



Module: Introduction

Page: F0. Introduction

F0.1

Please give a general description and introduction to your organization

Sainsbury's is a UK based retailer which sells branded and own brand food and non-food products.

F0.2

Please select the stages of the value chain which best represent your organization's area of operation pertaining to forest risk commodities. If your organization is diversified or vertically integrated, please select all that apply

Retailing

F0.3

Are there any parts of your direct operations that are excluded from this disclosure?

Yes

F0.3a

Please identify the parts of your direct operations that are excluded from your disclosure

Exclusion	Description of exclusion	Potential for deforestation risk	Please explain
Business activity	Argos and Habitat - retail companies that are now part of the wider Sainsbury's Group and sell non-food products	Potential for deforestation risk but not evaluated	Sainsbury's acquired Argos and Habitat (as part of the Home Retail Group) in September 2016 and is currently developing its integrated reporting. As the acquisition took place during the relevant reporting period Argos and Habitat have been excluded from this current disclosure.

F0.4

Are there any parts of your supply chain that are excluded from this disclosure?

Yes

F0.4a

Please identify the parts of your supply chain that are excluded from your disclosure

Exclusion	Description of exclusion	Potential for deforestation risk	Please explain
Business activity	Branded products sold in our retail stores	Potential for deforestation risk but not evaluated	We are responsible for our own brand products not branded products

F0.5

Do you produce or use materials that contain any of the forest risk commodities? Please complete the table

Forest risk commodity	Produce/use forest risk commodity	Explanation if not disclosing but produce/use the commodity
Timber	Yes	
Palm Oil	Yes	
Cattle Products	Yes	
Soy	Yes	
Other		

F0.6

Please confirm which commodities you will be disclosing on

Timber
Palm Oil
Cattle Products
Soy

F0.7

Please state the start and end date of the year for which you are reporting data

Reporting year
Sun 13 Mar 2016 - Sun 12 Mar 2017

Further Information

Module: Current State

Page: F1. Context

F1.1

How does your organization use your selected commodities? Please provide details on the form and source of the commodities you use or produce

Forest risk commodity	Activity	Form of commodity	Source	Country of origin	% of procurement spend	Comment
Palm Oil	Retail/ onward sale of commodity or product	Refined palm oil Palm oil derivatives Palm kernel	Contracted suppliers (manufacturers)	Indonesia Malaysia Papua New Guinea	1-5%	Estimated value provided. Palm oil is used as an ingredient in our own brand products.

Forest risk commodity	Activity	Form of commodity	Source	Country of origin	% of procurement spend	Comment
	containing commodity	oil derivatives				
Timber	Retail/ onward sale of commodity or product containing commodity	Sawn timber, veneer, chips Pulp Paper Boards, plywood, engineered wood Primary packaging Secondary packaging Tertiary packaging Goods Not For Resale (GNFR)	Contracted suppliers (manufacturers)	Australia Brazil Canada Chile China Czech Republic Finland France Germany India Indonesia Italy Malaysia New Zealand Norway Poland Romania Russian Federation South Africa Sweden United Kingdom United States of America	1-5%	Estimated value provided. We use paper and timber as a component of our own brand products, for office paper, for till rolls etc and for packaging.
Cattle Products	Retail/ onward sale of commodity or product containing commodity	Beef By-products (e.g. glycerin, gelatin) Hides/ leather	Contracted suppliers (processors) Contracted suppliers (manufacturers)	Brazil United Kingdom Other: Ireland	1-5%	Estimated value provided. We use beef as a primary ingredient and as a secondary ingredient in our own brand products. The vast majority of our beef is sourced from the UK or Ireland. Only a small proportion is sourced from Brazil.
Soy	Retail/ onward sale of commodity or product containing commodity	Whole soy beans Soy bean oil Soy bean meal Soy derivatives	Contracted suppliers (manufacturers)	Argentina Brazil Canada China France India Paraguay United States of America	11-20%	Estimated value provided. This includes soy used as an ingredient for own brand products and as animal feed for our own brand proteins.

F1.2

Please indicate the percentage of your organization's revenue that was dependent on each of your selected forest risk commodities in the reporting year

Forest risk commodity	% of revenue dependent on commodity in the reporting year	Comment
Timber	1-5%	Estimate value provided
Palm Oil	1-5%	Estimate value provided
Cattle Products	1-5%	Estimate value provided
Soy	11-20%	Estimate value provided. This figure includes soy used as an ingredient in our own brand products as well as soy used as animal feed for our own brand protein products.

F1.3

Has your organization experienced impacts related to forest risk commodities that have generated a substantive change in your business operations, revenue or expenditure in the reporting year?

No

Further Information

Module: Risk Assessment

Page: F2. Risk assessment

F2.1

Please select the option that best describes your procedures with regard to assessing deforestation risks and opportunities

Forest risk commodity	Deforestation risk assessment procedure	Operational coverage	Please explain
Timber	Integrated into a comprehensive, company-wide risk assessment process	Direct operations Supply chain	Our Sustainability Plan which addresses the risk of deforestation (including our use of paper/timber) was updated in 2015 and was a direct result of an integrated company-wide risk assessment. Progress against the Plan is regularly reviewed. For further information on our Sustainability Plan please go to http://www.j-sainsbury.co.uk/responsibility/our-sustainability-plan/
Palm Oil	Integrated into a comprehensive, company-wide risk assessment process	Direct operations Supply chain	Our Sustainability Plan which addresses the risk of deforestation (which includes our use of palm oil) was updated in 2015 and was a direct result of an integrated company-wide risk assessment. Progress against the Plan is regularly reviewed. For further information on our Sustainability Plan please go to http://www.j-sainsbury.co.uk/responsibility/our-sustainability-plan/
Cattle Products	Integrated into a comprehensive, company-wide risk assessment process	Direct operations Supply chain	Our Sustainability Plan which addresses the risk of deforestation (which includes our use of cattle products) was updated in 2015 and was a direct result of an integrated company-wide risk assessment. Progress against the Plan is regularly reviewed. For further information on our Sustainability Plan please go to http://www.j-sainsbury.co.uk/responsibility/our-sustainability-plan/
Soy	Integrated into a comprehensive, company-wide risk assessment process	Direct operations Supply chain	Our Sustainability Plan which addresses the risk of deforestation (which includes our use of soy) was updated in 2015 and was a direct result of an integrated company-wide risk assessment. Progress against the Plan is regularly reviewed. For further information on our

Forest risk commodity	Deforestation risk assessment procedure	Operational coverage	Please explain
			Sustainability Plan please go to http://www.j-sainsbury.co.uk/responsibility/our-sustainability-plan/

F2.1a

Please provide further details on your risk assessment procedures with regard to deforestation risks and opportunities

Forest risk commodity	Frequency of monitoring	To whom are results reported?	Scale of risk assessment	How far into the future are risks considered?	Please explain
Timber	Annually	Board or individual/sub-set of the Board or committee appointed by the Board	Whole company Tier 1 and tier 2 supplier(s)	3-6 years	<p>Firstly, we have a specific risk assessment process in place for our paper/timber products as part of our due diligence system for implementing the EU timber regulations.</p> <p>Furthermore, risk assessment is an ongoing and continual process utilising both external and internal information (ie. NGO and supplier data) to ascertain the specific risks in our supply chain. Insights from this process are then discussed on a regular basis at our Product Forum Committee. Our Product Forum, a subset of the Board, is responsible for day to day decisions relating to our own brand products and our 'sourcing with integrity' commitments within our Sustainability Plan – which includes no deforestation. The Product Forum is chaired by Paul Mills-Hicks, our Food Commercial Director, who has overall responsibility for the sourcing with integrity commitments and the Forum regularly discusses supply chain sustainability issues, including deforestation, throughout the year. Paul Mills-Hicks is also a member of our Operating Board's Corporate Responsibility and Sustainability Steering Group which is chaired by Mike Coupe – our CEO. Paul Mills-Hicks provides updates on the sourcing with integrity commitments, which includes addressing deforestation, to this Group which meets twice a year. Finally, Mike Coupe is a member our Corporate Responsibility and Sustainability (CR&S) Committee which is chaired by</p>

Forest risk commodity	Frequency of monitoring	To whom are results reported?	Scale of risk assessment	How far into the future are risks considered?	Please explain
					<p>Non-Executive Director Jean Tomlin. The Committee provides oversight for the work of the Operating Board's Corporate Responsibility and Sustainability Steering Group and supports the delivery of our Sustainability Plan. In addition, each year we produce an annual report (integrated into our financial report) on our progress towards meeting our commitments in our Sustainability Plan. This involves reviewing data from our suppliers, our progress and the external context. This annual report is in turn reviewed by Product Forum, then by the Operating Board's Corporate Responsibility and Sustainability Steering Group and finally by our Corporate Responsibility and Sustainability (CR&S) Committee.</p>
Palm Oil	Annually	Board or individual/sub-set of the Board or committee appointed by the Board	Whole company Tier 1 and tier 2 supplier(s)	3-6 years	<p>Risk assessment is an ongoing and continual process utilising both external and internal information (ie. NGO and supplier data) to ascertain the specific risks in our supply chain. Insights from this process are then discussed on a regular basis at our Product Forum Committee. Our Product Forum, a subset of the Board, is responsible for day to day decisions relating to our own brand products and our 'sourcing with integrity' commitments within our Sustainability Plan – which includes no deforestation. The Product Forum is chaired by Paul Mills-Hicks, our Food Commercial Director, who has overall responsibility for the sourcing with integrity commitments and the Forum regularly discusses supply chain sustainability issues, including deforestation, throughout the year. Paul Mills-Hicks is also a member of our Operating Board's Corporate Responsibility and Sustainability Steering Group which is chaired by Mike Coupe – our CEO. Paul Mills-Hicks provides updates on the sourcing with integrity</p>

Forest risk commodity	Frequency of monitoring	To whom are results reported?	Scale of risk assessment	How far into the future are risks considered?	Please explain
					<p>commitments, which includes addressing deforestation, to this Group which meets twice a year. Finally, Mike Coupe is a member our Corporate Responsibility and Sustainability (CR&S) Committee which is chaired by Non-Executive Director Jean Tomlin. The Committee provides oversight for the work of the Operating Board's Corporate Responsibility and Sustainability Steering Group and supports the delivery of our Sustainability Plan. In addition, each year we produce an annual report (integrated into our financial report) on our progress towards meeting our commitments in our Sustainability Plan. This involves reviewing data from our suppliers, our progress and the external context. This annual report is in turn reviewed by Product Forum, then by the Operating Board's Corporate Responsibility and Sustainability Steering Group and finally by our Corporate Responsibility and Sustainability (CR&S) Committee.</p>
Cattle Products	Annually	Board or individual/ sub-set of the Board or committee appointed by the Board	Whole company Tier 1 and tier 2 supplier(s)	3-6 years	<p>Risk assessment is an ongoing and continual process utilising both external and internal information (ie. NGO and supplier data) to ascertain the specific risks in our supply chain. Insights from this process are then discussed on a regular basis at our Product Forum Committee. Our Product Forum, a subset of the Board, is responsible for day to day decisions relating to our own brand products and our 'sourcing with integrity' commitments within our Sustainability Plan – which includes no deforestation. The Product Forum is chaired by Paul Mills-Hicks, our Food Commercial Director, who has overall responsibility for the sourcing with integrity commitments and the Forum regularly discusses supply chain sustainability issues, including deforestation, throughout the year. Paul Mills-</p>

Forest risk commodity	Frequency of monitoring	To whom are results reported?	Scale of risk assessment	How far into the future are risks considered?	Please explain
					<p>Hicks is also a member of our Operating Board's Corporate Responsibility and Sustainability Steering Group which is chaired by Mike Coupe – our CEO. Paul Mills-Hicks provides updates on the sourcing with integrity commitments, which includes addressing deforestation, to this Group which meets twice a year. Finally, Mike Coupe is a member our Corporate Responsibility and Sustainability (CR&S) Committee which is chaired by Non-Executive Director Jean Tomlin. The Committee provides oversight for the work of the Operating Board's Corporate Responsibility and Sustainability Steering Group and supports the delivery of our Sustainability Plan. In addition, each year we produce an annual report (integrated into our financial report) on our progress towards meeting our commitments in our Sustainability Plan. This involves reviewing data from our suppliers, our progress and the external context. This annual report is in turn reviewed by Product Forum, then by the Operating Board's Corporate Responsibility and Sustainability Steering Group and finally by our Corporate Responsibility and Sustainability (CR&S) Committee.</p>
Soy	Annually	Board or individual/ sub-set of the Board or committee appointed by the Board	Whole company Tier 1 and tier 2 supplier(s)	3-6 years	<p>Risk assessment is an ongoing and continual process utilising both external and internal information (ie. NGO and supplier data) to ascertain the specific risks in our supply chain. Insights from this process are then discussed on a regular basis at our Product Forum Committee. Our Product Forum, a subset of the Board, is responsible for day to day decisions relating to our own brand products and our 'sourcing with integrity' commitments within our Sustainability Plan – which includes no deforestation. The Product Forum is chaired by Paul Mills-Hicks, our Food</p>

Forest risk commodity	Frequency of monitoring	To whom are results reported?	Scale of risk assessment	How far into the future are risks considered?	Please explain
					<p>Commercial Director, who has overall responsibility for the sourcing with integrity commitments and the Forum regularly discusses supply chain sustainability issues, including deforestation, throughout the year. Paul Mills-Hicks is also a member of our Operating Board's Corporate Responsibility and Sustainability Steering Group which is chaired by Mike Coupe – our CEO. Paul Mills-Hicks provides updates on the sourcing with integrity commitments, which includes addressing deforestation, to this Group which meets twice a year. Finally, Mike Coupe is a member our Corporate Responsibility and Sustainability (CR&S) Committee which is chaired by Non-Executive Director Jean Tomlin. The Committee provides oversight for the work of the Operating Board's Corporate Responsibility and Sustainability Steering Group and supports the delivery of our Sustainability Plan. In addition, each year we produce an annual report (integrated into our financial report) on our progress towards meeting our commitments in our Sustainability Plan. This involves reviewing data from our suppliers, our progress and the external context. This annual report is in turn reviewed by Product Forum, then by the Operating Board's Corporate Responsibility and Sustainability Steering Group and finally by our Corporate Responsibility and Sustainability (CR&S) Committee.</p>

F2.1b

Please identify which of the following criteria are factored into your organization's deforestation risk assessments

Criteria	Timeframe	Relevance	Please explain
Changes in availability and quality of forest risk commodities	Current Future	Relevant, included	

Criteria	Timeframe	Relevance	Please explain
Impact of activity on the status of ecosystems and habitats	Current Future	Relevant, included	Understanding the impact of each commodity in our particular supply chains on specific ecosystems helps inform us of the footprint of our products and the urgency for action. It also closely correlates with external interest (eg. NGO or media) for each commodity.
Regulation	Current Future	Relevant, included	Ensuring we are legally compliant is a basic company requirement. Building compliance systems in time for new regulation (eg. EUTR) requires regular horizon scanning. Understanding regulatory changes in other countries is also fundamental to anticipating and responding to any impacts on supply.
Tariffs or price increases	Current	Relevant, included	This forms part of our wider tracking of prices of commodities and deeper analysis of the main drivers behind our key raw materials.
Loss of markets	Current Future	Relevant, included	Understanding our customers' views on sustainability and their expectations with regards to issues such as deforestation are extremely important in informing our approach.
Stakeholder conflicts concerning forest risk commodities	Current	Relevant, included	Continual efforts are made to understand the views of key stakeholders (eg. producers, NGOs) across the deforestation debate for each relevant commodity. This helps inform the best approach in addressing this issue.
Brand damage related to forest risk commodities	Current Future	Relevant, included	We regularly monitor issues, including deforestation, which have the potential to impact upon our brand.
Corruption	Current	Relevant, included	The risk of corruption is factored into our assessments. Our due diligence system for our timber/paper products, for example, explicitly considers the risk of corruption within a country as part of the product risk assessment process. Appropriate mitigation actions then follow from this.
Other	Current	Relevant, included	Internal information provided by our suppliers. It is important to consider the specific information on our supply chain provided by our suppliers to understand our actual risk and determining the accuracy and granularity of this supplier information is a key consideration.

F2.1c

Please provide any additional information about your approach to assessing deforestation risks here

Assessing the risks associated with our usage of paper/timber, palm oil, cattle products and soy is an ongoing process. Regular meetings are held throughout the year with our suppliers but also beyond tier 1 with experts and stakeholders (eg. producers, refiners/processors, NGOs) to understand their views, the latest industry and country developments and the practicalities of our supply chain. These assessments and insights are raised on a regular basis to our Product Forum committee to help inform our no deforestation implementation strategy.

Further Information

Module: Implications

Page: F3. Risks

F3.1

Have you identified any inherent risks related to producing, marketing or sourcing forest risk commodities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Please select all that apply

Forest risk commodity	Risk
Timber	Operational risks driven by changes in physical parameters Risks driven by changes in regulation Reputational risks
Palm Oil	Operational risks driven by changes in physical parameters Risks driven by changes in regulation Reputational risks
Cattle Products	Risks driven by changes in regulation Reputational risks
Soy	Operational risks driven by changes in physical parameters Risks driven by changes in regulation Reputational risks

F3.1a

For your selected forest risk commodities, please describe any inherent operational risks in your direct operations or supply chain driven by changes in physical parameters that have the potential to generate a substantive change in business operations, revenue or expenditure

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/supply chain	Likelihood	Magnitude of impact	Management methods
Soy	Change in precipitation extremes and droughts	Global	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.	Increased operational cost Reduction of supply	>6 years	Supply chain	Likely	Low	Global sourcing of soy helps to an extent to manage the risks of regional droughts in particular regions. We have worked to better understand the supply chains of the soy used as animal feed for our own brand proteins. This has improved our understanding of the key sourcing areas, the infrastructure in place and

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/ supply chain	Likelihood	Magnitude of impact	Management methods
									the dynamics and ability of the supply chain to respond to supply disruption. We have also researched alternatives to soy for animal feed to understand the potential for using other sources of feed.
Palm Oil	Change in precipitation or precipitation pattern	Global	Climate change is likely to affect precipitation patterns and the frequency of droughts. This may well impact upon palm oil production if for example El Nino events become more frequent and reduce palm oil yields in Indonesia/Malaysia etc.	Increased operational cost Reduction/ disruption of supply	>6 years	Supply chain	Likely	Low	Global sourcing of palm oil will help to an extent to manage particular regional production disruption. Alternative oils can be used in many of our own brand products if necessary.
Timber	Change in temperature or temperature extremes	Global	Climate change is likely to lead to greater temperature extremes and changes in precipitation patterns which will likely impact	Increased operational cost Reduction/ disruption of supply	>6 years	Supply chain	Likely	Low	Global sourcing of paper/timber and consideration of substitute species will help to an extent to

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/supply chain	Likelihood	Magnitude of impact	Management methods
			upon forests/plantations -either through changes in yield or greater risks of pests and diseases.						manage regional production disruption .

F3.1b

For your selected forest risk commodities, please describe any inherent risks in your direct operations or supply chain driven by changes in regulation that have the potential to generate a substantive change in business operations, revenue or expenditure

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/supply chain	Likelihood	Magnitude of impact	Management methods
Timber	National legislation	Country	EU Timber Regulations require imported timber and paper products to be assessed for legality. Failure to conduct due diligence will lead to legal sanctions.	Other: Legal sanctions for non-compliance	3-6 years	Direct operations	Unlikely	Low	Sainsbury's has a due diligence system in place to comply with the requirements of the EUTR and this minimises risk. Our policy also requires certified material (eg. FSC or recycled) to be used in our products. 93% of the wood used in our own brand paper and timber products is either recycled, or FSC or

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/supply chain	Likelihood	Magnitude of impact	Management methods
									PEFC certified and this further helps to reduce risk.
Cattle Products	National legislation	Country	Implementation of the Brazilian Forest Code and the requirement for farmers to officially register their land (CAR). Farms which do not register will face challenges raising finance and could potentially be prevented from supplying the market and hence impact supply.	Reduction/disruption of supply	Up to 1 year	Supply chain	About as likely as not	Low-medium	Sainsbury's is in constant contact with its Brazilian beef suppliers to ensure its supply base is legally compliant amongst other things. This has included discussing the levels of CAR registration in the supply chain.
Soy	National legislation	Country	Implementation of the Brazilian Forest Code and the requirement for farmers to officially register their land (CAR). Farms which do not register will face challenges raising finance	Reduction/disruption of supply	Up to 1 year	Supply chain	About as likely as not	Low-medium	Through our membership of the European Soy Customer Group we are in regular contact with key players in the soy supply chain to understand actions underway to comply with the

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/ supply chain	Likelihood	Magnitude of impact	Management methods
			could potentially be prevented from supplying the market and hence impact supply. The continuing Amazon moratorium also provides a framework for farmers in which to supply soy.						Forest Code and the pace and scale of farmer registration. Soy is also sourced from beyond Brazil so this helps to minimise risk of disruption to supply.
Palm Oil	Voluntary agreements	Country	Potential for UK national palm oil statement to develop beyond a voluntary industry target.	Other: Additional reporting	3-6 years	Supply chain	Unlikely	Low	Through our policy to source the palm oil in our own brand products sustainably we are in line with the UK national palm oil statement. By the end of 2016 98% of the palm oil used in our own brand products was RSPO certified (either mass balance or segregated) and the remainder was covered by 'Book

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/supply chain	Likelihood	Magnitude of impact	Management methods
									& Claim' certificates. We already report our data annually to the RSPO.

F3.1c

For your selected forest risk commodities, please describe any inherent reputational risks in your direct operations or supply chain that have the potential to generate a substantive change in business operations, revenue or expenditure

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/supply chain	Likelihood	Magnitude of impact	Management methods
Palm Oil	Negative media coverage	Country	The impact of using unsustainable palm oil has had widespread media coverage in the UK. Company targets and positions are very much part of this media coverage.	Reduced demand for goods/service	3-6 years	Direct operations	Unlikely	Low	Sainsbury's has committed to sourcing the palm oil in its own brand products sustainably and implementing this helps address reputational risk. By the end of 2016 98% of the palm oil used in our own brand products was RSPO certified (either mass balance or segregated) and the remainder was covered by 'Book & Claim'

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/supply chain	Likelihood	Magnitude of impact	Management methods
Palm Oil	Consumer market campaigns	Country	There are two types of campaign - one to drive consumer awareness of companies who are/who are not committed to sustainable palm oil and to eliminating deforestation from their supply chains (eg. through scorecards). Second type of campaign is anti-palm oil completely regardless of whether the palm oil is sustainable.	Reduced demand for goods/service	3-6 years	Direct operations	Unlikely	Low	certificates . Sainsbury's has committed to sourcing the palm oil in its own brand products sustainably and ensuring its own brand products do not contribute towards deforestation. Implementing this helps address reputational risk. By the end of 2016 98% of the palm oil used in our own brand products was RSPO certified (either mass balance or segregated) and the remainder was covered by 'Book & Claim' certificates . We are also working with key refiners in our supply chain to understand and support progress

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/supply chain	Likelihood	Magnitude of impact	Management methods
									towards eliminating deforestation from our supply chains.
Cattle Products	Negative media coverage	Country	Sourcing beef from Brazil regularly receives media attention and is likely to do so in the future.	Reduced demand for goods/service	3-6 years	Direct operations	Unlikely	Low	Sainsbury's is actively working with its corned beef suppliers to ensure the risk of deforestation in our supply chain is addressed. We have agreements in place that our corned beef is sourced from farms outside of the Amazon biome in order to minimise the risk of beef associated with deforestation of the Amazon from entering our supply chain.
Timber	Negative media coverage	Country	The unsustainable harvesting of timber and production of paper in certain countries has previously	Reduced demand for goods/service	3-6 years	Direct operations	Unlikely	Low	Sainsbury's has committed to sourcing the paper and timber in its own brand products sustainably and the advanced implementation of

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/supply chain	Likelihood	Magnitude of impact	Management methods
			attracted media attention and is likely to do so in the future. NGOs also produce scorecards comparing company performance on sourcing sustainable timber.						this helps minimise reputational risk. 93% of the wood used in our own brand products is either recycled or FSC or PEFC certified with full chain of custody.
Soy	Negative media coverage	Country	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.	Reduced demand for goods/service	3-6 years	Direct operations	Unlikely	Low	Sainsbury's has committed to sourcing the soy in its own brand products sustainably.

F3.2

If you indicated in question F3.1 that you do not consider your organization to be exposed to operational risks related to producing, marketing or sourcing any of your selected commodities, please explain why in the table below

Forest risk commodity	Primary reason for not identifying risks	Please explain
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F3.3

If you indicated in question F3.1 that you do not consider your organization to be exposed to risks related to producing, marketing or sourcing any of your selected commodities driven by changes in regulation, please explain why in the table below

Forest risk commodity	Primary reason for not identifying risks	Please explain
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F3.4

If you indicated in question F3.1 that you do not consider your organization to be exposed to reputational risks related to producing, marketing or sourcing any of your selected commodities, please explain why in the table below

Forest risk commodity	Primary reason for not identifying risks	Please explain
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Further Information

Page: F4. Opportunities

F4.1

Have you identified any opportunities related to producing, marketing or sourcing these commodities sustainably that have the potential to benefit your organization?

Forest risk commodity	Opportunities?
Timber	Yes
Palm Oil	Yes
Cattle Products	Yes
Soy	Yes

F4.1a

Please describe the opportunities related to producing, marketing or sourcing these commodities sustainably, and your organization's strategy to capitalize on them

Forest risk commodity	Opportunity	Scale of opportunity	Strategy to realize opportunity	Timeframe	Comment
Timber	Increased brand value	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 PR with the general public and for stories to engage customers. We label on pack where a product is FSC certified.	Last 3-6 years	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.
Palm Oil	Increased brand value	Action protects value of brand and meets customers' expectations.	Sourcing sustainably provides opportunities for good PR with the	Last 3-6 years	

Forest risk commodity	Opportunity	Scale of opportunity	Strategy to realize opportunity	Timeframe	Comment
		Increased market share is not expected as a direct result.	general public and for stories to engage customers. We note on pack where sustainable palm oil is used.		
Cattle Products	Increased brand value	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 PR with the general public and for stories to engage customers. We note on pack where a product is British sourced.	Last 3-6 years	
Soy	Increased brand value	Action protects value of brand and meets customers' expectations. Increased market share is not expected as a direct result.		3-6 years	

Further Information

Module: Measure & Monitor

Page: F5. Measurement

F5.1

Do you own or manage land used for the production of any of your selected commodities? Please complete the table

Forest risk commodity	Own and/or manage land?	Size (Hectares)	Type of control	System in place to monitor deforestation?	Recent infractions?	Please explain
Timber	Don't own or manage land	Not applicable	Not applicable	Not applicable	Not applicable	
Palm Oil	Don't own or manage land	Not applicable	Not applicable	Not applicable	Not applicable	
Cattle Products	Don't own or manage land	Not applicable	Not applicable	Not applicable	Not applicable	
Soy	Don't own or manage land	Not applicable	Not applicable	Not applicable	Not applicable	

F5.2

Does your organization collect production and/or consumption data for your selected commodities?

Forest risk commodity	Production and/or consumption data available?
Timber	Consumption data available, disclosing
Palm Oil	Consumption data available, disclosing
Cattle Products	Consumption data available, disclosing
Soy	Consumption data available, disclosing

F5.2a

Please disclose your production and/or consumption data using the table below

Forest risk commodity	Production/ consumption data	Volume	Metric	Full/Partial data?	If partial data, please explain
Timber	Consumption data	648000	Wood raw material equivalent (WRME)	Full commodity production/consumption	This figure includes wood and paper used in our own brand products, paper used in our offices and for packaging for our own brand products. This figure relates to 2015/16. Figures for 2016/17 are currently being compiled.
Palm Oil	Consumption data	13057	Metric tons	Full commodity production/consumption	This figure includes all palm derivatives used in our own brand products (food and non-food).
Cattle Products	Consumption data	60000	Metric tons	Full commodity production/consumption	A rounded value has been given. This includes fresh and frozen beef, corned beef, beef used as a secondary ingredient in processed meals and beef for pet food - all in our own brand products.
Soy	Consumption data	249000	Metric tons	Full commodity production/consumption	This figure includes 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).

Further Information**Page: F6. Traceability****F6.3**

Please provide details on the level of traceability your organization has for your selected commodities

Forest risk commodity	% of total production/consumption/traceable	Traceability system	Point to which traceable	Exclusions	Exclusion description, if applicable	Comment
Timber	100%	We have two main systems. Our product specification system holds information on our timber/paper products and packaging and provides information on our immediate supply chain. We are then able to ascertain our board mill suppliers for packaging from this information. Our second system is our due diligence system (to comply with EU timber regulations) which provides traceability for all our own brand products back to mill for paper products and forest for timber products. Finally, for much of our volume we source certified material through supply chains that have chain of custody which supports, to an extent, traceability.	Mill	Not applicable		
Palm Oil	100%	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	Country	Not applicable		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

Forest risk commodity	% of total production/ consumption/ traceable	Traceability system	Point to which traceable	Exclusions	Exclusion description, if applicable	Comment
		material through supply chains that have chain of custody which supports, to an extent, traceability.				have traceability programmes in place back to mill and plantation.
Cattle Products	91-99%	Our product specification system provides country of origin information. We also source from approved abattoirs and this coupled with production batch codes enables us to trace our beef back to a range of farms.	Farm	Specific product line(s)	This does not include our limited number of own brand products using leather (eg. footwear)	We are working to continuously improve our traceability information for our leather products.
Soy	51-60%	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 KPMG 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.	Country	Specific product line(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.	We have worked with KPMG to map our entire usage of soy (including ingredients and animal feed for proteins) and to trace the supply chains back to source.

F6.3a

Please describe your organization's approach to establishing traceability

Our intention is to trace as far back to farm/plantation/forest as possible and we use a variety of approaches to establish traceability in our supply chain. Our primary starting point is our product specification system which provides country of origin information and details on the initial supply chain for each ingredient/component in our own brand products. We then build on this information by using additional systems/questionnaires to ascertain more granular data on the supply chains for each commodity.

Further Information

Module: Response

Page: F7. Governance and strategy

F7.1

Please indicate where the highest level of direct responsibility for deforestation risk lies within your organization and detail the frequency and nature of engagement on the issue

Highest level of responsibility	Name/position of individual or name of committee	Frequency of briefing	Nature of engagement
Board or individual/sub-set of the Board or committee appointed by the Board	Our Product Forum, a subset of the Board, is responsible for day to day decisions relating to our own brand products and our 'sourcing with integrity' commitments within our Sustainability Plan – which includes no deforestation. The Product Forum is chaired by Paul Mills-Hicks, our Food Commercial Director, who has overall responsibility for the sourcing with integrity commitments and the Forum regularly discusses supply chain sustainability issues, including deforestation, throughout the year. Paul Mills-Hicks is also a member of our Operating Board's Corporate Responsibility and Sustainability Steering Group which is chaired by Mike Coupe – our CEO. Paul Mills-Hicks provides updates on the sourcing with integrity commitments, which includes addressing deforestation, to this Group which meets twice a year. Finally, Mike Coupe is a member our Corporate Responsibility and Sustainability (CR&S) Committee which is chaired by Non-Executive Director Jean Tomlin. The Committee provides oversight for the work of the Operating Board's Corporate Responsibility and Sustainability Steering Group and supports the delivery of our Sustainability Plan.	Quarterly	Our Product Forum meets every 8 weeks and regular updates on sustainability issues in our supply chains, including deforestation issues, are provided to the Forum and discussed at these meetings. In addition, each year we produce an annual report (integrated into our financial report) on our progress towards meeting our Sustainability Plan. Progress on sourcing our raw materials sustainably and addressing deforestation is incorporated into this report. The report will in turn be reviewed by Product Forum, then by the Operating Board's Corporate Responsibility and Sustainability Steering Group and finally by our Corporate Responsibility and Sustainability (CR&S) Committee.

F7.2

Have you evaluated how the availability or quality of forest risk commodities could affect your organization's growth strategy?

Yes, evaluated over the next 1 year

F7.2a

Please explain how you evaluated the effects of the availability or quality of forest risk commodities on the success (viability, constraints) of your organization's growth strategy

As a business we continually evaluate the risk that limited availability of commodities and raw materials may have on our performance and growth. This assessment of our products and raw materials forms part of our corporate risk process.

Further Information

Page: F8. Policies

F8.1

Does your organization have a policy that recognizes the role of reducing deforestation for climate change mitigation and sets out clear goals and guidelines for action?

Policy	Please explain
Yes, a publicly available company-wide policy	Sainsbury's Sustainability Plan was updated in 2015 and commits to ensuring that our own brand products do not contribute to global deforestation by 2020. It specifically states that: 'Our own-brand products will not contribute to global deforestation and we'll source all commodities which can cause deforestation (timber, palm, soy, beef, leather and biofuels) from sustainable sources.' Furthermore, Sainsbury's will source its key raw materials (which includes timber, palm, soy, beef, leather and biofuels) sustainably to an independent standard. Additionally, information on our sustainability commitments can be found here: http://www.j-sainsbury.co.uk/responsibility/our-commitments And here: https://about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/about-us/sainsburys-sourcing-with-integrity-kpis.pdf

F8.2

Has your organization made a commitment to reduce or remove deforestation and forest degradation from your direct operations and/or supply chain?

Yes

F8.2a

Please identify which of the following criteria are specifically stated in your organization's commitment to reduce or remove deforestation and forest degradation from your direct operations and/or supply chain

Criteria	Commodity coverage	Operational coverage	% of total production/consumption covered by commitment	Commitment timeframe	Please explain
Zero deforestation and forest	Timber Palm Oil Cattle Product	Supply chain	100%	2020	Sainsbury's Sustainability Plan was updated in 2015 and commits to ensuring that our own brand products do not contribute to global deforestation by 2020. It specifically states that: 'Our own-brand products will not contribute to global deforestation and we'll source

Criteria	Commodity coverage	Operational coverage	% of total production/consumption covered by commitment	Commitment timeframe	Please explain
degradation Certification	Soy				all commodities which can cause deforestation (timber, palm, soy, beef, leather and biofuels) from sustainable sources.' Furthermore, Sainsbury's will source its key raw materials (which includes timber, palm, soy, beef, leather and biofuels) sustainably to an independent standard. Additionally, information on our sustainability commitments can be found here: http://www.j-sainsbury.co.uk/responsibility/our-commitments And here: https://about.sainsburys.co.uk/~/_/media/Files/S/Sainsburys/documents/about-us/sainsburys-sourcing-with-integrity-kpis.pdf

F8.4

Do you have commodity specific sustainability policies?

Forest risk commodity	Commodity specific sustainability policies?	Criteria	Cut-off date, if applicable	Please explain
Timber	Yes	Zero deforestation and forest degradation High Conservation Value (HCV) management Avoidance of land area under conservation Free, Prior and Informed Consent (FPIC) Legality Certification	1994	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.
Palm Oil	Yes	Zero deforestation and forest degradation High Conservation Value (HCV) management Avoidance of land area under conservation Free, Prior and Informed Consent (FPIC)	2005	Our policy requires our palm oil to be sourced sustainably to an independent standard. Sourcing RSPO certified palm oil (with a full chain of custody) is a key requirement for our suppliers. The 2005 cut-off date relates to the RSPO requirements on avoiding primary forest and areas of HCV. We are also committed to no deforestation by 2020 and we are working with our palm oil supply chain to achieve this.

Forest risk commodity	Commodity specific sustainability policies?	Criteria	Cut-off date, if applicable	Please explain
		Legality Certification		
Cattle Products	Yes	Zero deforestation and forest degradation Avoidance of land area under conservation Legality	2009	Our suppliers of corned beef from Brazil have public commitments in place not to source from farmers engaged in deforestation of the Amazon biome after 2009. All direct farms are also assessed by our suppliers to ensure they are not associated with illegal deforestation. We have an agreement in place to geographically restrict the direct farms in our corned beef supply chain to outside of the Amazon biome to minimise the risk of deforestation associated with our supply chain.
Soy	Yes	Zero deforestation and forest degradation		We are committed to sourcing our soy sustainably to an independent standard. We are long standing supporters of the Amazon soy moratorium via the European Soy Customer Group.

Further Information

Page: F9. Standards and targets

F9.2

Does your organization enforce any procurement standards that impact your sourcing of forest risk commodities?

Forest risk commodity	Procurement standards in place?	Monitor compliance?	Impact on sourcing activities	Please explain
Timber	Yes	Yes	Factored into supplier selection process Impact on supplier engagement strategy	Our paper and timber policy requires our own brand products to be sourced sustainably to an independent standard and from legal sources. Our sourcing hierarchy requires recycled material or FSC certified material with full chain of custody. Where this is not available PEFC certified material is accepted. Sustainability and legality information for each product is captured every 12 months as part of our due diligence system. We also compile an annual sustainability report on our paper/timber products to monitor compliance and progress and to inform engagement with our suppliers.
Palm Oil	Yes	Yes	Factored into supplier selection process Impact on supplier engagement strategy	Our palm oil policy requires all palm derivatives in our own brand products (food and non-food) to be sourced sustainably to an independent standard. A key requirement is for the palm derivatives to be RSPO certified (either as segregated or mass balance) with a full chain of custody. This information is stored on our product specification system and each year we

Forest risk commodity	Procurement standards in place?	Monitor compliance?	Impact on sourcing activities	Please explain
				compile a sustainability report on palm oil to monitor compliance and progress and to inform engagement with our suppliers.
Cattle Products	Yes	Yes	Factored into supplier selection process Impact on supplier engagement strategy	We have clear requirements in place for our Brazilian tinned corned beef. This includes sourcing from direct farms which are located outside of the Amazon biome to reduce the risk of deforestation being associated with our supply chain. A monitoring and review process is in place to ensure the delivery of these requirements. We also have regular discussions with our corned beef suppliers about how to address any associated deforestation risks throughout the Brazilian beef supply chain.
Soy	Yes	Yes	Factored into supplier selection process Impact on supplier engagement strategy	Soy as a direct ingredient in our own brand products must be from non-GM sources and we have a system in place to verify this. We also support the Amazon soy moratorium via our membership of the European Soy Customer Group which engages with key stakeholders in the supply chain.

F9.3

Are you involved in any multi-partnership or stakeholder initiatives relating to the sustainability of these commodities? Please describe your role

Forest risk commodity	Involved in initiatives?	Initiatives	Please explain
Timber	Yes	WWF Global Forest & Trade Network (GFTN) The Consumer Goods Forum (CGF)	We have been a member of WWF's FTN since 1995. We provide an annual sustainability report to the FTN as part of our membership and we participate in FTN events to discuss sustainability trends and key issues associated with paper and timber.
Palm Oil	Yes	The Consumer Goods Forum (CGF) Roundtable on Sustainable Palm Oil (RSPO) Other: Retail Palm Oil Group	We have been a member of the RSPO since 2006 and we have previously fed into the RSPO's principle and criteria review to support the strengthening of the standard (eg. with regard to no deforestation and peatland conversion). We are also a member of the Retail Palm Oil Group (RPOG) which is represented on the Board of Governors of the RSPO. Through the RPOG we have consistently called for the RSPO to fully address deforestation and other concerns. Through the RPOG we have also discussed traceability and no deforestation efforts with key stakeholders including palm refiners in order to support progress in this area.
Soy	Yes	The Consumer Goods Forum (CGF) Roundtable on Sustainable Soy (RTRS) Other: Retail Soy Group	We have been members of the RTRS since 2011. We are also a member of the Retail Soy Group which is represented on the Board of Governors of the RTRS. Through the RSG we have supported the improvement of the RTRS standard.
Cattle Products	Yes	The Consumer Goods Forum (CGF) Other: BLC	

Forest risk commodity	Involved in initiatives?	Initiatives	Please explain
		Leather Technology Centre	

F9.4

Do you specify any third party certification schemes for your selected commodities? Please indicate the percentage of total production and/or consumption currently certified

Forest Risk Commodity	Specify third party certification schemes?	% of total production/ consumption certified	Certification scheme breakdown	Please explain
Timber	FSC PEFC Other: Recycled	91-99%	FSC Forest Management certification FSC Chain of Custody FSC Controlled Wood FSC Recycled PEFC Sustainable Forest Management certification PEFC Chain of Custody	This figure relates only to our own brand products. In 2015/16 93% of the wood used in our own brand products came from recycled material (8%) or FSC certified material (79%) or PEFC certified material (6%) with full chain of custody. Figures for 2016/17 are currently being compiled. Our sourcing hierarchy supports post-consumer recycled material and FSC certified material. Where this is not available PEFC certified material is accepted.
Palm Oil	RSPO	100%	RSPO GreenPalm RSPO Mass Balance RSPO Segregated	By the end of 2016 98% of the palm oil used in our own brand products was physically RSPO certified with a full chain of custody. 56% of our palm oil was segregated RSPO certified and 42% was mass balance RSPO certified. The remaining volume was covered by 'Book and Claim' certificates meaning that 100% of our palm oil volume was covered.
Cattle Products	Other: Farm Assured or equivalent standard	91-99%	Other: Farm Assured or equivalent standard	The absolute vast majority of our beef volume is sourced from within the EU. All of Sainsbury's fresh and frozen beef meets the Farm Assured Standard or equivalent.

F9.5

Do you have any quantified targets for third party certified materials in your direct operations and/or supply chains?

Forest risk commodity	Quantified targets for third party certification?	Certification scheme breakdown	Baseline year	Target year	Coverage	% of materials third party certified in target year	Please explain
Timber	FSC PEFC Other: Recycled	FSC Forest Management certification FSC Chain of	1995	2020	Supply chain	100%	Our target is for all of our own brand paper and timber

Forest risk commodity	Quantified targets for third party certification?	Certification scheme breakdown	Baseline year	Target year	Coverage	% of materials third party certified in target year	Please explain
		Custody FSC Controlled Wood FSC Recycled PEFC Sustainable Forest Management certification PEFC Chain of Custody Other: Recycled					products to be sourced sustainably to an independent standard by 2020. Our sourcing hierarchy supports post-consumer recycled material and FSC certified material. Where this is not available PEFC certified material is accepted.
Palm Oil	RSPO	RSPO Mass Balance RSPO Segregated	2007	2016	Supply chain	100%	Our target was for all of our palm oil in our own brand products to be RSPO physically certified (segregated or mass balance) by the end of 2014. By the end of 2014 95% of our palm oil was RSPO certified as segregated or mass balance. By the end of 2016 98% of our palm oil was RSPO certified as segregated (56%) and mass balance (42%). The remainder was covered by 'Book and Claim' certificates.
Cattle Products	Other: Sainsbury's will source its beef sustainably to an independent standard. We will create our	Other: Sainsbury's will source its beef sustainably to an independent standard. We	2011	2020	Supply chain	100%	Sainsbury's has a public commitment to source all our beef and leather in our own brand products

Forest risk commodity	Quantified targets for third party certification?	Certification scheme breakdown	Baseline year	Target year	Coverage	% of materials third party certified in target year	Please explain
	own standard where other schemes do not exist.	will create our own standard where other schemes do not exist.					sustainably and to an independent standard.
Soy	Other: Sainsbury's will source its soy sustainably to an independent standard.	Other: Sainsbury's will source its soy sustainably to an independent standard.	2011	2020	Supply chain	100%	Sainsbury's will source its soy sustainably to an independent standard.

F9.6

Do you have any quantified targets for sustainable production and/or procurement, other than third party certification?

Forest risk commodity	Quantified targets for sustainable production/ procurement?	Type of target	Baseline year	Target year	Coverage	% of materials to meet requirements in target year	Please explain
Palm Oil	Yes	Sustainable procurement	2011	2020	Supply chain	100%	In addition to our 2014 target for our palm oil to be sourced sustainably to an independent standard we are also committed to ensuring the palm oil in the supply chain in our own brand products does not contribute to deforestation. We have engaged with key stakeholders in our supply chain, particularly palm oil refiners, to understand and support their efforts to improve the

Forest risk commodity	Quantified targets for sustainable production/ procurement?	Type of target	Baseline year	Target year	Coverage	% of materials to meet requirements in target year	Please explain
							traceability of palm oil and ensure their commitments to no deforestation palm oil are achieved.

Further Information

Page: F10. Engagement

F10.1

Have you identified sufficient sources of sustainable materials to meet your operational needs? Please explain what you are doing to ensure security/continuity of supply

Forest risk commodity	Current demand	Future demand	Actions to ensure security/ continuity of supply	Please explain
Timber	Yes	Yes	Supplier improvement plans to increase capacity of supply	Through discussions with tier 1 and tier 2 suppliers and other stakeholder such as the FSC we are able to understand what sustainably certified material is available on the market and predicted future trends. This market insight feeds into our sustainability plans and discussions with suppliers for converting our products. Advice is also provided to suppliers on how to source sustainable material and meet our requirements.
Palm Oil	Yes	Yes	Supplier improvement plans to increase capacity of supply Engaging in capacity building activities in the value chain	We are in regular discussions with our suppliers and other actors in the supply chain regarding the continuing supply of certified palm oil. Through discussions with refineries, ingredient suppliers and our product suppliers we have compiled a list of available sustainable palm oil derivatives. This list informs our discussions with suppliers regarding product conversion plans and provides clarity on what actions suppliers can and should take. Training and advice are also regularly provided to our suppliers on how to get certified and source sustainable material.
Cattle Products	Yes	Yes	Supplier improvement plans to increase capacity of supply Engaging in capacity building activities in the value chain	We have sourcing agreements with our corned beef suppliers that the material is sourced from geographically restricted areas to minimise deforestation risk. We have engaged frequently with our suppliers to understand their supply chains and the measures in place to reduce the risk of deforestation. In addition, through our Beef Development Group we engage with beef farmers across England, Scotland, Wales and Northern Ireland and a key element of this engagement is supporting improvements in sustainability.
Soy	Yes	Yes		

F10.3

Are you working with your direct suppliers to support and improve their capacity to supply sustainable materials?

Forest risk commodity	Working with direct suppliers?	Supplier engagement strategy	Please explain
Timber	Yes	Data collection in central database Encouraging certification Encouraging work with multi-stakeholder groups Supplier questionnaires on environmental and social indicators Workshops and training Supplier audits Contractual agreements Technical support	Sainsbury's issues clear policy guidance on its sustainable timber and paper requirements for its suppliers to enable them to source sustainable material. Each year we collect data on sustainable timber/paper usage from our suppliers to understand our progress. Sainsbury's regularly meets with its suppliers to discuss compliance with our policy requirements, the availability of sustainable material and plans for product conversions. We collect information on the availability of sustainable materials from our suppliers, from tier 2 suppliers, the FSC and the WWF's FTN to help inform our conversion plans and discussions. Finally, we also provide technical advice to our suppliers. This includes what information is required for our legal due diligence system and also on how to obtain the necessary chain of custody for certified material.
Palm Oil	Yes	Data collection in central database Encouraging certification Encouraging work with multi-stakeholder groups Supplier questionnaires on environmental and social indicators Workshops and training Supplier audits Contractual agreements Technical support	We have a clear policy (in place since 2007) that our palm oil should be RSPO certified and this provides clarity to suppliers. Sainsbury's runs supplier training sessions to build supplier capacity to understand our palm oil policy, to understand the RSPO standard and to be able to convert to sustainable palm oil and meet all of our technical requirements. We have also provided technical guidance on how to achieve chain of custody certification for our suppliers. Each year we collect data on our sustainable palm oil usage from our suppliers to understand our progress. Furthermore, Sainsbury's agrees and sets product conversion plans with its tier one suppliers. Finally, through discussions with key stakeholders and data collection from suppliers we provide a central list to our suppliers of palm oil ingredients that we are aware are available as sustainable on the market. This helps suppliers then source these derivatives sustainably.
Cattle Products	Yes	Data collection in central database Contractual agreements	We have sourcing agreements with our suppliers of corned beef that the material is sourced from geographically restricted areas to minimise deforestation risk. Processes and checks have been put in place to verify the implementation of these agreements. In addition, through our Beef Development Group we engage with beef farmers across England, Scotland, Wales and Northern Ireland and a key element of this engagement is supporting improvements in sustainability.
Soy	Yes	Developing or distributing supply chain mapping tool Data collection in central database Supplier questionnaires on environmental and social indicators	During the reporting period we participated in a multi-stakeholder project to better understand our total soy footprint. The project involved four UK retailers (Sainsbury's, Asda, Tesco and M&S) and their respective suppliers and was led by KPMG and supported by IDH (the Sustainable Trade Initiative). Building on the soy ladder framework developed by the Consumer Goods Forum the project sought to calculate the soy footprint for a variety of products (including ingredients and animal feed for primary and further processed proteins) to determine the total soy footprint for each retailer. The project also mapped the soy supply

Forest risk commodity	Working with direct suppliers?	Supplier engagement strategy	Please explain
			chains for these products working with suppliers to obtain this information. The data from this work will now enable further activities and discussions with the supply chain on sourcing sustainable soy.

F10.4

Are you working beyond the first tier of your supply chain to manage and mitigate risk?

Forest risk commodity	Work beyond first tier of supply chain?	Please explain
Timber	Yes	Sainsbury's regularly meets with its suppliers and tier 2 suppliers to discuss the availability of sustainable material. These meetings are an opportunity to communicate our sourcing requirements beyond our immediate suppliers. We also discuss risks and risk mitigation as part of the WWF FTN.
Palm Oil	Yes	We have regular conversations with suppliers beyond tier 1 in our supply chain in order to mitigate risk. We are, for example, engaging with key EU palm oil refiners on how to go beyond certification and ensure zero deforestation in our palm oil supply chains. This has involved collecting data from refiners on their commitments towards zero deforestation palm oil and on their processes and plans to deliver this. We are also a member of the Retailers Palm Oil Group which discusses sustainability issues with key stakeholders within the palm oil supply chain including NGOs. The Retailers Palm Oil Group is also represented on the Board of Governors of the RSPO which allows engagement with growers and other actors in the supply chain.
Cattle Products	Yes	For our corned beef sourced from Brazil we are in regular contact with our suppliers beyond tier 1 on our requirements to ensure deforestation is not present in our supply chain. These discussions cover, for example, the systems and checks in place to meet our requirements, updates on how these systems are working, progress on improving traceability along the full beef supply chain and the latest policy developments in Brazil. Through our Beef Development Group we engage with beef farmers across England, Scotland, Wales and Northern Ireland and a key element of this engagement is supporting improvements in sustainability. Each member of our Beef Development Group is provided with an independent carbon footprint assessment service and receives a report highlighting areas of their business where there is opportunity for them to improve the carbon efficiency of their farm. An initial area of focus for the group over the past 12 months has been around improving soil health and providing support (through workshops and factsheets) to farmers to adopt sustainable soil management. The benefits include reducing the farms environmental footprint but also increasing yields of home grown forage.
Soy	Yes	Through our membership of the European Soy Customer Group we are engaged in discussions with key soy producers and traders. This includes discussing what capacity improvements are required in the soy supply chain to ensure farmers are legally compliant (ie registered on CAR and against the Forest Code). We have over many years through this Group and through these discussions supported the Amazon moratorium and its extension. We also discuss sustainable soy one-to-one with key soy importers. Through our membership of the Retailers Soy Group (RSG) we have also engaged with representatives of the feed industry to understand how sustainable soy can be encouraged in the supply chain. Finally the RSG is represented on the board of the RTRS and feeds into reviews/consultations where appropriate.

F10.5

Do you engage in activities that could either directly or indirectly influence the market for sustainable forest risk commodities?

Activity	Please explain
Increasing demand for sustainable materials Increasing awareness of sustainable materials Raising awareness of the issue of deforestation	We have a public commitment within our Sustainability Plan to source our key raw materials (which includes paper/timber, palm oil, soy and beef) sustainably to an independent standard and to ensure our own brand products do not contribute to global deforestation by 2020. These commitments have been communicated clearly to our suppliers. We have policies in place to drive the sustainable sourcing of commodities (eg. paper/timber and palm oil) for our own brand products and we regularly monitor our suppliers' performance in order to measure progress and to inform our engagement with suppliers. We also provide regular training to our suppliers throughout the year (as part of a wider training programme) on key sustainability risks including deforestation and where the greatest risks can be found in the supply chain and how our requirements are designed to address this. Finally, we have frequently shared information with our suppliers on the availability of sustainably certified materials (eg. on the availability of particular sustainably certified palm derivatives).

Further Information

Module: Challenges

Page: F11. Barriers and challenges

F11.1

Please describe any key barriers or challenges to achieving deforestation free direct operations and supply chains

There are a number of key challenges:

- Lack of availability of certified materials (eg. beef) both globally and in the relevant locations of manufacture.
- Incomplete sustainability standards eg. the main RSPO standard still allows secondary deforestation
- The burden of Chain of Custody auditing (both in terms of costs and time) for each individual scheme.
- Full traceability of commodity supply chains - eg. for leather
- Complexity and administrative burden of being involved in certification schemes/roundtable initiatives in order to make sure they maintain credibility and robustness.
- Procurement premiums

F11.2

Please describe any measures that would improve your organization's ability to manage deforestation risk

- Comprehensive sustainability standards for all forest commodities which address all relevant hotspots.
- A common Chain of Custody certification which recognises a number of certification schemes/roundtable initiatives and requires only one supplier assessment.
- Greater collaboration between companies to help drive markets for sustainable products

Further Information

Module: Sign Off

Page: F12. Sign off

F12.1

Please provide the following information for the person that has signed off (approved) your CDP forests response

Name	Job title	Corresponding job category
Stuart Lendrum	Head of Sustainable and Ethical Sourcing	Environment/Sustainability manager

Further Information

CDP: [W][-,][AQ][Pu][E2]