



## Water 2017 Information Request J Sainsbury Plc

### Module: Introduction

#### Page: W0. Introduction

#### W0.1

##### Introduction

#### **Please give a general description and introduction to your organization**

J Sainsbury plc was founded in 1869 and today operates over 1350 stores including more than 800 convenience stores. We are a grocer at heart with growing businesses in general merchandise, clothing, convenience, financial services and online. In 2016 we acquired the Home Retail Group, welcoming 30,000 new colleagues and over 800 additional stores into our estate.

The Sainsbury's brand is built upon a heritage of providing customers with healthy, safe, fresh and tasty food. Quality and fair prices go hand-in-hand with a responsible approach to business. Sainsbury's stores have a particular emphasis on fresh food and we strive to continuously innovate and improve products in line with our customer needs. We now have 26 million customer transactions a week and have a market share of 16.3 per cent. Our large stores offer around 30,000 products and we offer complementary non-food products and services in many of our stores. Additionally, our grocery online business grew by nearly eight per cent year-on-year. The addition of Argos into the Group has made us one of the UK's largest food, general merchandise, clothing and financial services retailers. Argos has added 60,000 products to our offer, and alone had 1 billion online visitors and 29 million store visits in 2016.

Everyone at Sainsbury's works to a set of overriding guiding principles and values. These values are at the heart of our new strategy, announced in November 2014, ensuring we run our business in an honest, ethical and sustainable way. We aim to be leaders in the UK for environmental innovation.

We were the first retailer to certify to the Carbon Trust Standard for Water and have set ambitious water reduction targets as part of our Sustainability Plan. These commitments not only reflect our aspiration to make a positive contribution, but also address a number of business risks, such as meeting the needs of our customers through our sourcing requirements, reducing business costs through cutting resource usage, and meeting legislative and stakeholder expectations.

In a fast changing world, ethical, environmental and social issues are becoming increasingly complex and this is why we always work closely with colleagues, customers, suppliers, government, researchers, community groups, NGOs and industry experts to develop forward-thinking programmes that work alongside our core values. Our aim is to provide shoppers with affordable, quality products that are sustainably and ethically sourced. We remain convinced that a long-lasting business has to be a value driven one and we have continued to adhere to this with another full year of activity in the corporate responsibility sphere.

#### W0.2

##### Reporting year

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

**Period for which data is reported**

Sat 12 Mar 2016 - Sat 11 Mar 2017

**W0.3****Reporting boundary**

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported

Companies, entities or groups over which operational control is exercised

**W0.4****Exclusions**

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

Yes

**W0.4a****Exclusions**

Please report the exclusions in the following table

Exclusion	Please explain why you have made the exclusion
Non-UK Facilities	We collect facility-level data for all our UK sites and our Argos stores in the Republic of Ireland. We are looking to expand our data gathering to additional overseas locations in the future, which we estimate to be less than 5% of our total water footprint. All governance structures and strategy disclosed apply to the group as a whole, including the overseas sites.

**Further Information****Module: Current State****Page: W1. Context****W1.1**

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital for operations	Important	We primarily use freshwater in our operations through taps and bathrooms used by our employees and customers, bakeries (around 15%). In the UK, where the majority of our direct operations take place, we are required to provide an adequate supply of drinking water for all our employees, as per the Workplace (Health, Safety and Welfare) Regulations 1992 (Regulation 22). If no water of drinkable quality were to be available, we would not legally be allowed to operate our workplaces as we could be liable to criminal prosecution and/or fines. Good quality freshwater is therefore vital for our operations. For our value chain, our primary use of freshwater is in the production of goods we sell. For example, freshwater is crucial for livestock and their resulting products. Our meat, dairy and egg products form an important part of goods sold. We have therefore identified this as vital for our operations.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Our primary use of non-fresh water in direct operations is for our rainwater harvesting and car washes. We have labelled this usage as important, as the water we use is not for human consumption and quality is therefore of lesser importance, but its availability is required for our operations. We install rainwater harvesting systems at all our new stores as standard. Similarly, in our value chain, our primary use of non-fresh water is for agriculture. We have labelled this as important due to the fact that water of rainwater quality is sufficient for use but availability is crucial for certain parts of our supply chain.

## W1.2

For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals-total volumes	76-100	We monitor our water withdrawals. We obtain the majority of our water from water suppliers, so understanding how much we are using through these sources is vital for understanding the impact on our operational costs. We also have rainwater harvesting facilities at several sites that we monitor.
Water withdrawals-volume by sources	76-100	We monitor our water withdrawals. We obtain the majority of our water from water suppliers, so understanding how much we are using through these sources is vital for understanding the impact on our operational costs. We also have rainwater harvesting facilities at several sites that we monitor.
Water discharges-total volumes	76-100	We monitor water discharges. The majority of our wastewater is discharged through sewers and there is a cost involved with water companies to do so. Understanding how much we are using through these sources is therefore necessary to assess the impact on our operational costs.

Water aspect	% of sites/facilities/operations	Please explain
Water discharges- volume by destination	76-100	We monitor water discharges. The majority of our wastewater is discharged through sewers and there is a cost involved with water companies to do so. Understanding how much we are using through these sources is therefore necessary to assess the impact on our operational costs. Some of our waste water is stored in septic tanks, but we do not hold quantitative data on this at the moment.
Water discharges- volume by treatment method	Less than 1%	We do not currently monitor water discharges by treatment method. The majority of our water is discharged through sewers and we do not monitor how the water is subsequently treated.
Water discharge quality data- quality by standard effluent parameters	Less than 1%	We do not currently monitor water discharges by quality. The majority of our water is discharged through sewers and there are no specific chemicals that would impact the quality of our wastewater.
Water consumption- total volume	76-100	We monitor our water consumption. The majority of our water use is from freshwater supplied by our water suppliers, so understanding how much we are using is vital for understanding the impact on our operational costs. Monitoring our consumption also helps us to understand the efficacy of the water measures we have put in place across our estate and our progress against our water consumption targets.
Facilities providing fully-functioning WASH services for all workers	76-100	We monitor our water consumption. The majority of our water use is freshwater supplied by our water suppliers, so understanding how much we are using is vital for understanding the impact on our operational costs. Monitoring our consumption also helps us to understand the efficacy of the water measures we have put in place across our estate, and our progress against our water consumption targets. All our facilities provide WASH services to all our staff.

#### W1.2a

**Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations**

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	0	Not applicable	
Brackish surface water/seawater	0	Not applicable	
Rainwater	18.62	This is our first year of measurement	We have placed over 85 rainwater harvesting installations across our estate. We have also made rainwater harvesting installations standard in all our new supermarkets. This is our first year of reporting to the CDP Water so we are not able to complete a year-on-year comparison.
Groundwater - renewable	0	Not applicable	
Groundwater - non-renewable	0	Not applicable	

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Produced/process water	0	Not applicable	
Municipal supply	3028.07	This is our first year of measurement	We source the majority of our freshwater from municipal supplies. This is our first year of reporting to the CDP Water so we are not able to complete a year-on-year comparison.
Wastewater from another organization	0	Not applicable	
Total	3046.69	This is our first year of measurement	We source the majority of our freshwater from municipal supplies, with a small portion coming from on-site rainwater harvesting installations. This is our first year of reporting to the CDP Water so we are not able to complete a year-on-year comparison.

#### W1.2b

**Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations**

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	0	Not applicable	
Brackish surface water/seawater	0	Not applicable	
Groundwater	0	Not applicable	
Municipal/industrial wastewater treatment plant	2668.45	This is our first year of measurement	The majority of our waste water is discharged through sewers. This is our first year of reporting to the CDP Water so we are not able to complete a year-on-year comparison.
Wastewater for another organization	0	Not applicable	
Total	2668.45	This is our first year of measurement	The majority of our waste water is discharged through sewers. A small portion of waste water is stored in septic tanks, but we currently do not hold data for this. This is our first year of reporting to the CDP Water so we are not able to complete a year-on-year comparison.

#### W1.2c

**Water consumption: for the reporting year, please provide total water consumption data, across your operations**

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
378.25	This is our first year of measurement	We have estimated our consumption by subtracting our discharges from our incoming water supplies. This is our first year of reporting to the CDP Water so we are not able to complete a year-on-year comparison.

### W1.3

Do you request your suppliers to report on their water use, risks and/or management?

Yes

### W1.3a

Please provide the proportion of suppliers you request to report on their water use, risks and/or management and the proportion of your procurement spend this represents

Proportion of suppliers %	Total procurement spend %	Rationale for this coverage
76-100	76-100	We have engaged more than 2,000 farmers in our UK Farmer Development Groups on water use, out of our total of 4,000 suppliers. This is part of the overall environmental engagement we have with our farmers. We work directly with our farmers to investigate and apply methods that will allow them to be as sustainable as possible in how they use all resources, including water. We have a specific goal around water scarcity, aiming to work collaboratively with water companies, NGOs, local authorities and our neighbours to protect river basins and promote integrated water management. We work with our suppliers on reducing water usage in water-scarce regions, for example through our work with the Fair Development Fund that we have set up in collaboration with Comic Relief. We are also part of an industry engagement group in south Spain called the Doñana Strawberry and Sustainable Water Management Group. The aim of the group is to work with policy makers, industry and farms to regulate water use and ensure water quality remains high, establish best practice water management and promote water saving.

### W1.4

Has your organization experienced any detrimental impacts related to water in the reporting year?

Yes

### W1.4a

Please describe the detrimental impacts experienced by your organization related to water in the reporting year

Country	River basin	Impact driver	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
United Kingdom	Other: across the UK	Reg- Higher water prices	Higher operating costs	Higher water prices directly impact our operational costs. Ofwat, the UK water regulator, sets price limits for customers who use less than 50ML per annum. As a large user, Sainsbury's is not subject to price limits.	This impact affected us during the entire reporting year.	We estimate the financial impact in 2016/17 to be between £200,000-£300,000.	Increased investment in new technology	We are reducing our water consumption from external suppliers by developing on-site rainwater harvesting and increasing water efficiency across our estate. This reduces the cost of water consumption, and therefore minimises the impact of rising water prices.
United Kingdom	Other: across the UK	Reg- Unclear and/or unstable regulations on water allocation and wastewater discharge	Other: Uncertainty	The UK water market was deregulated in April 2017. In the months leading up to that point, there was much uncertainty in the market of impacts on water prices and whether there would be supplier changes. Higher water prices directly impact our operational costs.	This impact affected us during the entire reporting year.	We have not currently quantified this impact financially.	Increased investment in new technology	We are reducing our water consumption from external suppliers by developing on-site rainwater harvesting and increasing water efficiency across our estate. This reduces any impacts from market uncertainty and increasing water prices.

#### Further Information

**W2.1**

**Does your organization undertake a water-related risk assessment?**

Water risks are assessed

**W2.2**

**Please select the options that best describe your procedures with regard to assessing water risks**

Risk assessment procedure	Coverage	Scale	Please explain
Comprehensive company-wide risk assessment	Direct operations and supply chain	All facilities and some suppliers	We have chosen this procedure as it enables us to identify risks and provide assurance that these risks are fully understood and managed for the entire group's direct operations, and part of the supply chain. It also enables us to develop procedures, policies and actions to prevent or mitigate impacts. The scope of the process covers strategic, business operations and external risks for all of our Group's direct operations. Environment and Sustainability is listed as a principal risk in our Annual Report. The risk-evaluation process follows the Turnbull guidance and is reviewed annually by the Audit Committee, which reports to the Board. The Board carries out an annual review as well.

**W2.3**

**Please state how frequently you undertake water risk assessments, at what geographical scale and how far into the future you consider risks for each assessment**

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Region	>6 years	We assess risks at company level every six months. This enables us to identify risks and provide assurance that these risks are fully understood and managed for the entire group's direct operations on a regular basis. We assess these risks for all countries we operate in.
Sporadically not defined	Facility	>6 years	We assess flood risk for new sites. We have therefore selected 'sporadically' as our frequency even though we open new stores regularly.

**W2.4**

**Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?**

Yes, evaluated over the next 10 years

**W2.4a**



**Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?**

We evaluate environmental risk at group level and water risks including flooding at site-level. On the group level, we have identified 'Environment and Sustainability' as a principal risk and source of uncertainty. Environmental sustainability is core to our values and we see the reduction of our environmental impact as a key objective, particularly for new stores. As a result of this assessment, we have launched a Sustainability Plan to set environmental targets and to drive investment in technologies with lower environmental impact across our estate. As an example, rainwater harvesting installations are a standard specification for new stores. We have also invested in water efficiency measures such as waterless urinals to reduce our water consumption. The great majority of sites we operate at are situated in the UK. We have reviewed the possibility of flooding across our estate and complete flood risk assessments for our stores as a result. We have a system that assesses whether a site is at risk of flooding using external data from the Met Office, commercial weather data, social media and historical flooding data. If the risk level surpasses a certain threshold for the site, we have flood emergency plans in place to ensure business continuity is impacted as little as possible. These include sand bags and for some stores, flood barriers to protect our stock and limit property damage in case of flood events. We have therefore been able to continue our growth strategy and to expand our estate in the UK.

**W2.5**

**Please state the methods used to assess water risks**

Method	Please explain how these methods are used in your risk assessment
Other: External Company Knowledge	We use external flood risk assessors who review flood risk across the estate. The sites that are identified by them have flood emergency plans in place and flood protection equipment on site such as sandbags and in some cases, removable flood barriers. Additionally, we use a system to predict whether sites are at risk of flooding. The system uses Met Office data, social media, commercial weather data and historical flooding data. In case of a flood risk, an alert is sent to the facilities managers on site and they follow the processes set out in the flood emergency plans to protect the site.

**W2.6**

**Which of the following contextual issues are always factored into your organization's water risk assessments?**

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of water availability and quality.
Current water regulatory frameworks and tariffs at a local level	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of regulations and tariffs.
Current stakeholder conflicts concerning water resources at a local level	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of stakeholder conflicts over water resources.
Current implications of water on your key commodities/raw materials	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of key commodities and/or raw materials.
Current status of ecosystems and habitats at a local level	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of ecosystems and habitats.
Current river basin management plans	Relevant, included	We use information on historical flooding data to understand flood risk on site. The risk assessment includes tidal and river water movement in the area and surface water movement in the area and is then applied to the

Issues	Choose option	Please explain
		environment on site i.e. the topography of the ground to identify whether there is a risk of the property flooding.
Current access to fully-functioning WASH services for all employees	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of WASH services.
Estimates of future changes in water availability at a local level	Relevant, included	Our flood risk assessments focus on impacts of flooding and include expected changes in the short term in terms of precipitation and other weather data.
Estimates of future potential regulatory changes at a local level	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of regulations and tariffs.
Estimates of future potential stakeholder conflicts at a local level	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of stakeholder conflicts over water resources
Estimates of future implications of water on your key commodities/raw materials	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of key commodities and/or raw materials.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of ecosystems and habitats.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of water availability and quality.
Scenario analysis of regulatory and/or tariff changes at a local level	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of regulations and tariffs.
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of stakeholder conflicts over water resources.
Scenario analysis of implications of water on your key commodities/raw materials	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of key commodities and/or raw materials.
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Not relevant, explanation provided	Our flood risk assessments focus on impacts of flooding and therefore do not include reviews of ecosystems and habitats.
Other		

## W2.7

**Which of the following stakeholders are always factored into your organization's water risk assessments?**

Stakeholder	Choose option	Please explain
Customers	Relevant, included	Business continuity is our key objective when experiencing flood risk. When a flood risk is identified, our first priority is always to protect the property so that we can ensure that operations can continue with minimum interruption and our customers have access to the store once the flood has passed.
Employees	Relevant, included	Business continuity is our key objective when experiencing flood risk. When a flood risk is identified, our first priority is always to protect the property so that we can ensure that operations can continue with minimum interruption and our employees have access to the store once the flood has passed.

Stakeholder	Choose option	Please explain
Investors	Not relevant, explanation provided	Investors are not directly impacted by flood risks at our sites and are therefore not factored into the assessment.
Local communities	Relevant, included	We use information from social media from local sources to assess risk of flood events occurring. We use this data to predict whether a site is at risk of flooding.
NGOs	Not relevant, explanation provided	NGOs are not directly impacted by flood risks at our sites and are therefore not factored into the assessment.
Other water users at a local level	Not relevant, explanation provided	Our flood risk assessments do not include water usage and therefore do not take water users at local level into account.
Regulators	Not relevant, explanation provided	Our flood risk assessments do not include water usage and therefore do not take water regulators into account.
River basin management authorities	Relevant, not yet included	The severity of flood events is dependent on river basin management and is therefore relevant. We do not specifically consider river basin management authorities as a stakeholder in the process at the moment.
Statutory special interest groups at a local level	Not relevant, explanation provided	Statutory special interest groups at local level are not directly impacted by flood risks at our sites and are therefore not factored into the assessment.
Suppliers	Relevant, included	Business continuity is our key objective when experiencing flood risk. When a flood risk is identified, our first priority is always to protect the property so that we can ensure that operations can continue with minimum interruption and our suppliers have access to the store once the flood has passed.
Water utilities at a local level	Not relevant, explanation provided	Our flood risk assessments do not include water usage and therefore do not take water utilities at local level into account.
Other		

#### Further Information

## Module: Implications

### Page: W3. Water Risks

#### W3.1

**Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?**

Yes, direct operations and supply chain

#### W3.2

**Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk**

At the group level, we have identified 'Environment and Sustainability' as a principal risk and source of uncertainty. Our risk assessment considers both reputational and financial impacts in context of the Group's strategic objectives. Our risks are assessed half-yearly by our Audit Committee and annually by the Board. We define substantive change at site level as loss of business continuity, or when a site has to be closed due to water impacts such as flooding.

We have preventative measures for sites at risk of flooding, such as flood emergency plans, sandbags and flood barriers to ensure operations can run as uninterruptedly as possible.

### W3.2a

Please provide the number of facilities\* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure; and the proportion of company-wide facilities this represents

Country	River basin	Number of facilities exposed to water risk	Proportion of company-wide facilities that this represents (%)	Comment
United Kingdom	Other: Solway Tweed, UK	1	Less than 1%	We have listed our store in Carlisle as a facility. The site has been subject to flooding in 2015 and had to close for several days to clean and repair damage from the flooding and replace stock that had been lost. We have used the UK's Environment Agency definition of river basin here.
United Kingdom	Other: Humber, UK	1	Less than 1%	We have listed our store in Tadcaster as a facility. The site has been subject to flooding in 2015 and had to close for several days to clean and repair damage from the flooding and replace stock that had been lost. We have used the UK's Environment Agency definition of river basin here.

### W3.2b

For each river basin mentioned in W3.2a, please provide the proportion of the company's total financial value that could be affected by water risks

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected	Comment
United Kingdom	Other: Solway Tweed, UK	% cost of goods sold	Less than 1%	
United Kingdom	Other: Humber, UK	% cost of goods sold	Less than 1%	

### W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
United Kingdom	Other: Solway	Physical- Climate change	Property damage	We have experienced flooding at our	Current -up to 1 year	Highly probable	Low	Develop flood emergency	The cost of the impact is small in	We cannot prevent floods

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
	Tweed, UK	Physical- Flooding		facility in Carlisle in 2015. During the flood event, the property was damaged and stock was lost. The store had to be closed for several days to be cleaned, repaired and restocked. Consequently, in addition to the costs of repair, we also experienced loss in revenue. Climate change is expected to affect precipitation extremes in the UK over the 21st century, increasing the frequency and intensity of flood events. In the short term, a significant increase in flood risk is expected to occur within the next 10 years.				plans Increased capital expenditure	the context of our entire company as we have covered one site here. The cost of flood emergency plans is difficult to estimate as these are captured in our regular site management costs. The typical costs associated with the installation of flood barriers are between £500,000 and £1,000,000 per store, depending on its size and location.	from occurring, but we can minimize their impacts to ensure businesses continuity. Following the 2015 floods, we have further developed our flood emergency plans and have invested in the installation of removable flood barriers at our Carlisle store. Barriers have been placed on the site in 2016/17.
United	Other : Hum	Physical- Climate	Property	We have experienced flooding	Current -up to 1 year	Highly probable	Low	Develop flood emerge	The cost of the impact is	We cannot prevent

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
Kingdom	ber, UK	change Physical-Flooding	damage	at our facility in Tadcaster in 2015. During the flood event, the property was damaged and stock was lost. The store had to be closed for several days to be cleaned, repaired and restocked. Consequently, in addition to the costs of repair, we also experienced loss in revenue. Climate change is expected to affect precipitation extremes in the UK over the 21st century, increasing the frequency and intensity of flood events. In the short term, a significant increase in flood risk is expected to occur within the next 10 years.				ncy plans Increased capital expenditure	small in the context of our entire company as we have covered one site here. The cost of flood emergency plans is difficult to estimate as these are captured in our regular site management costs. The typical costs associated with the installation of flood barriers are between £500,000 and £1,000,000 per store, depending on its size and location.	floods from occurring, but we can minimize their impacts to ensure business continuity. Following the 2015 floods, we have further developed our flood emergency plans and have invested in the installation of removable flood barriers at our Tadcaster store.

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
United Kingdom	Other : Across all our UK river basins	Regulatory- Higher water prices	Higher operating costs	Higher water prices directly impact our operational costs. Ofwat, the UK water regulator, sets price limits for customers who use less than 50ML per annum. As a large user, Sainsbury's is not subject to price limits, so our potential exposure to higher prices is significant. This impact applies to all our UK operations.	Current -up to 1 year	Probable	Low	Increased investment in new technology	We estimate that the costs of installing rainwater harvesting and investing in water efficiency in 2016/17 were between £200,000-£300,000.	We are reducing our water consumption from external suppliers by developing on-site rainwater harvesting and increasing water efficiency across our estate. This reduces the cost of water, and therefore minimises the impact of rising water price

### W3.2d

Please list the inherent water risks that could generate a substantive change in your business operations, revenue or expenditure, the potential impact to your supply chain and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
Spain	Guadalquivir	Physical- Climate change Physical	Supply chain disruption	We source strawberries from the	Current -up to 1 year	Highly probable	Low-medium	Engagement with community	We estimate that the costs of participa	We have formed an action group

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
		<ul style="list-style-type: none"> <li>Ecosystem vulnerability</li> <li>Physical- Projected water stress</li> </ul>		<p>Doñana region in Spain when they are out of season in the United Kingdom. Climate change and water stress could lead to lower availability of water for the production of strawberries whilst simultaneously leading to less water for nearby wetlands. With fewer strawberries produced, our supply could be disrupted and we might be required to source our products from elsewhere, potentially leading to higher costs.</p>				<ul style="list-style-type: none"> <li>Engagement with public policy makers</li> <li>Engagement with other stakeholders in the river basin</li> <li>Engagement with suppliers</li> <li>Promote best practice and awareness</li> </ul>	<ul style="list-style-type: none"> <li>Engagement in the Donana Strawberry and Sustainable Water Management Group are minimal</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with local stakeholders, NGOs and other corporations sourcing strawberries from the region called the Doñana Strawberry and Sustainable Water Management Group. The aim of the group is to work with policy makers, industry and farms to regulate water use and ensure water quality remains high, establish best practice water management and promote water saving.</li> </ul>

**Further Information**



W4.1

Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?

Yes

W4.1a

Please describe the opportunities water presents to your organization and your strategies to realize them

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Comment
United Kingdom	Cost savings	Water prices in the UK are estimated to increase by 3.5% by 2020 relative to 2015 (Ofwat). Due to the size of our estate, we have an opportunity to make savings in operational costs and simultaneously gain a competitive advantage if we reduce our dependency on mains water supplies. As part of our strategy to seize this opportunity we have a water-savings programme in place to reduce our water consumption and we are investing in on-site rainwater harvesting. We estimate we can save between £150,000 and £170,000 in costs per annum. In 2016/17 we achieved 31% absolute water reduction against 2005/06, with 1 billion litres saved against a 2005/06 baseline. Some of the measures currently being installed across our estate include rainwater harvesting, low flow taps and waterless urinals. Rainwater harvesting installations are a standard specification for new stores, and we have installed 85 systems to date. Our stores in Leicester, Weymouth and Dorridge are completely water neutral through these measures in combination with offsetting our small mains water consumption with local schools. Per annum, these stores save around 25 million litres of water.	Current-up to 1 year	

Further Information

Module: Accounting

W5.1

Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 1	United Kingdom	Other: Solway Tweed, UK	Sainsbury's store, Carlisle	2.71	This is our first year of measurement	This is our first year of reporting, so we cannot yet compare figures year on year.
Facility 2	United Kingdom	Other: Humber, UK	Sainsbury's store, Tadcaster	1.64	This is our first year of measurement	This is our first year of reporting, so we cannot yet compare figures year on year.

#### Further Information

### Page: W5. Facility Level Water Accounting (II)

#### W5.1a

Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

Facility reference number	Fresh surface water	Brackish surface water/sea water	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 1	0	0	0	0	0	0	2.71	0	We withdraw water from water utilities for this site and do not currently consume water from other sources.

Facility reference number	Fresh surface water	Brackish surface water/sea water	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 2	0	0	0	0	0	0	1.64	0	We withdraw water from water utilities for this site and do not currently consume water from other sources.

#### W5.2

**Water discharge:** for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
Facility 1	2.71	This is our first year of measurement	We do not currently monitor the exact waste water discharged and have estimated this to be the same as the water withdrawn from municipal supplies. We hope to collect more accurate data in the future. As this is our first year of reporting, we cannot yet compare figures year on year.
Facility 2	1.56	This is our first year of measurement	As this is our first year of reporting, we cannot yet compare figures year on year.

#### W5.2a

**Water discharge:** for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 1	0	2.71	0	0	0	We discharge through sewer only for this site. We do not currently monitor

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
						the exact waste water discharged and have estimated this to be the same as the water withdrawn from municipal supplies. We hope to collect more accurate data in the future.
Facility 2	0	1.56	0	0	0	We discharge through sewer only for this site.

### W5.3

**Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a**

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 1	0	This is our first year of measurement	We do not currently monitor the exact waste water discharged and have estimated this to be the same as the water withdrawn from municipal supplies. We hope to collect more accurate data in the future. As this is our first year of reporting, we cannot yet compare figures year on year.
Facility 2	0.08	This is our first year of measurement	We have calculated water consumption by subtracting total water discharged from total water withdrawn. As this is our first year of reporting, we cannot yet compare figures year on year.

### W5.4

**For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?**

Water aspect	% verification	What standard and methodology was used?
Water withdrawals- total volumes	Not verified	
Water withdrawals- volume by sources	Not verified	
Water discharges- total volumes	Not verified	
Water discharges- volume by destination	Not verified	
Water discharges- volume by treatment method	Not verified	
Water discharge quality data- quality by standard effluent parameters	Not verified	
Water consumption- total volume	Not verified	

### Further Information

## Module: Response

### Page: W6. Governance and Strategy

#### W6.1

Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Board of individuals/Sub-set of the Board or other committee appointed by the Board	Scheduled- quarterly	John Rogers, CEO of Sainsbury's Argos and J Sainsbury plc operating board member, has direct responsibility for the environment, including water. He chairs the Respect for our Environment (RFOE) Steering Group. Mike Coupe, the chairman of the J Sainsbury plc group, also sits on this committee. This group sets our overall environmental and climate change strategy and meets every 8-12 weeks to discuss progress and issues that may be arising. The RFOE has representatives throughout the business including property, logistics, retail and our goods for resale sourcing and packaging teams. The role for all of our committees in 2017 is to support the delivery of our Sustainability Plan by embedding our revised commitments into the way we operate.

#### W6.2

Is water management integrated into your business strategy?

Yes

#### W6.2a

Please choose the option(s) below that best explains how water has positively influenced your business strategy

Influence of water on business strategy	Please explain
Establishment of sustainability goals	We have recognised the importance of water in our Sustainability Plan. Our Plan sets out five values, one of which is 'Respect for the Environment', and we have set several commitments, including a goal to ensure all areas of water vulnerability are managed through robust water stewardship. As part of our commitment we have invested in water efficiency measures across our estate, such as waterless urinals and low flow taps, saving over 80 ML of water. We now have three water-neutral stores that together save 25 ML of water per year compared to our 2005/06 baseline.
Introduction of water management KPIs	We have recognised the importance of water in our Sustainability Plan. Our Plan sets out five values, one of which is 'Respect for the Environment', and we have set several commitments, including a goal to ensure all areas of water vulnerability are managed through robust water stewardship. As part of our commitment we have set targets to reduce our absolute water consumption and our relative water use per square foot sales area and we have invested in water efficiency measures and rainwater harvesting installations to reduce our water usage. As a result, we have reduced our absolute consumption by 31% in 2016/17 relative to 2005/06.
Publicly demonstrated our	We have recognised the importance of water in our Sustainability Plan. Our Plan sets out five values, one of which is 'Respect for the Environment', and we have set several commitments, including a goal to ensure all areas of water vulnerability are managed

Influence of water on business strategy	Please explain
commitment to water	through robust water stewardship. As part of our commitment we have set targets to reduce our absolute water consumption and our relative water use per square foot sales area and we have invested in water efficiency measures and rainwater harvesting installations to reduce our water usage. We also sit on the board of several industry engagement groups, such as the HRH Prince of Wales Water Task Force, which collaborates on projects to improve water efficiency, water quality and catchment management. We've signed the Courtauld 2025 agreement that, among other things, publically commits us to reducing the impact of water use in food and drink supply chains.

**W6.2b**

**Please choose the option(s) below that best explains how water has negatively influenced your business strategy**

Influence of water on business strategy	Please explain
Increased capital expenditure	We have had negative impacts from flooding at some of our UK sites. This has led to increased capital expenditure through the installation of removable flood barriers. In case of a flood event, the barriers can be placed at doors to prevent water from damaging the site. We have installed flood barriers at two sites previously affected by flooding, Carlisle and Tadcaster in 2016/17.

**W6.3**

**Does your organization have a water policy that sets out clear goals and guidelines for action?**

Yes

**W6.3a**

**Please select the content that best describes your water policy (tick all that apply)**

Content	Please explain why this content is included
Publicly available Company-wide	We have recognised the importance of water in our Sustainability Plan. Our Plan sets out five values, one of which is 'Respect for the Environment', and we have set several commitments, including a goal to ensure all areas of water vulnerability are managed through robust water stewardship. We aim to improve the efficiency of water use in our operations while working in collaboration with water providers, NGOs, local authorities and communities to conserve river basins and promote water management as an integrated part of our strategy. Our Sustainability Plan is publicly available through our website and applies to our entire group. We do not currently include performance standards in our Sustainability plan.

**W6.4**

**How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting year compare to the previous reporting year?**

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
0	0	This is our first year of reporting. We will be able to complete a year on year comparison next year.

#### Further Information

### Page: W7. Compliance

#### W7.1

Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?

No

#### Further Information

### Page: W8. Targets and Initiatives

#### W8.1

Do you have any company wide targets (quantitative) or goals (qualitative) related to water?

Yes, targets and goals

#### W8.1a

Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Reduction in consumptive volumes	Risk mitigation	We aim to increase the efficiency of water use in our operations to reduce vulnerability to increased prices and potential water scarcity. We measure this through absolute year-on-year reductions and have committed to targets in our Sustainability Plan. The targets we currently have in place apply to Sainsbury's only. We are investigating new group level targets following the acquisition of the Home Retail Group.	Other: % reduction in absolute water use in our operations	2006	2020	100%

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Reduction in consumptive volumes	Risk mitigation	We aim to increase the efficiency of water use in our operations to reduce vulnerability to increased price and potential water scarcity. We measure this through relative year-on-year reductions (per sales area) and have committed to targets in our Sustainability Plan. The targets we currently have in place apply to Sainsbury's only. We are investigating new group level targets following the acquisition of the Home Retail Group.	Other: % reduction in water consumption per sales floor area	2006	2020	100%

#### W8.1b

Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these

Goal	Motivation	Description of goal	Progress
Engagement with suppliers to help them improve water stewardship	Risk mitigation	As a retailer with a substantial network of suppliers, we work with our suppliers to maintain water quality and availability in our supply chains and understand where there is vulnerability to water risks. This enables us to mitigate risk and avoid supply chain disruption. We measure this by shares of best of practice and communities engaged. Our timescale for this goal is up to 2020. As an example, we are working with our strawberry suppliers, other industry and local authorities in the Doñana region in south Spain to reduce impacts of water stress and ensure supply security on the long-term.	This goal is an important part of the water-related commitments in our Sustainability Plan that we are working on towards 2020. We are part of an action group with local stakeholders, NGOs and other corporations sourcing strawberries from the region called the Doñana Strawberry and Sustainable Water Management Group. The aim of the group is to work with policy makers, industry and farms to regulate water use and ensure water quality remains high, establish best practice water management and promote water saving.
Sustainable agriculture	Water stewardship	As a retailer with a substantial network of suppliers, we work with our suppliers to maintain water quality and availability in our supply chains and understand where there is vulnerability to water risks. This enables us to mitigate risk and avoid supply chain disruption. Our goal is to ensure that all of the cotton fibre used in our products originates from independently verifiable sustainably managed sources by 2020. To attain this goal, we are members of the Better Cotton Initiative, which supports the production and verification of sustainable cotton from our farmers. Our membership of the Better Cotton Initiative underpins our	Thanks to this programme we've been able to save 7,377 tonnes of carbon and over 11 million cubic meters of water (more than 4,500 Olympic sized swimming pools) this year alone in the production of our non-food textile products. We aim to source all our cotton fibre from independently verifiable sustainably managed sources by 2020.



Goal	Motivation	Description of goal	Progress
		cotton strategy and affirms our strong commitment to promoting and supporting positive environmental, social and economic change across the cotton value chain We measure our success by tonnes of carbon and litres of water saved.	
Other: Working with business engagement groups	Water stewardship	Due to the size of our UK estate, we are an important user of water. We have been involved with a number of cross industry engagement group that work on innovative water stewardship solutions. Through our collaborative work on several steering groups and business panels, we are aware of the best opportunities that we can implement to minimise water consumption across our estate and within our value chain. We measure this success by engagement opportunities and number of innovation solutions. This goal is part of Sustainability Plan with a timescale up to 2020.	This goal is an important part of the water-related commitments in our Sustainability Plan that we are working on towards 2020. In the UK, we are currently involved in the UK Water Partnership, the East Anglian Water Stewardship Business Board and the HRH Prince of Wales Water Task Force.

#### Further Information

### Module: Linkages/Tradeoff

#### Page: W9. Managing trade-offs between water and other environmental issues

##### W9.1

Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?

Yes

##### W9.1a

Please describe the linkages or trade-offs and the related management policy or action

Environmental issues	Linkage or trade-off	Policy or action
We have identified the linkage between carbon and water in the packaging production process.	Linkage	J Sainsbury plc sells own brand products that use packaging. The production of packaging requires water as well as energy. More packaging leads to higher consumption of water in production processes, as well as increased carbon emissions from energy used in the process and fuels in transportation. We have reduced our own brand packaging by 33% since 2005 and are on track to meet our target of 50 percent reduction in packaging of own-brand products by 2020. This will reduce water and energy consumption. For example, in 2016/17 we reduced the weight of our own-brand sherry

Environmental issues	Linkage or trade-off	Policy or action
		bottles by 10 per cent, saving 79 tonnes in glass packaging and 70 tCO2e from material use emissions.
Impacts from flood events may damage onsite energy generation, requiring us to use energy from external sources and increasing our carbon footprint.	Linkage	We have on-site generation capacity at several stores and depots in the UK, some of which are at risk of flooding. During a recent flooding event at our store in Carlisle, a ground source heat pump was damaged and out of operation for several months. Whilst it was under repair, we had to use energy from alternative sources with higher carbon emissions, thus increasing our carbon footprint. We have flood emergency plans in place for all sites at risk of flooding. We have now also installed flood barriers at our store in Carlisle to prevent negative impacts from flooding. This will prevent our on-site generation capacity to be negatively impacted by water and avoid additional carbon emissions.
The leather tanning process is water and chemically intensive, straining both water availability and quality.	Linkage	We sell leather products and recognise that the leather tanning process is water and chemically intensive, which is why we are fully committed to strict environmental stewardship across our leather supply chain. We are working to ensure that all the leather used in our own-brand products is certified to a recognised international environmental standard by 2020, verified through independent audit.

#### Further Information

### Module: Sign Off

#### Page: Sign Off

#### W10.1

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

Name	Job title	Corresponding job category
John Rogers	Chief Executive Officer of Sainsbury's Argos & Board Member for J Sainsbury plc	Director on board

#### W10.2

Please indicate that your organization agrees for CDP to transfer your publicly disclosed data regarding your response strategies to the CEO Water Mandate Water Action Hub.

**Note: Only your responses to W1.4a (response to impacts) and W3.2c&d (response to risks) will be shared and then reviewed as a potential collective action project for inclusion on the WAH website.**

By selecting Yes, you agree that CDP may also share the email address of your registered CDP user with the CEO Water Mandate. This will allow the Hub administrator to alert your company if its response data includes a project of potential interest to other parties using water resources in the geographies in which you operate. The Hub will publish the project with the associated contact details. Your company will be provided with a secure log-in allowing it to amend the project profile and contact details.

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No

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**Further Information**

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