine how we can work with suppliers to source palm oil derivatives from segregated sources.

---

**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO Identity Preserved

**Chain-of-custody model used**

<Not Applicable>

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

0.03

**Form of commodity**

Refined palm oil

**Volume of production/ consumption certified**

3.29

---

**Metric for volume**

Metric tons

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

No

**Is embedded soy certified through this scheme?**

No

**Please explain**

We have a clear requirement in our 'Responsible Sourcing Manual' that palm oil must be RSPO certified with a preference for segregated palm oil which includes identity preserved.

---

**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO Credits/Book & Claim

**Chain-of-custody model used**

<Not Applicable>

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

0.09

**Form of commodity**

Palm oil derivatives

Palm kernel oil derivatives

**Volume of production/ consumption certified**

7.76

**Metric for volume**

Metric tons

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

No

**Is embedded soy certified through this scheme?**

No

**Please explain**

Some of our suppliers purchase RSPO credits from mill, we recognised the purchase of credits as bridging the gap between moving towards segregated certification.

---

**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO (any type)

**Chain-of-custody model used**

Certificate trading

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

0.08

**Form of commodity**

Palm kernel oil derivatives

**Volume of production/ consumption certified**

8.94

**Metric for volume**

Metric tons

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

No

**Is embedded soy certified through this scheme?**

No

**Please explain**

We purchased smallholder credits through the RSPO PalmTrace platform equivalent to our uncertified volumes in products that contain very small amounts of palm oil derivatives. We recognise work is needed to help smallholders become certified and access the European market and the purchase of these credits forms part of our approach to support smallholders.

---

**Forest risk commodity**

Soy

**Third-party certification scheme**

RTRS Credits

**Chain-of-custody model used**

<Not Applicable>

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

34

**Form of commodity**

Soy bean meal

**Volume of production/ consumption certified**

71658

**Metric for volume**

Metric tons

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

No

**Is embedded soy certified through this scheme?**

Yes

**Please explain**

This is made up of a combination on credits purchased by suppliers and Sainsbury's. We recognise that credits can only act as a bridging mechanism towards delivering DCF soy by 2025. Our main focus from 2023 - 2025 will be on delivering verified DCF soy with our suppliers.

---

**Forest risk commodity**

Soy

**Third-party certification scheme**

RTRS Mass Balance

**Chain-of-custody model used**

<Not Applicable>

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

3

**Form of commodity**

Soy bean meal

**Volume of production/ consumption certified**

5944

**Metric for volume**

Metric tons

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

No

**Is embedded soy certified through this scheme?**

Yes

**Please explain**

Between 2022 and December 2024, suppliers may use certified soy (including mass balance) as a transitional mechanism to deliver DCF soy, this standard is benchmarked by FEFAC.

---

**Forest risk commodity**

Soy

**Third-party certification scheme**

Other, please specify (Cargill Triple S)

**Chain-of-custody model used**

Mass balance

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

4

**Form of commodity**

Soy bean meal

**Volume of production/ consumption certified**

8242

**Metric for volume**

Metric tons

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

No

**Is embedded soy certified through this scheme?**

Yes

**Please explain**

Between 2022 and December 2024, suppliers may use certified soy (including mass balance) as a transitional mechanism to deliver DCF soy, this standard is benchmarked by FEFAC.

---

**Forest risk commodity**

Soy

**Third-party certification scheme**

Other, please specify (ADM Responsible Soybean Standard v2)

**Chain-of-custody model used**

Mass balance

---

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

2

**Form of commodity**

Soy bean meal

**Volume of production/ consumption certified**

5055

**Metric for volume**

Metric tons

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

No

**Is embedded soy certified through this scheme?**

Yes

**Please explain**

Between 2022 and December 2024, suppliers may use certified soy (including mass balance) as a transitional mechanism to deliver DCF soy, this standard is benchmarked by FEFAC.

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**Forest risk commodity**

Timber products

**Third-party certification scheme**

FSC (any type)

**Chain-of-custody model used**

<Not Applicable>

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

87

**Form of commodity**

Sawn timber, veneer, chips

Unprocessed wood fiber

Pulp

Paper

Boards, plywood, engineered wood

**Volume of production/ consumption certified**

66515

**Metric for volume**

Cubic meters

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

No

**Is embedded soy certified through this scheme?**

Not applicable

**Please explain**

The majority of our timber is FSC certified and will be 100% FSC certified by 2025.

---

**Forest risk commodity**

Soy

**Third-party certification scheme**

Other, please specify (CRS - AMB)

**Chain-of-custody model used**

Certificate trading

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

2

**Form of commodity**

Whole soy beans

**Volume of production/ consumption certified**

3692

**Metric for volume**

Metric tons

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

No

**Is embedded soy certified through this scheme?**

No

**Please explain**

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**(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	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
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	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.4a**

**(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).**

**Forest risk commodity**

Timber products

**Operational coverage**

Supply chain

**Description of control systems**

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 2022, 87% of our volumes were deforestation and conversion free.

**Monitoring and verification approach**

Third-party verification

**% of total volume in compliance**

81-90%

**% of total suppliers in compliance**

Don't know

**Response to supplier non-compliance**

Retain & engage

**% of non-compliant suppliers engaged**

<Not Applicable>

**Procedures to address and resolve non-compliance with suppliers**

Developing time-bound targets and milestones to bring suppliers back into compliance  
 Providing information on appropriate actions that can be taken to address non-compliance

**Please explain**

When working with non-compliant suppliers we prioritise working with them to support wider supply chain transformation. If there is no action we do change suppliers, but this decision is taken on a case by case basis and reflects the supplier's prior engagement.

**Forest risk commodity**

Palm oil

**Operational coverage**

Supply chain

**Description of control systems**

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.

**Monitoring and verification approach**

Third-party verification

**% of total volume in compliance**

100%

**% of total suppliers in compliance**

100%

**Response to supplier non-compliance**

Retain & engage

**% of non-compliant suppliers engaged**

<Not Applicable>

**Procedures to address and resolve non-compliance with suppliers**

Developing time-bound targets and milestones to bring suppliers back into compliance  
 Providing information on appropriate actions that can be taken to address non-compliance

**Please explain**

When working with non-compliant suppliers we prioritise working with them to support wider supply chain transformation. If there is no action we do change suppliers, but this decision is taken on a case by case basis and reflects the supplier's prior engagement.

**Forest risk commodity**

Soy

**Operational coverage**

Supply chain

**Description of control systems**

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.

**Monitoring and verification approach**

Third-party verification

**% of total volume in compliance**

31-40%

**% of total suppliers in compliance**

21-30%

**Response to supplier non-compliance**

Retain & engage

**% of non-compliant suppliers engaged**

71-80%

**Procedures to address and resolve non-compliance with suppliers**

Developing time-bound targets and milestones to bring suppliers back into compliance  
 Providing information on appropriate actions that can be taken to address non-compliance

**Please explain**

When working with non-compliant suppliers we prioritise working with them to support wider supply chain transformation. If there is no action we do change suppliers, but this decision is taken on a case by case basis and reflects the supplier's prior engagement.

**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.

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

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

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

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

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

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

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

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

### 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

## 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 2022, 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.

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.

### Country/Area of origin

Indonesia  
Malaysia  
Papua New Guinea

### Law and/or mandatory standard(s)

General assessment of legal compliance

### Comment

## Cattle products

### Procedure to ensure legal compliance

We verify compliance against the law in for our UK, Ireland and EU origins, which make up 99% of our beef volumes. We are transitioning our sourcing of beef products away from Brazil - making up 1% of volumes in 2022 - given the lack of indirect farm supply chain traceability, which inhibits verification against forest regulation.

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.

### Country/Area of origin

Argentina  
Brazil

### Law and/or mandatory standard(s)

General assessment of legal compliance  
Brazilian Forest Code

### Comment

## Soy

### Procedure to ensure legal compliance

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

General Assessment of legal compliance: As a retailer, we do not currently have visibility of soy farms in our soy supply chain (particularly 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.

### 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

## F6.7

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**(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	Not applicable	<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	50	The palm oil in our products is sourced predominantly from large farms and plantations, not smallholder farmers. We purchase 11 credits to support one smallholder in their efforts to become RSPO certified and grow palm oil sustainably. We also invest in landscape initiatives in Indonesia which seeks to bring smallholders into global supply chains by building capability and data infrastructure.
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) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.**

**Forest risk commodity**

Cattle products

**Are you working with direct suppliers?**

Yes, working with direct suppliers

**Action(s) on forests-related issues driven by engagement**

Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Other

**Details of engagement**

Other, please specify

**Description of engagement**

Working directly with suppliers to match our DCF commitment by 2025 by supporting their transition to sourcing away from high risk deforestation regions such as Brazil. This involved upskilling them on deforestation and why we have our commitments and identifying barriers in our supply chains to sourcing DCF cattle products.

**% of suppliers engaged by procurement spend covered by engagement**

1.5

**Explain the impact of your engagement on the selected action**

In 2021, we sourced 4 products from Brazil. We now have 2 products we source from Brazil and will transition away from Brazil by the end of 2024.

**Is this engagement helping your suppliers engage with their suppliers on the selected action?**

Yes

**Does this engagement contribute to achieving a reported target?**

Yes, please specify target ID(s) (DCF by 2025)

**Forest risk commodity**

Soy

**Are you working with direct suppliers?**

Yes, working with direct suppliers

**Action(s) on forests-related issues driven by engagement**

Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Other

**Details of engagement**

Other, please specify

**Description of engagement**

We participate in the Consumer Goods Forum and UK Soy Manifesto, two industry wide groups focussed on sourcing DCF soy. We also engage our suppliers and have asked our critical soy suppliers to commit to the UK Soy Manifesto. This is part of our broader work on deforestation which aims to work with DCF suppliers, rather than focussing on our own supply chains. Through this approach we are able to contribute to the widest possible transformation of supply chains.

**% of suppliers engaged by procurement spend covered by engagement**

95

**Explain the impact of your engagement on the selected action**

Driving progress for livestock suppliers to begin sourcing DCF volumes of soy by 2025.

**Is this engagement helping your suppliers engage with their suppliers on the selected action?**

Yes

**Does this engagement contribute to achieving a reported target?**

Yes, please specify target ID(s) (DCF by 2025)

---

**Forest risk commodity**

Palm oil

**Are you working with direct suppliers?**

Yes, working with direct suppliers

**Action(s) on forests-related issues driven by engagement**

Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Other

**Details of engagement**

Other, please specify

**Description of engagement**

We have asked all our suppliers to source RSPO certified palm oil. This has been achieved for 99.8% of the palm oil we source. We are now working with the Consumer Goods Forum's Forest Positive Coalition with other retailers and manufacturers to engage traders and suppliers of palm oil derivatives so they can be sourced using RSPO segregated and ensure there is no connection to deforestation. This will also encourage traders and producers to become completely deforestation free and support systems wide transformation.

**% of suppliers engaged by procurement spend covered by engagement**

100

**Explain the impact of your engagement on the selected action**

Driving progress towards entire 'clean' supply chains across the industry for suppliers to be DCF by 2025.

**Is this engagement helping your suppliers engage with their suppliers on the selected action?**

Yes

**Does this engagement contribute to achieving a reported target?**

Yes, please specify target ID(s) (DCF by 2025)

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**Forest risk commodity**

Timber products

**Are you working with direct suppliers?**

Yes, working with direct suppliers

**Action(s) on forests-related issues driven by engagement**

Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Other

**Details of engagement**

Other, please specify (Engagement through a 3rd party)

**Description of engagement**

We engage our direct suppliers to source certified volumes of timber. We set clear expectations for suppliers on sourcing certified timber and are willing to switch suppliers if they cannot meet these standards. This only takes place after prolonged engagement but demonstrates that deforestation is a key factor we consider when selecting suppliers. Engagement includes upskilling suppliers on deforestation and working with FSC and PEFC so suppliers understand the certification systems.

**% of suppliers engaged by procurement spend covered by engagement**

90

**Explain the impact of your engagement on the selected action**

Driving progress of timber suppliers to be DCF by 2025.

**Is this engagement helping your suppliers engage with their suppliers on the selected action?**

Yes

**Does this engagement contribute to achieving a reported target?**

Yes, please specify target ID(s) (DCF by 2025)

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**F6.9**

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

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**Forest risk commodity**

Palm oil

**Are you working beyond first tier?**

Yes, working beyond first tier

**Action(s) on forest-related issues driven by engagement**

Securing Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities

**Type of engagement**

Capacity building

**Details of engagement**

Investing in pilot projects

**Description of engagement**

Through our membership of RSPO we support work in sourcing countries to improve understanding of the FPIC process and improve implementation. It ensures RSPO members can comply with standards related to FPIC across different interest groups and mitigate and address potential conflicts during FPIC implementation. We are part of the Palm Oil Transparency Coalition which engages traders/shippers on their commitments to deliver DCF palm oil and improve traceability of palm oil.

**Explain the impact of your engagement on the selected action**

According to the RSPO 2022 Impact Report, 78% of human rights-related complaints cases have been closed, including cases related to land, and FPIC.

**Does this engagement contribute to achieving a reported target?**

No

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**Forest risk commodity**

Soy

**Are you working beyond first tier?**

Yes, working beyond first tier

**Action(s) on forest-related issues driven by engagement**

Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Capacity building

Innovation and collaboration

**Details of engagement**

Offering on-site training and technical assistance

Investing in pilot projects

Encourage suppliers to work collaboratively in sectors, landscapes, or jurisdictions

**Description of engagement**

In 2023, we are supporting an initiative in the Mato Grosso state of Brazil, facilitated by IPAM, with a £100,000 investment. The landscape initiative aims to set up regional level structures and interventions to enable transformation of soy and cattle producing landscapes. This initiative mirrors the state government strategy, to Protect, Conserve and Include (PCI) people and nature at a local level. The project will support farmers across 6 regions in the state through a variety of local actions such as payments for ecosystem services, pathways to certification, smallholder action plans, safeguards for indigenous communities and ecosystem restoration. We also engage traders and shippers through the Retail Soy Group and the Soy Transparency Coalition to create cross industry pressure on traders to improve traceability of soy.

**Explain the impact of your engagement on the selected action**

The impact of our joint investment will drive progress towards achieving the following long term targets:

Climate & Nature: Conserve 100,000 ha of that would have been deforested by 2025 and Maintain 60% of vegetation cover in the regions by 2025

Farming & productivity : Expand the grain area in degraded pasture land by 30,000 ha by 2030 and Recover 12,500 ha of degraded pasture by 2027

People: Indigenous people participating in products and 10% of the market with "family farming products" by 2025 and 6 regional smallholder plans by 2025

**Does this engagement contribute to achieving a reported target?**

No

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**Forest risk commodity**

Cattle products

**Are you working beyond first tier?**

Yes, working beyond first tier

**Action(s) on forest-related issues driven by engagement**

Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Capacity building

Innovation and collaboration

**Details of engagement**

Offering on-site training and technical assistance

Investing in pilot projects

Encourage suppliers to work collaboratively in sectors, landscapes, or jurisdictions

**Description of engagement**

In 2023, we are supporting an initiative in the Mato Grosso state of Brazil, facilitated by IPAM, with a £100,000 investment. The landscape initiative aims to set up regional level structures and interventions to enable transformation of soy and cattle producing landscapes. This initiative mirrors the state government strategy, to Protect, Conserve and Include (PCI) people and nature at a local level. The project will support farmers across 6 regions in the state through a variety of local actions such as payments for ecosystem services, pathways to certification, smallholder action plans, safeguards for indigenous communities and ecosystem restoration.

**Explain the impact of your engagement on the selected action**

The impact of our joint investment will drive progress towards achieving the following long term targets:

Climate & Nature: Conserve 100,000 ha of that would have been deforested by 2025 and Maintain 60% of vegetation cover in the regions by 2025

Farming & productivity : Expand the grain area in degraded pasture land by 30,000 ha by 2030 and Recover 12,500 ha of degraded pasture by 2027

People: Indigenous people participating in products and 10% of the market with "family farming products" by 2025 and 6 regional smallholder plans by 2025

**Does this engagement contribute to achieving a reported target?**

No

**Forest risk commodity**

Timber products

**Are you working beyond first tier?**

No, not working beyond the first tier

**Action(s) on forest-related issues driven by engagement**

<Not Applicable>

**Type of engagement**

<Not Applicable>

**Details of engagement**

<Not Applicable>

**Description of engagement**

We work with suppliers directly to ensure they source timber according to an independent certification standard. This is monitored and verified through a third party, Track Record Global.

**Explain the impact of your engagement on the selected action**

<Not Applicable>

**Does this engagement contribute to achieving a reported target?**

<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	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	Explain your process for prioritizing landscapes/jurisdictions for engagement
Row 1	Ability to contribute to/ build on existing landscape and/or jurisdictional approaches Commodity sourcing footprint Opportunity to build resilience at scale Recognized as priority landscape by credible multi-stakeholder groups Risk of deforestation, forests/land degradation, or conversion of other natural ecosystems Risk of biodiversity loss	We prioritise landscapes based on our environmental saliency assessment. If the commodity has high environmental saliency for the business, we will aim to understand where we are sourcing the commodity from and then how we can invest to tackle the root causes of deforestation.

**F6.10b**

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

**Landscape/Jurisdiction ID**

LJ1

**Country/Area**

Brazil

**Name of landscape or jurisdiction area**

Cerrado

**Types of partners engaged in the initiative design and implementation**

International company(ies)



National/local company(ies)  
Indirect supplier(s)

#### Type of engagement

Funder: Provides full or partial financial support

#### Goals supported by engagement

Reduced emissions from land use change and/or agricultural production  
Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate  
Natural ecosystems conserved and/or restored  
Ecosystem services maintained and/or enhanced  
Credit available to family farms and/or local communities

#### Company actions supporting approach

Collaborate on establishing and managing monitoring system(s) for deforestation, natural ecosystem conversion and/or degradation  
Identify and act on opportunities for pre-competitive collaboration with your sector  
Support communities and smallholders in gaining access to incentives (e.g. support achieving certification, group formation, getting land title, packaging access to loans, preferential sourcing etc.)  
Other, please specify (Financing of a pilot to support low interest loans to soy farmers on the condition they do not deforest or convert any additional land.)

#### Description of engagement

The RCF provides finance to 32 farms in the Cerrado region of Brazil, producing 75,000 tons of soy per year (for four years). The Cerrado, which lies mostly in Brazil, is the world's most biodiverse savanna, and it is under threat from high levels of deforestation, mostly driven by the expansion of soy cultivation. All farms in the trial stage will be located in the Matopiba, Goiás and Mato Grosso regions, areas at risk of deforestation and biodiversity loss.

#### Engagement start year

2022

#### Engagement end year

Not defined

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

4141000

#### Is a collective monitoring framework used to measure progress?

Yes, progress is collectively monitored using a shared external framework, please specify (Accountability Framework Initiative)

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

In 2022, this resulted in the conservation of 8,541 ha of native vegetation, 4,200 in excess of legal reserves. Progress is independently monitored and verified by an Environmental Committee, including Proforest, The Nature Conservancy, Conservation International Brazil, UNEP, WWF and IPAM, coordinated by Brazilian NGO BVRio.

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#### Landscape/Jurisdiction ID

LJ2

#### Country/Area

Indonesia

#### Name of landscape or jurisdiction area

Sintang, West Kalimantan

#### Types of partners engaged in the initiative design and implementation

International civil society organization(s)  
Local producers/smallholder  
Indirect supplier(s)

#### Type of engagement

Funder: Provides full or partial financial support

#### Goals supported by engagement

Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate  
Promotion of transparency, participation, inclusion, and coordination in landscape policy, planning, and management  
Governance forums that represent all relevant stakeholders in place and maintained  
Reliable commodity traceability and landscape monitoring/data collection system(s)

#### Company actions supporting approach

Collaborate on management/land use planning in the landscape/jurisdiction  
Collaborate on landscape sustainability assessments through participatory mapping  
Identify and map stakeholders (including vulnerable and/or marginalized groups) and encourage their engagement in multi-stakeholder processes  
Engage stakeholders on importance of conservation, restoration and/or rehabilitation  
Capacity building for farmers, smallholders and local communities to implement good agricultural practices (including improved efficiency, crop diversification and adoption of certification)  
Collaborate on commodity traceability

#### Description of engagement

In 2022, we supported an initiative in the Sintang District of West Kalimantan, facilitated by Rainforest Alliance. 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.

#### Engagement start year

2022

#### Engagement end year

Not defined

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

100000

**Is a collective monitoring framework used to measure progress?**

Yes, progress is collectively monitored using a shared external framework, please specify (Accountability Framework)

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

We have linked our palm oil supply chains to the Sintang District. Seven mills are located in the district and are present in Sainsbury's palm oil sourcing. Key government actors in Sintang have been engaged. Together with a palm oil company, they have developed a HCV management model to pilot with the ambition to use it as a best practice guideline for all palm oil companies in the Sintang district. The Sintang government is on a track of developing a policy to accelerate the implementation of sustainable farming practices and has identified training needs for the Regional Implementing Team for Sustainable Palm Oil group. Initial steps to strengthen the capacity of independent smallholder farmers have been taken including research into capacity building needs, legal and financial barriers & communication mechanisms. Progress is monitored through annual reports by Rainforest Alliance and by Proforest to ensure the project is achieving its outcomes.

**Landscape/Jurisdiction ID**

LJ3

**Country/Area**

Brazil

**Name of landscape or jurisdiction area**

Mato Grasso

**Types of partners engaged in the initiative design and implementation**

Subnational government  
International civil society organization(s)  
Local producers/smallholder

**Type of engagement**

Funder: Provides full or partial financial support

**Goals supported by engagement**

Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate  
Increased and/or maintained protected areas  
Promotion of transparency, participation, inclusion, and coordination in landscape policy, planning, and management  
Governance forums that represent all relevant stakeholders in place and maintained improved business models that enable inclusion (including smallholders)  
Ensuring local communities and smallholders benefit from the outcomes of LA/JA approach  
Increased adoption of sustainable production practices (e.g., input use efficiency and water management practices)  
Increased uptake of certification  
Reliable commodity traceability and landscape monitoring/data collection system(s)

**Company actions supporting approach**

Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative  
Provide financial support to fund FPIC processes and/or activities to halt systemic violations of workers' rights

**Description of engagement**

Sainsbury's is contributing £100,00 to support the initiative, run by IPAM in partnership with PCI Institute. The approach aims to create the conditions and implement governance processes to enable transformation of soy and cattle producing landscapes to ensure forest and ecosystem conservation and restoration, safeguard human rights of indigenous peoples and local communities and improve smallholders production and livelihoods.

**Engagement start year**

2023

**Engagement end year**

Not defined

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

100000

**Is a collective monitoring framework used to measure progress?**

Yes, progress is collectively monitored using a shared external framework, please specify (Accountability Framework Initiative)

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

Project has yet to be started . Reporting on achievements will take place next year.

F6.10c

**(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.**

Indicate landscape/jurisdiction ID	Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?	Commodity	% of total production/consumption volume from this landscape/jurisdiction
LJ1	Yes, we do produce/consume from this landscape/jurisdiction, but we are not able/willing to disclose volume data	<Not Applicable>	<Not Applicable>
LJ2	Yes, we do produce/consume from this landscape/jurisdiction, but we are not able/willing to disclose volume data	<Not Applicable>	<Not Applicable>
LJ3	Yes, we do produce/consume from this landscape/jurisdiction, but we are not able/willing to disclose volume data	<Not Applicable>	<Not Applicable>

**(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**

Not applicable

**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. This group drafted and is working through a roadmap to a forest positive approach in PPP sourcing including the following:

1. Managing Own Supply Chains: Ensure that PPP sourcing is forest positive, including minimizing risk of sourcing from controversial sources
2. Engaging Suppliers: Do business with upstream suppliers who are also committed to forest positive implementation across their entire business and find opportunities for collaboration to drive sector-wide transformation;
3. Addressing High-priority Origins: Build a shared understanding of countries which are a high-priority for engagement, and use this information in engagement with and to monitor suppliers and landscape initiatives;
4. Engaging in Production Landscapes: Drive transformational change in key PPP-producing landscapes through positive engagement in high-priority origins; and
5. Increasing Transparency and Accountability: Track, verify and report publicly on progress implementing the actions of the Roadmap focused on own supply, suppliers and priority landscapes.

**Forest risk commodity**

Palm oil

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

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Indonesia

**Subnational area**

Not applicable

**Initiatives**

Roundtable on Sustainable Palm Oil (RSPO)

Palm Oil Transparency Coalition (POTC)

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

**Please explain**

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**

Brazil

**Subnational area**

Not applicable

### 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.

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### Forest risk commodity

Soy

### Do you participate in activities/initiatives?

Yes

### Activities

Involved in multi-partnership or stakeholder initiatives

### Country/Area

Brazil

### Subnational area

Not applicable

### 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.

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## F6.12

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

No, but we plan to implement a project(s) within the next two years

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## F7. Verification

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### F7.1

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

Yes

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### 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**

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**F8.1**

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**(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**

Soy

**Coverage**

Direct operations  
Supply chain

**Primary barrier/challenge type**

Limited availability of certified materials

**Comment**

vDCF volumes are currently not widely available in the soy market.

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**Forest risk commodity**

Palm oil

**Coverage**

Direct operations  
Supply chain

**Primary barrier/challenge type**

Lack of adequate traceability systems

**Comment**

Fragmented supply chain with high proportion of independent smallholders poses challenge to embed traceability mechanisms where by palm oil can be tracked beyond the mill back to plantation level.

---

**Forest risk commodity**

Timber products

**Coverage**

Direct operations  
Supply chain

**Primary barrier/challenge type**

Lack of or limited collaboration between actors operating within a landscape or jurisdiction

**Comment**

Opportunities for collective action on timber working with different actors in the supply chain on targeted hotspot landscapes is not widely available as timber (+different species) is widely sourced from many locations globally so it is challenging to concentrate efforts within a dedicated landscape. This affects all our timber sourcing and has been highlighted as a challenge since 2022.

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**Forest risk commodity**

Cattle products

**Coverage**

Direct operations  
Supply chain

**Primary barrier/challenge type**

Value chain complexity

**Comment**

Due to the nature of cattle being reared across multiple farms before slaughter and the level of processing understanding origins is extremely challenging.

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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**

Soy

**Coverage**

Direct operations  
Supply chain

**Main measure**

Price premium for certified materials

**Comment**

We are exploring the premium required to support the administrative costs for DCF soy to be verified. Clarity from suppliers on what this premium could be would be very helpful to understanding how we mitigate this risk.

---

**Forest risk commodity**

Palm oil

**Coverage**

Direct operations  
Supply chain

**Main measure**

Investment in monitoring tools and traceability systems

**Comment**

It is currently challenging to source palm oil derivatives that are segregated. Collective investment in tools to improve the traceability of these derivatives as they move through supply chains would improve this situation. Furthermore, low cost traceability tools are needed so smallholders can evidence that they are deforestation free and can therefore access global supply chains.

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**Forest risk commodity**

Timber products

**Coverage**

Direct operations  
Supply chain

**Main measure**

Investment in monitoring tools and traceability systems

**Comment**

There are certain small amounts of timber that are hard to trace as suppliers or producers can't afford to pay for certification. Developing low cost certification and tools that allow for chain of custody are crucial to supporting DCF timber for smallholders.

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**Forest risk commodity**

Cattle products

**Coverage**

Direct operations  
Supply chain

**Main measure**

Greater transparency

**Comment**

Given how cows can be owned by several different organisations throughout their lifetime, greater transparency on where the cows have been grazed is crucial to ensuring they were not associated with deforestation throughout their lifetime. This requires transparency beyond the meatpacker lever and down to the producer.

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**F17 Signoff**

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**F-FI**

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**(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**

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

	Job Title	Corresponding job category
Row 1	Head of Sustainability	Environment/Sustainability manager

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