



Sustainability Accounting Standards Board

The Sustainability Accounting Standards Board (SASB) is an independent non-profit organization that sets standards to guide the disclosure of financially material sustainability information by companies to their investors. SASB Standards identify the subset of environmental, social, and governance (ESG) issues most relevant to financial performance in each of 77 industries. Following the Food Retailers and Distributors industry standards, this is our first disclosure against the SASB reporting framework.

Table 1 – Food Retailers and Distributors Disclosure Topics and Accounting Metrics.

| Topic | Accounting Metric | Code | Performance 20/21 | Further Information |
|----------------------------------|--|--------------|--|--|
| Fleet Fuel Management | 1) Fleet fuel consumed and 2) % renewable | FB-FR-110a.1 | 261,915 Metric tons CO2-e | This year, we have seen more fuel usage due to the rise of online shopping and an increase in the number of products going through our supply chain. We are testing alternative fuels and electric vehicles for the delivery of goods. |
| Air Emissions from Refrigeration | Gross global Scope 1 emissions from refrigerants | FB-FR-110b.1 | 138,389 Metric tons CO2-e | We are working to remove Hydrofluorocarbon (HFCs) in our refrigeration, replacing these with natural alternatives - CO ₂ . |
| Energy Management | 1) Operational energy consumed 2) % grid electricity and 3) % renewable | FB-FR-130a.1 | 1) 3,317,408,324 kWh 2) 80% 3) 20% | To grow our business sustainably, we are cutting carbon and maximising energy efficiency across our stores. Our LED lighting programme saved 12,126,000 kWh last year, and we are on track to have all supermarkets upgraded to LED by the end of 2021. We have solar panels on 237 stores and depots. Information on our operational energy consumed can be found on pages 89-90 of our Annual Report and Financial Statements 2021 . |
| Food Waste Management | 1) Amount of food waste generated 2) % diverted from waste stream | FB-FR-150a.1 | 1) 36,338 tonnes 2) 27% | We have committed to reducing food waste by 50 per cent across the whole value chain by 2030 aligning with the UN sustainable goal and champions 12.3. We aim to prevent food waste in the first instance before redistributing as much unsold product as possible for human consumption, or animal feed as a secondary route. Any remaining food waste is sent for energy recovery. We follow a Target, Measure, Act approach to Food Waste, publicly reporting on a 6 monthly cycle and were the first retailer to achieve zero waste to landfill in 2013. Information on our food waste management strategy and progress can be found on our food waste page on our website and page 11 of our Sustainability Update 20/21 . |
| Data Security | 1) Number of data breaches, 2) % involving personally identifiable information (PII), and 3) number of customers affected | FB-FR-230a.1 | Not consolidated for this financial year | The company tracks all incidents related to its data security and reports to requisite authorities, affected individuals (customers, colleagues, suppliers) as required and in accordance with applicable laws. |
| Data Security | Description of approach to identifying and addressing data security risks | FB-FR-230a.2 | Sainsbury's Group Privacy Policy | Information on our approach to data security governance and management can be found on pages 38 and 45 of Annual Report and Financial Statements 2021 . |
| Food safety | High-risk food safety violation rate | FB-FR-250a.1 | 0 | We follow a robust approach to ensure we have the right food safety standards in our business. We have a strong Primary Authority Partnership that works closely with the Local government's Environmental Health Officers who routinely inspect our distribution centres and stores. For the 20/21 financial year, none of our locations received any high-risk food safety violations. Our stores are also visited and reviewed by our line management, internal Safety team and our Internal Audit team as well as Environmental Health Officers. All our stores across the UK are given a Food Hygiene Rating and these are displayed on our Store Locator website as well as often at the entrance to our store for full customer visibility. Any store that is not rated at least 4* is reviewed by the safety team and an action plan is agreed to get them to 4* or 5*. |
| Food safety | 1) Number of food safety related recalls issued 2) Number of units recalled 3) % for private-label products | FB-FR-250a.2 | 1) 20 recalls 2) Not available 3) 25% | Sainsbury's is committed to delivering safe products to our customers. With this comes a commitment to act quickly and decisively putting our customers' safety first where issues arise. We have a robust incident management process and a highly effective means of communicating recalls by identifying all consenting customers that have purchased the affected product using their Nectar card. We then email, text or write to those customers directly, as well as using in-store and online notices. We also work closely with the UK authorities and display our recall notices on their website. |
| Product health and nutrition | Revenue from products labelled and/or marketed to promote health and nutrition attributes | FB-FR-260a.1 | Not consolidated for this financial year | A key priority for our business is to develop and deliver healthy and sustainable diets for all, therefore we aim to provide customers with the information, incentives and rewards to encourage healthier and more sustainable food choices. To help track our progress we report healthy sales tonnage as a proportion of our total sales tonnage. We are currently tracking at 55.3% total healthy sales tonnage and are working to define a future target. More information can be found on our website and on pages 13-14 of our Sustainability Update 20/21 . We have set a target to reach 83.1 per cent healthy and better for you sales as a proportion of total sales tonnage by 2025/26. |
| Product health and nutrition | Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers | FB-FR-260a.2 | More information on our sustainability strategy and activities can be found on our healthy diets page on our website, and pages 13-14 of our Sustainability Update 20/21 . Click here to know more about how we define and track sales of healthier choices. | Our updated business purpose is to help everyone eat better, key to this is making eating well affordable, easy, and tasty. We aim to support customers to make healthier and more sustainable choices. We are proud of our strong track record of providing clear nutritional information to enable our customers to make informed choices – we were the first retailer to launch a pioneering front of pack traffic light label in 2005. We continue to innovate in our product ranges to provide customers with new healthier choices. One of our most recent launches being our Plant Pioneers range which provides innovative and delicious options to customers following flexitarian or plant-based diets. In September 2020, we increased our in-store space allocated to fresh plant-based ranges by 40 per cent and continue to increase the availability of these products. We continue to invest in a significant reformulation programme to cut the amount of salt, sugar, fat and saturated fats in our own-brand products. Key highlights include a 20 per cent sugar tonnage reduction since 2015 from categories contributing most to children's sugar intake; 84 per cent of our own brand products meet the 2024 maximum Public Health England (PHE) salt targets; 93 per cent of our own-brand products meet the PHE maximum calorie per portion target. We continue to invest in promoting healthier choices and making them affordable. Most recent examples include in February 2021, we topped up Healthy Start vouchers with £2 fruit and vegetable coupons; in January 2020 and 2021 we discounted a range of less commonly purchased fruit and vegetables to just 60 pence; we also have entry price point ranges of 'Imperfectly Tasty' and 'Greengrocer' fruit and vegetables, ensuring that fresh fruit and vegetables are accessible to all customers. We will be regularly reporting progress against our new, bold commitment to develop and deliver healthy & sustainable diets for all by 2040 by measuring our progress against our healthy and better for you sales as a proportion of total sales tonnage, this currently sits at 79.7 per cent. |
| Product labelling and marketing | Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes | FB-FR-270a.1 | No significant incidents | We have had no significant incidents in 20/21 for Sainsbury's own-brand products that resulted in corrective action being required. |
| Product labelling and marketing | Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labelling practices | FB-FR-270a.2 | No regulatory fines or settlements this year | We have had no incidents in 20/21 for Sainsbury's own-brand products. |
| Product labelling and marketing | Revenue from products labelled as 1) containing genetically modified organisms (GMOs), and 2) non-GMOs | FB-FR-270a.3 | No GMO ingredients in own brand food products | We do not use genetically modified ingredients in our own-brand food products. Any branded products containing GM ingredients are labelled. |
| Labour practices | 1) Average hourly wage and 2) % of in-store and distribution centre employees earning minimum wage, by region | FB-FR-310a.1 | 1) £9.50 2) 100% | Our objective is to have a fair, equitable and competitive total reward package that encourages colleagues to serve and help every customer, drives profitable sales and provides opportunities for colleagues to share in Sainsbury's success. In addition to competitive pay, we provide colleagues with a number of benefits including colleague discounts in Sainsbury's, Argos and Habitat and an enhanced company pension arrangement. Further details can be found on pages 74-75 of our Annual Report and Financial Statements 2021 . All our colleagues are paid above the minimum wage and we also do not differentiate pay by age. Our current rate of pay (effective March 2021) for our store based hourly paid colleagues is £9.50 per hour. As we have many different types of roles across our business, we do not report on an average hourly wage. For Chief Executive pay ratio purposes, we do report the median base salary which is £17,772. Further information can be found on page 83 of our Annual Report and Financial Statements 2021 . |



| Topic | Accounting Metric | Code | Performance 20/21 | Further Information |
|--|---|--------------|--|---|
| Labour practices | % of active workforce covered under collective bargaining agreements | FB-FR-310a.2 | 12% (as at 8 April, 2021) | All our colleagues are free to join a trade union of their choice. Under each of our collective bargaining agreements, we have extensive discussions on our colleague reward package with the unions and colleague representatives. We also have affiliate agreements with our recognised Unions in Sainsbury's Retail and our Argos Local Fulfilment Centres. |
| Labour practices | 1) Number of work stoppages, and 2) Total days idle | FB-FR-310a.3 | 1) 0 2) 0 | We have not had any work stoppages or days idle as a result of industrial action in 2020/21. |
| Labour practices | Total amount of monetary losses as a result of legal proceedings associated with; 1) labour law violations and 2) employment discrimination | FB-FR-310a.4 | No material losses | At Sainsbury's, we want to be a truly inclusive retailer where every single one of our colleagues can fulfil their potential and all our customers feel welcome when they shop with us. Like most large employers we receive employment tribunal claims from colleagues alleging discrimination although in 20/21 the monetary losses associated with these were immaterial and there were no fines. |
| Management of Environmental and Social Impacts in the Supply Chain | Revenue from products third-party certified to an environmental and/or social sustainability sourcing standard | FB-FR-430a.1 | Not consolidated for this financial year | We source many of our key raw materials to an independent sustainability standard. For example, 100 per cent of the farmed fish we sell is certified by the Aquaculture Stewardship Council (ASC), 99 per cent of our Palm Oil is sourced to an RSPO standard, and 89 per cent of our Cotton is BCI accredited. Information on the materials we source to an independent standard can be found on our sustainable fish and palm oil pages on our website and throughout our Sustainability Update 20/21 . However, we know that certification alone will not solve the global sustainability challenges and it is, therefore, one of many approaches we take to ensuring our products are sourced sustainably. |
| Management of Environmental and Social Impacts in the Supply Chain | Percentage of revenue from 1) eggs that originated from a cage-free environment, and 2) pork produced without the gestation crates | FB-FR-430a.2 | 1) 100% 2) 100% | All our shell eggs have been cage-free since 2009, and all our ingredient eggs have been cage-free since 2012. In addition, 100 per cent of our shell eggs are now from free range farms, having delivered our 100 per cent free range shell egg commitment in 2020. 100 per cent of our pork is produced on farms which do not use permanent confinement in sow stalls throughout gestation (as is common practice outside the EU). Furthermore, 100 per cent of our UK pork is produced on farms which do not use sow stalls at any point during the production cycle, instead loose housing sows in groups throughout their gestation. Some pork sourced from the EU will come from farms which house sows in sow stalls up to 28 days into the gestation period, in line with EU legislation. After this time, they will be loose housed in groups for the remainder of their gestation, similar to our UK pork. |
| Management of Environmental and Social Impacts in the Supply Chain | Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare | FB-FR-430a.3 | Details on our supply chain environmental and social risk management can be found on our dedicated ethical sourcing page on our website and throughout our Sustainability Update 20/21 | We are committed to ensuring that all of our products are sourced sustainably, addressing social, economic and environmental challenges within our supply chain. We source many of our key raw materials to an independent sustainability standard, as described above. We are also committed to sourcing our meat, poultry, eggs and dairy products from suppliers who adhere to independently verified animal health and welfare outcomes. Our animal welfare strategies, activities and performance can be found on our dedicated animal health and welfare page on our website, and also in our Animal Health & Welfare Report . We know however that certification alone will not solve the global sustainability challenges that we all face and it is, therefore, one of many approaches we take to ensuring our products are sourced sustainably. We use tools such as Worker's Voice to support our Human Rights strategy, and we are committed to increasing supply chain transparency, demonstrated by our score in the Fashion Transparency Index. We work closely with our suppliers to drive carbon reduction, as part of our Scope 3 commitment, encouraging them to disclose their emissions through the CDP and HIGG platforms. We also take a materiality approach to biodiversity and water risks, identifying key hotspots and working with suppliers to manage these risks. In addition, we work with external parties to drive global change, addressing key challenges such as Deforestation collaboratively, as members of the CGF Forest Positive Coalition of Action. For further information on our supply chain strategies, activities and performance, please see our Annual Report and Financial Statements 2021 , our Sustainability Update 20/21 and also our dedicated pages on our website. |
| Management of Environmental and Social Impacts in the Supply Chain | Description of strategies to reduce the environmental impact of packaging | FB-FR-430a.4 | Details on our approach and progress on plastic packaging reduction can be found on our plastics page on our website and on pages 11-12 of our Sustainability Update 20/21 | We were the first major UK retailer to make a significant commitment in 2019 to reduce our own-brand and branded primary plastic packaging by 50 per cent by 2025. Reducing plastic across our operations and supply chain is one of our priorities and also important for our customers. Our approach to plastic reduction is to remove completely where we can, reduce packaging weight, replace with an alternative material where feasible, recycle after use and offer reuse/refill options for our customers. |

Table 2 - Food Retailers and Distributors Activity Metrics.

| Activity Metric | Code | Performance 20/21 |
|---|--------------|---|
| Number of (1) retail locations and (2) distribution centres | FB-FR- 000.A | Annual Report and Financial Statements 2021 (See Strategic Report section, page 28) |
| Total area of (1) retail space and (2) distribution centres | FB-FR- 000.B | Annual Report and Financial Statements 2021 (See Strategic Report section, page 28) |
| Number of vehicles in commercial fleet | FB-FR- 000.C | Not consolidated for this financial year |
| Ton miles travelled | FB-FR- 000.D | Not consolidated for this financial year |