



Sainsbury's Plan for Better

2021/22 sustainability update

Sainsbury's



COP26
PRESIDENCY
UK 2022

DELIVERING THE
GLASGOW CLIMATE PACT

Welcome

Offering delicious, great quality food at competitive prices has been at the heart of what we do since John James and Mary Ann Sainsbury opened our first store in 1869. Today, inspiring and delighting our customers with tasty food remains our priority.

Our purpose is that driven by our passion for food, together we serve and help every customer.

We know our customers care about wide-ranging, complex issues that impact them and our wider world. They trust us to be a responsible business, whether that's by supporting the communities we serve and source from, managing our environmental impacts or contributing to a healthier, more inclusive society.

This is an update on progress on our Plan for Better for 2021/22.

Find out more at: www.about.sainsburys.co.uk/sustainability



Principal Supermarket Partner of COP26

the United Nations Climate Change Conference



£1 million commitment

in donations to charities supporting Black communities and groups

Net Zero by 2035

accelerated our Scope 1 and 2 target by five years

119% increase

in food redistribution to people year-on-year



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Helping everyone eat better, one plate at a time

At Sainsbury's, we are driven by our passion for food and believe everyone should have access to food that's delicious and great value, while being good for you and for the planet. We recognise that we have a responsibility to drive lasting change, which is why we're committed to helping everyone eat better, one plate at a time.



A key highlight from the year is Sainsbury's becoming the Principal Supermarket Partner of COP26 the United Nations Climate Change Conference. We know that the pressing issues of climate change and protecting biodiversity are very important to our customers and our colleagues. Tackling the climate crisis requires collaboration at all levels and sectors. At COP26, it was inspiring to consider what can be achieved when we rally together to protect and restore our planet for the future.

During COP26, alongside other major UK retailers, we were proud to sign the WWF's Retailers' Commitment for Nature, pledging to come together in force to halve the

environmental impact of the UK food sector by 2030. Progress on the critical issue of climate change can only work if countries, industry and organisations work systematically to implement change across their operations. At COP26 we announced the acceleration of our target to become Net Zero across our own operations by five years, from 2040 to 2035, in line with the UN's goal to limit global warming to 1.5 degrees. Last year we also set an absolute target to reduce our Scope 3 emissions by 30 per cent by 2030, and in delivering these targets we will also endeavour to help our customers make more sustainable choices when they shop with us.

The key will be for everyone to act on the promises we made at COP26 and to focus on making the step change needed to confront global warming. We all need to be bold and constantly challenge ourselves to do better – I am clear that we can only make the scale of change needed by working together with all our stakeholders to find new and innovative ways to adapt consumer habits and implement practices that are better for the planet, our customers and the people within our value chains.

This year we were proud to launch our Plan for Better, our new

sustainability plan. It is a key element of our business strategy and consists of three interlocking pillars; Better for you, Better for the planet and Better for everyone, encompassing both our social and environmental commitments.

We've made significant progress across many areas of our plan this year and have achieved some great outcomes. This includes rolling out LED lighting to 100 per cent of our supermarkets and transitioning to 100 per cent renewable electricity across the entire estate. We have long recognised our responsibility to protect the environment and over the past year we have cut our operational greenhouse gas emissions by seven per cent, which brings us to a 20 per cent reduction from our 2018/19 baseline.

We continue to make progress in reducing food waste as we work towards our target to reduce food waste by 50 per cent by 2030, and this year we were delighted to launch our partnership with Neighbourly to support us with food redistribution. Through our partnership, we were able to donate a total of 2,567,803 meals across the UK from August to March.

We are committed to supporting the communities we serve and this

year have raised a total of £384 million for good causes. We are proud to have raised over £6 million for Comic Relief. In March, we also worked with Comic Relief to support the humanitarian crisis in Ukraine by launching a Ukrainian Crisis Appeal, donating £2 million and an additional £600,000 donated by our customers via Nectar Donate and donations at checkout.

Supply chain transparency is one our highest priorities and, having previously published our Tier 1 (direct supplier) clothing sites, this year we were pleased to also publish our Tier 1 food sites. This provides even greater transparency across our categories and we have committed to publishing additional lists of our General Merchandise and Goods Not for Resale sites this year.

Reflecting our drive for inclusivity, this year our ethnically diverse colleague network 'I AM ME' was recognised in the Top 10 Network Groups at the UK Ethnicity Awards and we joined the Black British Network to help improve representation even further across the business. We also committed £1 million in donations to charities supporting Black people and community groups supporting

education, social mobility, Black-founded and led business and food insecurity, areas which our colleagues and customers identified as especially important to them.

We understand how intertwined environmental and social sustainability are, which is why we are continually evolving our sustainability plan to cover the most material topics to our stakeholders and ensure our commitments are fit for purpose. In the year ahead, we will be reporting on refreshed commitments across plastic packaging, recycling, human rights, community and partnerships and animal health and welfare.

We have another exciting year ahead as we drive forward with our Plan for Better and continue helping everyone eat better. We remain committed to accelerating progress across our ESG agenda so that we can drive lasting, positive change.

A handwritten signature in black ink, appearing to read "Simon Roberts". The signature is fluid and has a cursive style.

Simon Roberts
Chief Executive Officer

Highlights from the year

100% ASC certification for sea bream, tilapia, sea bass, basa and salmon



94% of colleagues on our apprenticeship scheme successfully completed their programme

100% of palm oil sourced to an independent sustainability standard

Global Farm website launched in partnership with LEAF



£1 million commitment in donations to charities supporting Black communities and groups

3 Net Zero stores fully operational in Ludlow, Colwick and Aylesbury

Disability Confident Leader the highest tier of accreditation in the government's Disability Confident Programme

£1.7 million raised with customers for FareShare UK



119% increase in food redistribution to people year-on-year



LED lighting rolled out to 100 per cent of our supermarket estate, reducing lighting energy consumption by an average of 70 per cent

100% renewable electricity across the entire estate

2.5 million+ meals donated via our partnership with Neighbourly



UK Soy Manifesto signatory committing to cutting deforestation and habitat destruction out of UK soy supply chains by 2025

10 years of sourcing cage-free shell and ingredient eggs

Peas Please Pledge champion winner for effectively implementing our Peas Please pledge

£6.2 million raised for Comic Relief's Red Nose Day



Carbon Trust Standard certifications for Carbon and Water



Helping Everyone Eat Better community grants launched where each store can pledge their grant to a charity partner to tackle food poverty

Tier 1 transparency this year we disclosed our clothing and food supplier sites (direct suppliers)

72.6% of our total protein sales tonnage consists of plant-based and meat-free products

'A' rating for both our Climate Change and Water disclosures



398,333 native trees planted this year in partnership with The Woodland Trust (4.6 million trees planted since 2004)



Principal Supermarket Partner of COP26 the United Nations Climate Change Conference



£38.4 million raised for good causes this year

Our Plan for Better

The environmental and social challenges that are facing the world have never been greater. As a UK retailer with a food, general merchandise and clothing business, we source from countries all over the world, therefore the production, sourcing, packaging and disposal of these products can have major consequences.

Our commitment to Helping everyone eat better means we are playing a leading role in offering delicious, affordable food that supports healthy and sustainable diets, helping customers reduce their impact on the planet, one plate at a time.

In June 2021, we launched our Plan for Better, a key pillar of our business strategy. Our Plan for Better covers our environmental and social commitments and sets out our sustainability goals across our whole business, outlining our priority areas of focus, our key commitments and our progress. The plan consists of three interlocking pillars; Better for you, Better for the planet and Better for everyone, and we have committed to reporting twice a year to transparently share our progress.



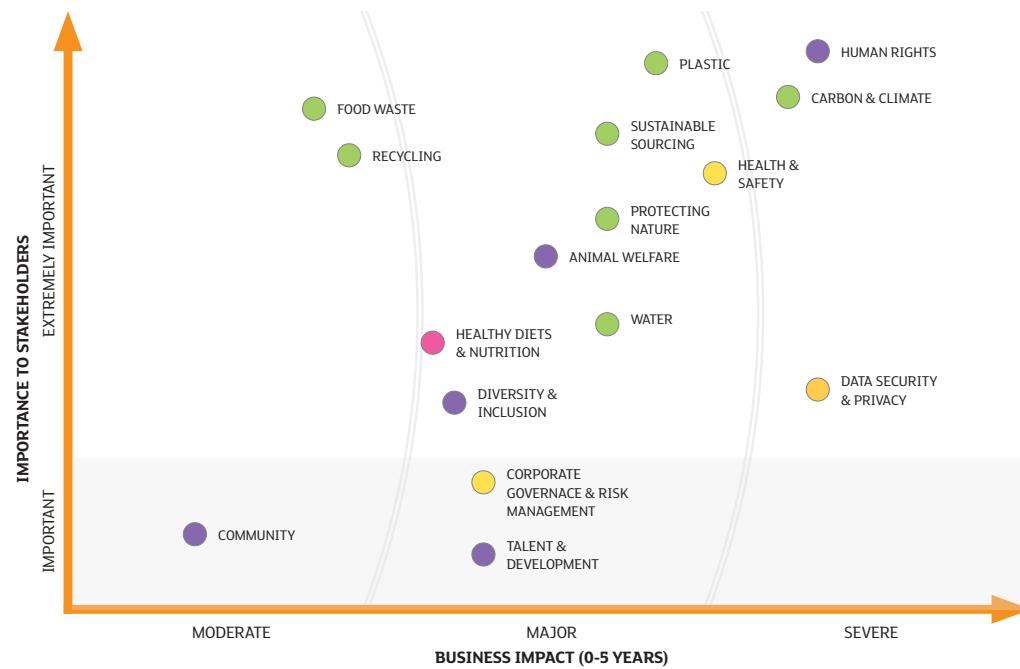
Our material issues

This year, we refreshed our materiality assessment using insight to evolve our strategy, ensuring it is focussed on the most material issues to our stakeholders and our business and is aligned to the UN Sustainable Development Goals.

Undertaking a materiality assessment helps us to identify and gain insight into the issues that matter the most to our key stakeholder groups. It enables us to assess which issues will have the greatest impact on our business and also supports us to identify areas of emerging importance.

Our materiality assessments

Prior to this year's assessment, we undertook a materiality assessment in 2019 to inform the development of our sustainability strategy and the pillars and targets under the plan. The output of this materiality assessment was shared using a materiality matrix at our ESG investor event in June 2021, with a commitment to continue to review our material issues with our key stakeholders. In February 2022, we conducted a refreshed materiality assessment.



Informing our Plan for Better

The insights from our latest materiality assessment are being used to evolve our strategy and ensure that our Plan for Better is focussed on the most material issues focussing on the important issues to our stakeholders and areas that will have the greatest impact on our business. We are committed to continually reviewing this to ensure our strategy is continuously aligned with expectations of our stakeholders. In the year ahead, we will report on refreshed commitments across our Plan for Better, to include; human rights, community and partnerships, plastic packaging, recycling and animal health and welfare.

Our approach to materiality

We have outlined the steps taken to conduct our latest materiality assessment below. In order to ensure a rigorous process, we are consistently refining our approach:

- Identify issues:** With the support of internal experts across the business, we developed a list of 16 key issues to form the basis of the assessment. The issues were identified through horizon and trend scanning, competitor and benchmark review, taking into consideration our Plan for Better objectives and the broader Environmental, Social and Corporate Governance (ESG) agenda.
- Stakeholder engagement:** We engaged key stakeholder groups to understand how important the 16 key issues were for Sainsbury's Group to address. Working with an independent third-party organisation to conduct anonymous surveys, we surveyed customers, non-governmental organisations and members of parliament. We also engaged directly with colleagues, suppliers and investors, ensuring we gained insight from all perspectives that impact our business. Overall we sought feedback from:
 - Over 1,500 colleagues, representative of all areas of the business including our senior leaders
 - Over 100 non-governmental organisations
- Governance:** The materiality review and the outputs were validated via our Plan for Better governance forums to ensure input at all levels and consultation with subject matter experts. We are committed to continually engaging with our stakeholders to ensure that we understand the most material issues that impact our business and our stakeholders.
- Results:** The results of the assessment can be seen plotted onto the materiality matrix.

Sainsbury's Pillars

- BETTER FOR YOU (pink circle)
- BETTER FOR THE PLANET (green circle)
- BETTER FOR EVERYONE (purple circle)
- GOVERNANCE (yellow circle)

Our commitments

 <p>Better for you</p>	 <p>Healthy and sustainable diets</p> <p>At least 85% healthy and better for you sales tonnage by 2025</p>	
 <p>Better for the planet</p>	 <p>Reduction in carbon emissions</p> <p>Reduce Scope 1 & 2 emissions to Net Zero by 2035 Reduce Scope 3 emissions by 30% by 2030</p>	 <p>Reduction in food waste</p> <p>Reduce food waste by 50% by 2030</p>
 <p>Better for everyone</p>	 <p>Championing human rights</p> <p>Committed to championing human rights</p>	 <p>Community and partnerships</p> <p>Address food poverty by Helping everyone eat better</p>
	 <p>An inclusive place to work and shop</p> <p>Committed to achieving our diverse leadership representation targets by 2024</p>	 <p>Skills and opportunities for all</p> <p>Ahead of national rates, at least 75% of our colleagues on an apprenticeship will successfully complete their programme</p>
	 <p>Animal health and welfare</p> <p>Improve animal health and welfare and practice responsible antibiotic stewardship</p>	

Better for you

Our Plan for Better starts with what is on our customers' plates. Sainsbury's has a rich 150-year heritage in delivering great value, quality food to customers across the country and as a leading British supermarket, we believe that healthy and delicious food should be available to everyone. We are striving to help everyone eat better, by making it easier and more accessible for customers to make food choices that are good for them and the planet.

80%

Healthy and Better for you sales tonnage as a proportion of total sales tonnage

Over 150

Sainsbury's own-label and branded products we've Price Matched to Aldi in our larger stores

72.6%

of our total protein sales tonnage consists of plant-based and meat-free products



Better for you





Healthy and sustainable diets



Develop and deliver healthy and sustainable diets for all

We know that food that is better for us is also better for the planet. This is why we have committed to develop and deliver healthy, sustainable diets for all.



We reported against our target to measure healthy and sustainable diets with an aim to achieve at least 83.1 per cent of 'healthy' and 'better for you' sales by 2025, currently sitting at 80 per cent, remaining flat year-on-year.

This year we undertook an extensive piece of work to review the nutrition criteria used to define 'healthy' and 'better for you' sales. This approach will help us identify better choices within categories for both branded and own-brand products, along a spectrum from less healthy to most healthy.

We also disclosed our protein sales, with 72 per cent of protein sales tonnage being plant-based and meat-free products, of which 11.2 per cent are entirely plant-based.

Helping customers make healthier choices

We continue to utilise 'test and learns' to help nudge a healthier and more sustainable buying behaviour by incentivising customers with value pricing or additional Nectar points. Building off last year's success, we decided to rerun The Great Big Fruit & Veg Challenge in June. This year over 500,000 customers signed up to take part in the challenge and took home an extra 54 million portions of fruit and vegetables during the challenge.

We also continued to support customers by topping up the government's Healthy Start vouchers, provided by the government to low-income pregnant women and families with children under the age of four.

The vouchers consisted of weekly fruit and vegetable coupons offering more value than any other retailer, to help families in need have access to nutritious foods. In the six months the programme ran, we supported over 17,000 customers to take home an additional 1.2 million portions of fruit and vegetables.

This year we launched our Sainsbury's Quality Aldi Price Match value campaign to deliver quality products at a more affordable price for everyone, matching Aldi price on over 150 own-label and branded products.

We also discounted a range of less commonly purchased fruit and vegetables to just 60p, providing our customers with the value and the encouragement to try something new.

11.2%

of protein sales are entirely plant-based

CASE STUDY

Helping everyone eat better campaign

We announced our new brand promise, Helping everyone eat better. We want to inspire customers to make food choices that are both better for them and better for the planet. Therefore, with this commitment we aim to raise awareness and drive behaviour change.

We want to encourage people to eat more in line with the principles of the government's Eatwell Guide and to help make healthy eating choices more affordable, easy and tasty. To support customers to incrementally improve their diets, we have developed recipes which change up well-loved recipes such as curries, lasagnes and casseroles, and offer hints such as encouraging customers to mix half pulses with half meat.



Let's eat the world better, one plate at a time.



Sainsbury's Helping everyone eat better

Image shows recipe suggestion, vegetable stir-fry, which can be found at: recipes.sainsburys.co.uk/recipes/vegetable-stir-fry-with-noodles. To learn more, visit about.sainsburys.co.uk/helping-everyone-eat-better.

Making everyday products healthier

Each year we continue to make our everyday products healthier with our ongoing reformulation programme by reducing sugar, salt and calories from our own brand products. We aim to be the most inclusive retailer, that commitment encompasses the variety of different food options we provide that support our customers' unique diets. This year we launched a number of first-to-market plant-based products within our *Plant Pioneers* range. The own-brand range provides innovative, delicious and healthier options to customers following flexitarian or plant-based diets with products such as the Cheese Selection, No Salmon En Croute, No Chicken Kievs, No Turkey Crown and Mince Pies.

Following its debut in June 2018, our Love Your Veg! range aims to promote the benefits of increasing the number of vegetables in our customers' diets. This has continued to grow with products across ready meals, pizza, snacks, and meat-alternatives. We continue to expand our vegan and vegetarian ranges for customers who want more alternatives to meat.



1.2 million

additional portions of fruit and veg taken home by over 17,000 of our customers via Healthy Start vouchers

500,000 customers

signed up to take part in the Great Big Fruit & Veg Challenge, taking home an extra 54 million portions of fruit and veg during the challenge

LOOKING FORWARD

Nectar rewards

We will continue to use Nectar to help promote healthier and more sustainable behaviour

HFSS

We are committed to continuing to follow the government's original HFSS (High in saturated Fat, Salt and Sugar) promotional timelines and call on the rest of the industry to do the same

Revised target

We will be reporting on a revised target of 85 per cent (with a baseline of 82 per cent), based on changes to our nutrient criteria, following updated government reformulation targets and expert advice

Better for the planet

With the impact of climate change being felt around the world, and increasing awareness of biodiversity loss and environmental degradation, we are committed to playing our part in helping improve the food system so that it works better for the planet. Our customers expect us to be taking action and finding ways to help them reduce their environmental impact too. We were proud to be the Principal Supermarket Partner of COP26, the United Nations Climate Change Conference.

20% reduction
in our absolute greenhouse gas (GHG) emissions within our operations from our 2018/19 baseline

119% increase
in our food redistribution for human consumption year-on-year

398,333
number of native trees planted in partnership with The Woodland Trust this past year, taking our total to 4.6 million since 2004





Better for the planet

Principal Supermarket Partner of COP26

We were Principal Supermarket Partner of COP26, the UN Climate Change Conference which took place in Glasgow in November 2021.

Our aim was to demonstrate strong industry leadership and inspire our colleagues, customers and other businesses to rally together to protect and restore our planet for the future.

During the conference we hosted multiple events, bringing in experts from across our business to discuss industry challenges such as packaging, sustainable behaviours, product labelling and tackling food waste. We also hosted a public exhibition to engage citizens on how we can all eat better to improve our health and the health of the planet, while encouraging attendees to make pledges on how they will support

the environment.

We announced our commitment, alongside other retailers, to work with the World Wide Fund for Nature (WWF) to halve the environmental impact of UK baskets by 2030. This initiative recognises the importance of collaboration on a scale not yet achieved if we are to tackle the grand challenges of the climate and nature crises.

We also became signatories to the COP26 joint declaration on the acceleration in the transition to 100 per cent zero-emission cars and vans, and became founding signatories to the UK Soy Manifesto; a commitment to cutting deforestation and habitat destruction out of UK soy supply chains by 2025. We also took the opportunity to publish our report on the vital importance of protecting the world's water resources and became Tier 2 signatories, 'Observers', to the Glasgow

Declaration for Fair Water Footprints for climate resilient, inclusive, and sustainable development. Finally, we announced our involvement in Get Nature Positive, led by Defra and the Council for Sustainable Business, and we signed up to the G7 Sustainable Supply Chains Initiative.

Net Zero by 2035

This year we accelerated our greenhouse gas emissions target by five years, from 2040

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We're committed to reducing our plastic packaging by 50% by 2025.

This means brews better for the planet: 859 million teabags will be moved from an oil-based to plant-based plastic by the end of 2021.





Better for the planet

Reduce carbon emissions

Reduce absolute greenhouse gas (GHG) emissions from our own operations to Net Zero by no later than 2035

Reduce Scope 3 greenhouse gas emissions by 30 per cent by 2030, with a long-term commitment to be Net Zero by 2050

Climate change and resource scarcity are complex global challenges, which affect every part of our business. To grow our business sustainably, we are cutting carbon and maximising energy efficiency.



Overall, we have reduced our absolute greenhouse gas (GHG) emissions within our operations to 762,119 tCO₂e, a reduction of 7 per cent year-on-year and 20 per cent from our 2018/19 baseline, keeping us on course to meet our Net Zero target.

Accelerating our target

This year we announced the acceleration of our carbon emissions target to become Net Zero in our own operations by 2035, five years earlier than our original ambition. This is in line with the highest ambition of the Paris Climate Change Agreement, to limit global warming to 1.5 degrees Celsius.

Transport

During our time at COP26, we became signatories to a joint declaration with the aim of accelerating the transition to 100 per cent zero emission cars and vans within our business.

This year, we were the first UK retailer to introduce fully-electric refrigerated trailers to our delivery fleet, offering a more sustainable solution for the transport of groceries. This means the fridges don't emit carbon emissions or particulate matter such as dust, dirt, soot or smoke into the air and have low noise emissions. The innovative new technology adds charge back into the battery by converting kinetic energy into electricity, keeping the onboard fridges cool and reducing energy consumption and the overall environmental impact of the vehicle.

To support in our transition to a fully electric fleet this year we also launched a research and development project with fleet electrification specialists Flexible Power Systems (FPS). With FPS we will design, develop and deploy a new type of smart plug required to power electric Transport Refrigeration Units, as well as serving the

current fleet to help maximise our carbon savings even further, making our delivery fleet more efficient and better for the planet.

Disclosure and transparency

We are proud to be recognised by CDP, an environmental impact disclosure system, for our environmental transparency. We were awarded an 'A' rating for climate change for the eighth consecutive year, the only UK retailer to have achieved this. We were also recognised by CDP as a Supplier Engagement Leader for our work engaging with our suppliers to tackle climate change.

LED lighting

rolled out to 100 per cent of our supermarket estate, reducing lighting energy consumption by an average of 70 per cent

As part of our commitment to reduce our value chain emissions, this year we've written to 400 of our key suppliers, who constitute a high proportion of our value chain emissions, requesting that they disclose their carbon emissions through the CDP or Higg platform. We currently have 87 per cent of our key food suppliers disclosing via CDP. We have also set an expectation that our suppliers should commit to their own Net Zero science-based targets, aligned to the highest ambition of the Paris Climate Change Agreement. This builds on our existing science-based target, defined with the Carbon Trust, to reduce our Scope 3 emissions by 30 per cent by 2030, whereby our baseline is 26,663,081 tCO₂e (2018/19). This includes reducing emissions from purchased goods, upstream transport and distribution, services sold and our customers' use and consumption of the products we sell.

CASE STUDY

Renewable energy

In 2021, we hit a key milestone with the rollout of LED lighting to 100 per cent of our supermarket estate, reducing lighting energy consumption by an average of 70 per cent. We plan to install 100 per cent LED lighting across our entire estate by the end of 2022/23.

In January 2022, we transitioned to 100 per cent renewable electricity across the entire estate and have committed to the long-term purchasing of renewable energy from new wind farms and solar projects, significantly reducing reliance on fossil fuels.





Better for the planet

Net zero Stores

We currently have three fully operational net zero stores located in Ludlow, Colwick and Aylesbury which are our most energy-efficient supermarkets to date. These stores fully operate without the use of fossil fuels or natural gas as they use 100 per cent renewable electricity. Despite electricity also being used to provide heating throughout the store, each store uses 30 per cent less energy than our similar-sized stores did three years ago with the help of refrigerated integrated heating and cooling.

'A' Rating

for eighth consecutive year on our CDP Climate Change disclosure.

This year we are also proud to have been recognised by CDP as a Supplier Engagement Leader



20% reduction

in absolute greenhouse gas emissions within our own operations, against our 2018/19 baseline



LOOKING FORWARD

Testing and learning

In collaboration with Imperial College, we are researching ways to reduce the carbon footprint of the retail industry to drive towards Net Zero

Trialling alternatives

We are looking into alternate zero-carbon fuels to reduce emissions in our home delivery fleet

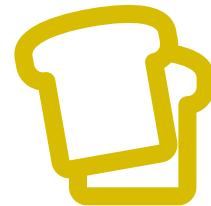
Natural refrigerators

We are removing hydrofluorocarbon (HFC) refrigeration systems using gas, with more efficient and natural refrigerators



Better for the planet

Reduce food waste



Reduce food waste by 50 per cent by 2030

Around a third of all food produced for human consumption is lost or wasted, therefore we are working to reduce or put as much of our waste as possible to good use. We are committed to reducing food waste by 50 per cent across the whole value chain by 2030; driven by the multi-faceted environmental and social challenges created by food loss and waste.



This year we have reduced our operational food waste tonnage by 24 per cent year-on-year, a reduction of 13 per cent from our 2019/20 baseline. Where we can't donate surplus food to charity, we send surplus food to UK farms, via our partners, to be used in animal feed. We've been sending surplus bread for use in animal feed since 2013 and this year we trialled diverting unsold fruit, vegetables and salad as well. We've also been working with suppliers on specifications this year in order to utilise more of the crop.

Collaborating for greater impact

We continue to collaborate with industry on reducing food waste and support the delivery of Courtauld 2025 and Champions 12.3. We have been members of UK Food Waste Reduction Roadmap since 2018 and are pleased many of our Fresh suppliers are also signed up, covering 43 per cent of our total sales. We also continue to work with WRAP to implement their guidance on upstream and downstream food waste, including increasing behavioural tips on product labelling. This year we also engaged suppliers on aligning with WRAP's best practice on redistributing own-label products within the supply chain, evolving our guidelines so that suppliers can redistribute any Sainsbury's own-label products to our chosen food donation partners.

13% reduction

in our operational food waste tonnage from our 2019/20 baseline

161% increase

of food redistributed to people since our 2019/20 baseline

LOOKING FORWARD

Food redistribution

Continue to investigate and test further food redistribution channels

Engage suppliers

Continue to engage with suppliers on WRAP's Food Waste Action Roadmap

Best practice

Continue to collaborate with WRAP on their best practice on data coding

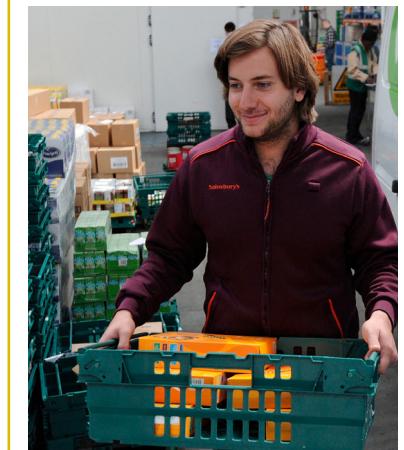
CASE STUDY

Redistributing food to good causes

We increased our food redistribution to people by 119 per cent year-on-year, to 4,072 tonnes, an increase of 161 per cent from our 2019/20 baseline. A key driver of this increase has been our partnership with Neighbourly which we rolled out to all supermarkets this year with convenience store rollout planned for the year ahead. Neighbourly helps us manage our back of store food donation programme, connecting our stores to a network of over 17,000 charities, schools and community groups. This partnership ensures both the social and environmental investments already made in food production are not wasted and that any surplus food gets redirected to people who need it most.



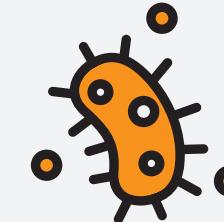
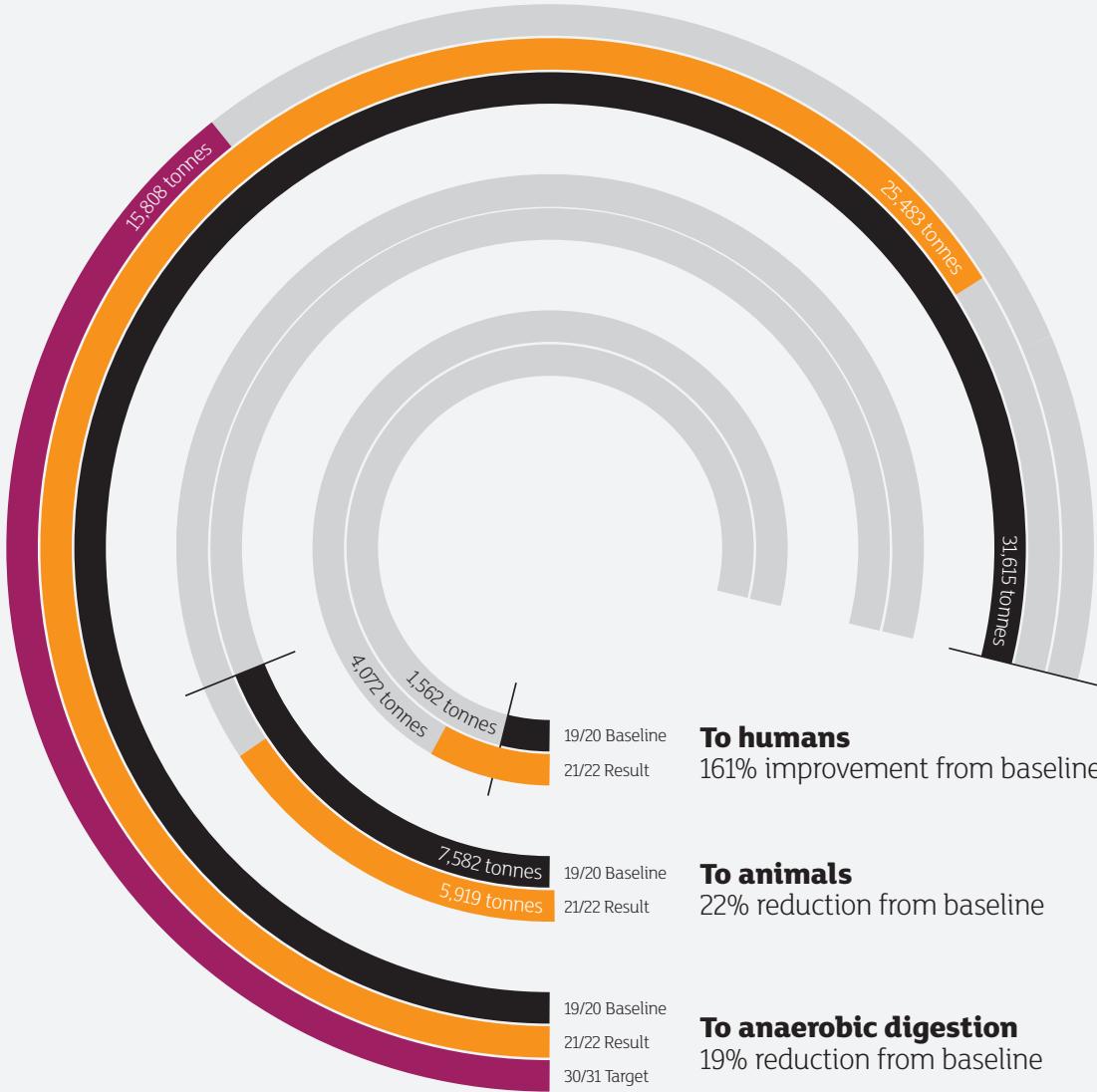
neighbourly





Better for the planet

Food Waste



25,483 tonnes

of food waste used for
anaerobic digestion

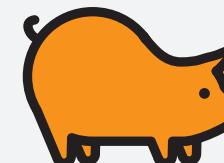
This equates to **0.51%** of our total
weight of sales
(a **1.3%** improvement from last year)



4,072 tonnes

of surplus food was redistributed
to local communities

(a **119%** improvement from last year)



5,919 tonnes

of food waste was used for
animal feed

(a **25%** reduction from last year)
This year we also trialled using
surplus produce for animal feed.



Better for the planet

Reduce use of plastic packaging and increase recycling



Reduce our use of plastic packaging by 50 per cent by 2025 and then go further

Increase recycling and make it easier for our customers to recycle

Packaging helps us deliver fresh, undamaged produce, but we know that it can have a negative impact on our planet. We're working hard to ensure we are operating sustainably, therefore reducing plastic across our operations and supply chain is one of our key priorities.



We have seen an absolute reduction in plastic packaging of 2.2 per cent from our 2018 baseline and relative reduction (tonnes per million units sold) of 4.7 per cent from our 2018 baseline. Year-on-year the tonnage has decreased by 626 tonnes to 117,333 tonnes, which puts us behind our target trajectory. We recognise that we have a lot more to do to reduce our plastic packaging tonnage and meet our target to reduce this by 50 per cent by 2025.

In terms of our own-brand plastic packaging, we achieved an absolute tonnage reduction of 79 per cent and relative (tonnes per million units sold) reduction of 9.8 per cent from our 2018 baseline.

Our approach - remove, reduce, replace, recycle and reuse

We continue to implement a number of strategies aiming to remove, reduce, replace and recycle the amount of plastic packaging, including:

- Removing plastic and replacing with paper straws in our own-brand range of lunchbox juice cartons, this equates to the removal of 18.5 million plastic straws from circulation each year to reduce plastic by 6.6 tonnes
- Removing film overwrap from own-brand tea boxes to reduce plastic by over 15 tonnes
- Reducing by light-weighting our own-brand water bottles and caps to reduce by over 300 tonnes
- Reducing by light-weighting our own-brand bleach bottle caps to reduce plastic by 24 tonnes
- Replacing plastic with card trays for own-brand sausage rolls and snacks to reduce plastic by over 65 tonnes

- Replacing plastic with pulp fibre trays for own-brand eggs, to reduce plastic by over 230 tonnes
- Recycling opportunities for customers by rolling out front of store collection points at all our large supermarket stores for customers to bring back any flexible plastic packaging such as salad bags, crisp packets and food pouches for recycling

Collaborating for success

As members of the WRAP UK Plastics Pact, we are working to targets across our own-brand plastic packaging, including:

- Removing and replacing difficult to recycle plastics including black plastic, PVC and polystyrene by 2021
- Averaging 30 per cent recycled content by 2022
- 100 per cent to be reusable, recyclable or compostable by 2023

As members of the Consumer Goods Forum's Plastic Waste Coalition of Action, we are aligned on initiatives including; packaging golden design rules guidelines, Extended Producer Responsibility principles, collaboration and driving action towards an optimal waste management system and Chemical Recycling.

CASE STUDY

Trayless proposition

In February, we began trialling the removal of plastic trays from our Sainsbury's whole chickens by moving to shrinkwrap packaging.

This will remove 48 tonnes of plastic packaging from our stores per year and in the year ahead we plan to roll this initiative out across more SKUs, which will result in over 140 tonnes of plastic reduction per year.



100% supermarkets
offer front of store flexible plastic recycling points

18.5 million
plastic straws removed from circulation each year to reduce plastic by 6.6 tonnes



Better for the planet

Recycling points

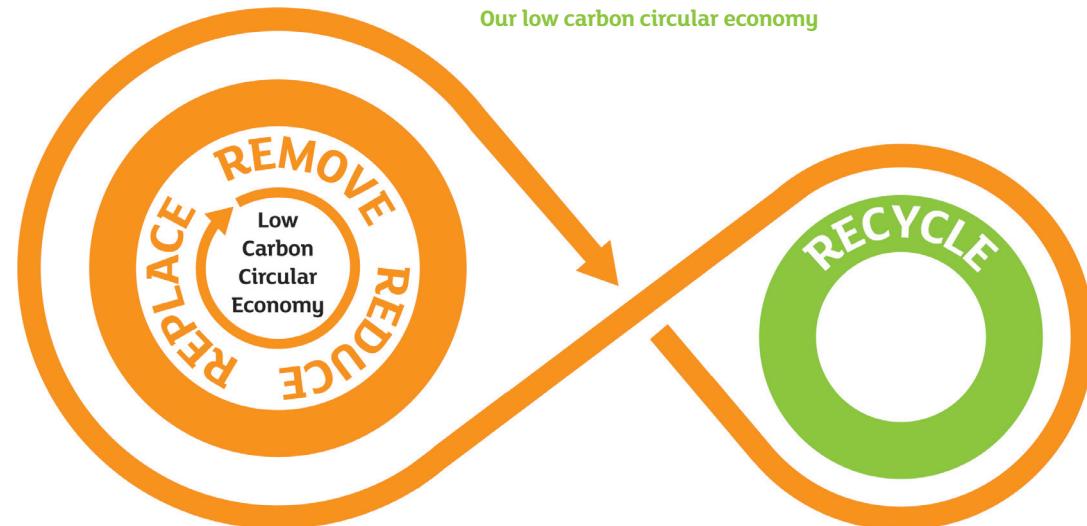
Flexible plastics are currently not accepted by most councils in the UK. To help our customers recycle different types of flexible plastic as part of our partnership with the Flexible Plastic Fund initiative, we are now able to offer front of store flexible plastic recycling points to 100 per cent of our supermarkets. This provides our customers and colleagues the opportunity to recycle more and minimise waste based on a circular economy approach of our supermarkets. This provides our customers and colleagues the opportunity to recycle more and therefore be more sustainable with their waste.

Closing the loop

We have been working with New Life, a charity who help support and provide equipment for disabled and terminally ill children in the UK. The charity have been collecting clothing disposals from selected stores since 2019, operating a sustainable closed loop process by reducing, reusing and recycling raw materials, avoiding any textile materials going to landfill. The trial was extended in 2020 and in the year ahead we are looking to roll out the recycling offer across more stores, extending the life of clothes, thereby reducing our environmental impact.



Our low carbon circular economy



264

number of Sainsbury's managed recycling facilities

300+ tonnes

packaging reduction by lightweighting our own-brand water bottles and caps

75 tonnes

of plastic to be saved each year by removing 25 million single-use plastic bags from our *by Sainsbury's* Fairtrade x5 bananas by moving to a paper band

LOOKING FORWARD

Revised targets

This year, we will be reporting on a revised packaging target. The refreshed commitment, covering Food and General Merchandise and Clothing, is to reduce our own-brand plastic packaging by 50 per cent by 2025, and specific targets to increase recycled content and recyclability. We will continue to encourage and collaborate with our branded suppliers to deliver progress against the waste hierarchy, supporting them to remove, reduce, replace, reuse and recycle.

We will also focus on a revised recycling commitment to support the expansion of circular economy supply chains through our recycling approach. We aim to encourage and support customers to increase recycling on key materials, and create circular business models on the materials we collect through our operations and customer recycling.



Better for the planet

Minimising water usage



Minimise the use of water in our own operations, driving towards water neutral by 2040

Water is the most precious natural resource on the planet, but as populations increase we know pressures on water will intensify. We are improving the efficiency of our water use across our operations and are working with experts to implement water-saving initiatives. Through robust water stewardship, we are addressing and managing all areas of water vulnerability in our business as we aim for water neutrality by 2040.



This year we have seen an increase in water usage of one per cent year-on-year, to 2,797,699 m³. Overall we have seen a 13 per cent reduction from our 2018/19 baseline.

Water reduction and efficiency

To understand how much water we are currently using this year we increased our frequency of meter readings and created a benchmark for all sites, so we can see when stores are using more water than they should, and to spot opportunities to reduce water in store. We have adopted and installed water-saving devices in all our stores to help us reach our water neutral target – such as waterless urinals, low-flow toilets, percussion taps, rainwater harvesting systems and reclaimed-water carwashes.

Water self-supply transition

In March 2021, we began the transition of our English estate to be 100 per cent self-supply. Self-supply is where a customer buys water supply and wastewater services from the water company and provides their own retail services. We decided to invest in self-supply so that we would have greater

control over our water management, including meter readings, the accuracy of data and future water reduction activities.

13% reduction

in water usage since our 2018/19 baseline

CASE STUDY

Preserving our most vital resource

Our suppliers – which range from large agribusiness to smallholder farmers, importers to manufacturers and processors, are already experiencing the challenges of water stress, excess, and pollution, and we know we urgently need to do more to build the resilience of local and global value chains. We are therefore delighted to have collaborated with PwC UK and over 80 diverse stakeholders on a report titled: *Uncharted Waters: Preserving our most vital resource*.

We published the report during COP26, providing a synopsis on the water crisis we collectively face, along with a series of recommendations to help address these fundamental challenges.

During COP26 we also became Tier 2 signatories, ‘Observers’, to the Glasgow Declaration for Fair Water Footprints for climate-resilient, inclusive, and sustainable development. This initiative aims to transform how businesses and the economy interact with the water environment, committing to improve resilience of business operations, services, and supply chains associated with significant water and climate-related risks to drought, floods, climate variability, and water conflict.

LOOKING FORWARD

Water stewardship

Continue to make progress against our water stewardship strategy

Collaboration

Steering group members of the WRAP Roadmap toward Water Security for Food and Drink

Rainwater harvesting systems

Continue to be rolled out across our store estate

‘A’ rating

for our CDP Water disclosure for three consecutive years



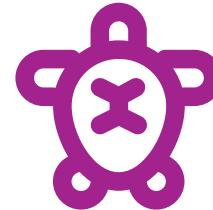


Better for the planet

Sustainable sourcing and biodiversity

Ensure that the impact of our operations is net positive for biodiversity

We work closely with farmers, growers and suppliers – in the UK and internationally – so we can protect and enhance the environment they operate within and reassure customers about where and how our products are sourced.



Protecting forests

Forest-derived ingredients are vital to our products. We use palm oil in a variety of our own-brand products and are proud that 100 per cent of our palm oil is sustainably sourced to an independent standard, certified by the Roundtable on Sustainable Palm Oil (RSPO).

We are continuing to ensure our palm oil is certified sustainable each year and are working with other retailers and manufacturers in order to send a clear market signal to bring sector-wide change. We are founding members of the Palm Oil Transparency Coalition and the Consumer Good's Forum Forest Positive Coalition of Action.

The Woodland Trust

Since our partnership with the Woodland Trust began in 2004, together we have raised £11.8 million, helping plant 4.6 million native trees across the UK with the potential to mitigate 1.15 million tonnes of CO₂ over their lifetime.

This year, Nectar partnered with the Woodland Trust, allowing customers to collect or donate their points to help create, protect and restore UK woods and trees. The partnership with the UK's largest woodland conservation charity means that for every 2,000 points donated by customers, the Woodland Trust will plant one native tree right here in the UK, and every 5,000 points donated will support the Woodland Trust to continue to protect existing UK woodland. Each tree has the potential to lock up around one tonne of carbon over its lifetime. Our partnership goes beyond tree planting and carbon sequestration, however, by supporting UK biodiversity and ecosystem resilience.



“Nectar customers can join as a member and donate to plant trees with us - it gives people a simple way to do their bit to combat the climate and nature crises we're facing. The right trees planted in the right places through the Nectar partnership will benefit both people and wildlife across the UK.”

Karl Mitchell

Director of Fundraising - Woodland Trust

Protecting nature

At COP26 in November 2021, we made progress and further commitments to sourcing responsibly. During the event we became founding signatories to the UK Soy Manifesto, a commitment to cutting deforestation and habitat destruction out of UK soy supply chains as soon as possible, and by 2025 at the latest. To achieve this we are asking our suppliers to adopt the same commitment and publicly disclose progress to create a truly transparent soy supply chain.

We also became members of Get Nature Positive, a joint initiative from Defra and the Council for Sustainable Business aiming to halt and reverse the decline of nature by 2030.

Responsible fishing

We continue to lead the way in sourcing fish responsibly from both wild capture fisheries and farms, and are committed to 100 per cent of our seafood sales being independently certificated as sustainable.

75 per cent of our wild-caught fish and seafood are certified to the Marine Stewardship Council (MSC) standard. Where fisheries are not yet certified, we engage with our suppliers to achieve certification in the shortest possible timescale through structured fishery improvement projects.

CASE STUDY

Educating the next generation

To showcase some of the fantastic work our farmers and growers have been doing to produce food sustainably this year, we launched the Sainsbury's Global Farm website.

The site contains videos from farmers and growers from around the world talking about sustainability initiatives within their business. By connecting customers and colleagues with food producers, we hope to raise awareness of where food comes from, how it is produced and how we're working with farmers to drive lasting positive change in the communities we serve and source from.

We partnered with Linking Environment And Farming (LEAF) to create bespoke educational resources for primary and secondary schools that connects food and farming with the curriculum.





Better for the planet



This year, Sainsbury's became the first UK supermarket to have 100 per cent of its fresh Scottish salmon range independently certified by the Aquaculture Stewardship Council (ASC), sourced exclusively from Scotland. 100 per cent of Sainsbury's Sea Bass, Sea Bream, Tilapia, Basa and chilled and frozen King Prawns products are already ASC certified, meaning they are both environmentally and socially responsible making sustainable fish more accessible for our customers.

Improving animal health and welfare

Protecting animal welfare is a top priority for both us and our customers and we also know that it increases farm productivity.

This year, we celebrate ten years of sourcing cage-free eggs. We have sold 100 per cent cage-free shell eggs since 2009 and cage-free on shell and ingredient eggs since 2012. In 2020 we transitioned to 100 per cent free range eggs sourced from UK farms across our full range. Free range birds enjoy unlimited access to the outside during the daytime and are free to exhibit their natural behaviours.

We also continue to provide our Egg Tracker on our corporate website,

whereby customers can use the code printed on each eggshell to find out where the egg came from.

We made a commitment that all *by Sainsbury's* fresh chicken sold will be grown at a reduced stocking density in bedded barns by March 2023. The move will mean that all *by Sainsbury's* chicken will have over 20 per cent more space than the UK industry standard which will allow the chickens more space to show healthy and natural behaviours. The move will give our customers access to improved welfare chicken at the same value.

We remain committed to working with our Development Group farmers to share best practice on animal health and welfare across our supply chain. We have a data-led outcomes approach and work closely with our farmers and suppliers to collect data across livestock areas.

We utilise data dashboards to give us the best insights and engage our suppliers to drive improvements.

measuring and managing to continuously improve the health and welfare of our animals and are proud to have been recognised by the Business Benchmark on Farm Animal Welfare as Tier 2 again this year.

For more information on our approach to animal health and welfare, see our Animal Health & Welfare Report and Antibiotics Resistance Report at www.about.sainsburys.co.uk

Sustainable general merchandise and clothing

As one of the largest general merchandise and clothing retailers in the UK, we can make a real difference. We're pleased that 94 per cent of our cotton is sourced more sustainably through the Better Cotton Initiative (up from 89 per cent in 2020/21).

Collaborating on global goals

With a growing population and our planet's resources being pushed to their limits, we are focusing our efforts where we can make the greatest difference. We believe that industry collaboration is vital to address domestic and global issues at the speed and scale required. We have a strong track record of partnering to help address global challenges and drive change in our value chains and are currently involved in many industry collaborations, including the Consumer Goods Forum, Better Cotton Initiative and the Roundtable on Responsible Soy Association.

LOOKING FORWARD

UK Soy Manifesto

We will work to implement the UK Soy Manifesto, working closely with our suppliers

Lower stocking density

We will fulfil our commitment that all fresh chicken will be grown at a reduced stocking density of 20 per cent by March 2023

Revised target

We will be focusing on a refreshed commitment to improve animal health and welfare and practice responsible antibiotic stewardship

We are confident in our approach of

Better for everyone

We have over 171,000 colleagues who are critical to the long-term success of our business. We are committed to being an inclusive employer where everybody is treated fairly and with respect and are encouraged to develop their skills and fulfil their potential. We are passionate about playing an active role in our communities, and are committed to championing human rights and have high ethical standards that we and our suppliers adhere to.

78%
of colleagues told us they are able to be themselves at work

£38.4 million
raised for good causes this year

Disability Confident Leader
the highest tier of accreditation in the government's Disability Confident Programme



Better for everyone



Better for everyone

An inclusive place to work and shop

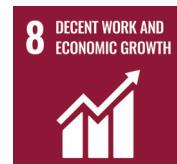


We are committed to achieving diverse representation in leadership positions by 2024

75 per cent of colleagues told us they are able to be themselves at work through our colleague engagement survey

Every colleague will have access to mental health and wellbeing support through tools and other resources that enable them to make positive and proactive choices to thrive in all aspects of life

We want our colleagues to fulfil their potential and our customers feel welcome when they shop with us.



We want our colleagues to feel connected and engaged, and measure this through our annual colleague engagement survey and our regular 'temperature check' surveys. An essential part of the survey process is sharing the results and making real and tangible actions that make a difference to our colleagues' experience. This year we introduced new metrics into the survey; overall as a company a score of 68 was achieved for colleagues stating how happy they are at work, whilst 78 per cent of colleagues told us they are able to be themselves at work. After each colleague engagement survey, line managers explore their local survey results with their teams and work together to plan and implement actions that will help make Sainsbury's a truly great place to work.

Progress on diverse representation

We continue to work on representation and transparency across the business and have published our second integrated Gender and Ethnicity Pay Report this year. We have reduced our mean gender pay gap by 1.2 per cent to 8.5 per cent, while our median gender pay gap has decreased by 0.3 per cent to 4.7 per cent. Our mean ethnicity pay gap is negative at minus 0.9 per cent; this is a result of our hourly paid store colleagues

receiving the same hourly rate and just under 40 per cent of our ethnically diverse colleagues work in stores that attract a location premium (i.e. inner and outer London), compared to just under 6 per cent of our white colleagues.

To ensure sustained improvement, we continue to look at focused initiatives, culture and accountability through targets. We have set stretching targets to take us to 2024 which covers more of our colleague population and also forms part of our long-term incentives for management. Progress on diverse representation at senior leadership and senior management positions can be seen in the table on the next page. Across the entire business, female representation is 52.7 per cent.

63%

of colleagues

tell us that our Mental Health and Wellbeing tools help them to live happier and healthier lives



CASE STUDY

Colleague mental health support

As part of our wellbeing commitment to support our colleague's mental health, over 12,400 of our line managers have completed Mental Health Awareness training.

This year we launched a network of over 2,500 Wellbeing Champions of colleagues volunteering their time by helping direct other colleagues to support resources available to them.

We also launched our wellbeing app, Unmind. With over 10,000 downloads, the app gives colleagues free access to personalised tools and learning series designed to help measure, manage, and improve mental health and wellbeing over time.

This year 63 per cent of our colleagues told us that Mental Health and Wellbeing tools help them to live happier and healthier lives.





Better for everyone

**78% of
colleagues**

told us they are able
to be themselves at work



We are active in our drive for inclusivity and the progression of our diverse talent, for example:

- We've adopted The Halo Code, the UK's first Black hair code which protects colleagues who come to work with natural hair and hairstyles associated with their racial, ethnic and cultural identities. We want to ensure Black colleagues can be themselves without fear of judgement or discrimination which is why we have updated our dress code policies to embrace afro-textured hair
- We joined the Black British Network to help improve inclusivity and representation across the business
- We refreshed our LGBT+ colleague policies and guidance, to ensure we keep our colleagues educated with how language continues to evolve and continue to be an inclusive workplace
- 'I AM ME', our ethnically diverse colleague network, was recognised in the Top 10 Network Group in the UK at the Ethnicity Awards.
- We were recognised as one of the Top 10 in the UK as an 'Inclusive Company' at the British LGBT+ Awards

— We were recognised in the *Financial Times* Diversity leaders in Europe List

— We were featured in *The Times* Top 50 Employers for Women 2022: Taking Action on Gender Equality, produced in partnership with Business in the Community

— We continue to be a Disability Confident Leader – the highest tier of accreditation in the government's Disability Confident Programme

— Over 8,800 colleagues shared with us that they had a disability or long-term condition in 2021 through our confidential all colleague survey, this was a significant increase from 2020

— We have committed £1 million in donations working with Black charities and communities to support racism, education, social mobility, Black businesses and food insecurity, areas which our colleagues and customers identified as important

— We have evolved our Family Leave policy by increasing our paid leave to 26 weeks for maternity, adoption, and surrogacy and paternity from two to four weeks

— We launched our colleague and line manager menopause guide and signed the Wellbeing of Women 'Menopause Workplace Pledge'

— This year we proudly recognised Carers Week, the theme being 'Make Caring Visible and Valued', using the day to signpost colleagues to our newly launched Little Book of Carers, which shares colleague stories and gives guidance and advice

— After a successful trial, we launched the colleague wellbeing app Unmind, giving every colleague free access to various personalised tools and learning series across a range of topics, enabling them to measure and manage their mental health and wellbeing

— 63 per cent of our colleagues tell us that our Mental Health and Wellbeing tools help them to live happier and healthier lives

— We invested more than £100 million to increase the base rate to £10 per hour for Sainsbury's and Argos colleagues and increased our colleague discount from 10 per cent to 15 per cent for five days around each pay day, supporting the financial wellbeing of our colleagues.

Top 10 Network Group in the UK

recognised at the Ethnicity Awards for our Ethnically Diverse colleague network 'I AM ME'

Diversity and Inclusion targets		Senior leadership positions (the top 230 leaders)			Senior management positions (the top 1,200 leaders beneath the top 230 senior leadership positions)		
Female	Target 2024: 50%	2021/22: 40.1%	2020/21: 37.7%	Target 2024: 43%	2021/22: 35.7%	2020/21: 35.5%	
Ethnically diverse	Target 2024: 12%	2021/22: 8.2%	2020/21: 8.1%	Target 2024: 12%	2021/22: 8.7%	2020/21: 7.2%	
Black	Target 2024: 3%	2021/22: 2.4%	2020/21: 1.4%	Target 2024: 3%	2021/22: 1%	2020/21: 0.7%	



Better for everyone

Skills and opportunities for all

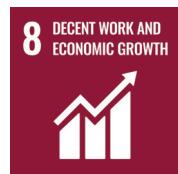


70 per cent of colleagues who are on our Leading at Sainsbury's development cohorts will be promoted within 9 months of completion of their programme

At least 75 per cent of our colleagues on an apprenticeship will successfully complete their programme, ahead of nationally reported apprenticeship completion rates

All retail colleague roles will be recruited without the requirement for a CV, details of a person's education, employment history or references

Our vision is that all colleagues feel inspired to learn and grow and that the opportunities to do so are clear, relevant and first class. We regularly measure how we are doing against this vision, using a wide range of colleague engagement and feedback tools.



We believe that opportunity to progress and develop is central to what makes us a great place to work. Our progressive development programmes, coaching, skill boosts and career development opportunities combine to provide all colleagues with a chance to achieve their personal and career goals.

We offer an incredibly diverse range of development solutions to support our colleagues to be the best in role with a broad range of topics that include customer service, store safety, supplier negotiation, project management, software engineering, leadership, behavioural development, as well as inclusion, wellbeing, and financial services.

Identifying colleagues with the 'potential' to add the most value to the business is also important to us, and that is why this year, we have refreshed our approach to identifying 'potential' as well as how it is realised. This has meant we have been able to invest in a more personalised approach for colleague development, providing a blended suite of tools, courses and online content that aims to retain talent and develop colleagues maximum potential.

CASE STUDY

Apprenticeship spotlight

"My journey with Sainsbury's began in 2014 as a Customer Assistant at a Customer Service desk. When the opportunity arrived, I decided to start the Apprenticeship Retailer Level 2 as I felt that this will give me deeper knowledge and understanding of Retail.

I relished being a student again! My coaches, colleagues, Customer and Trading Manager (CTM) and Store Managers were amazing and very supportive to me, and it was very difficult for me at times, especially during these COVID-19 times, with home-schooling etc., like so many others.

I discussed with my CTM my short and long-term goals about my learning and development, and we worked on my Personal Development Plan. The apprenticeship has improved my confidence and my relationship with our customers and my career goals look much clearer now.

Now I have started this development plan, I am not going to stop. I would without doubt recommend taking the apprenticeship, to expand your knowledge, confidence and above all learn to be your best!"

Tatiana Culpin
Argos Trading Support Manager



Better for everyone

Apprenticeship programme

We have an evolving apprenticeship offer to support our colleagues in receiving the opportunities they need to develop their skills while enabling them to complete on the job training whilst they learn. We offer an incredibly diverse range of apprenticeships including Retailer and Retail Manager, Accountancy, Project management and Data analyst. We work with industry leading professionals with special knowledge in their area of delivery, equipping our colleagues with the tools they need for a successful career.

Sainsbury's has apprenticeships for all colleagues, ranging from Level 2 to Level 7 that are able to be run alongside colleague's roles. We're pleased to say that this year, 94.2 per cent of our colleagues on an apprenticeship programme successfully completed their programme, equating to 408 colleagues.

Working in collaboration

We continued to support our partners and work in collaboration. This year we worked closely with the learning and development teams at the British Retail Consortium (BRC) and the Institute of Grocery Distribution (IGD) to support sectoral research and development opportunities. We also work closely with the teams at the Institute for Apprenticeships and Technical Education and Skills Development Scotland to support the development of future apprenticeship programmes that will deliver the skills we need. We also work with several trailblazer groups and the Retail Skills and Quality Board to ensure the quality of the development solutions, delivers what we need for our colleagues.

We continue to strengthen our partnership with suppliers by providing free digital learning via our Supplier Academy to our fresh and grocery suppliers. They have access to up to 20 on-demand modules, ensuring that we are aligned on our key systems, process, and ways of working so we can work more effectively together.

Early Careers programmes

Our Early Careers programmes support colleagues and candidates to grow their careers in Sainsbury's or change their career direction. We have a range of programmes, including our Jumpstart Programme, which develops high potential Graduate and Non-Graduate candidates. Our paid intern programme supports students who are between year 2 and 3 of their degree to gain industry experience and knowledge, and where it is right to offer employment post their studies. Whilst our bootcamp programmes supports our internal colleagues to change and develop their careers at pace.

The Times Top 50 Employers for Women 2022: Taking Action on Gender Equality

featured on the list, produced in partnership with Business in the Community



LOOKING FORWARD

Invest in L&D

We have continued to invest significantly in our colleagues' personal and professional growth, through development programmes, coaching, training, and career pathing

Leadership programme

This year we are launching a brand new 13-month 'Leadership Acceleration Programme' for our top leaders with the potential to take on the biggest, most complex roles in the near future

Choice of learning platforms

Continue to ensure ease of access to learning, including on the go with the mobile-enabled learning platform, increasing flexibility in how and where colleagues choose to develop

94%

of colleagues on an apprenticeship programme successfully completed their programme

£100 million+

invested to increase the base rate to £10 per hour for Sainsbury's and Argos colleagues



Better for everyone

Community and partnerships



Address food poverty by helping everyone eat better

Our business relies on strong, resilient communities, and we're committed to support social cohesion, economic prosperity and inclusive growth. We have presence in thousands of communities across the country and aim to help positively impact those in need through fundraising, volunteering, donations and by raising awareness.

We play an active role in the communities we serve and this year we have raised a total of £38.4 million for good causes. This year we have developed our new community and partnerships strategy, with a focus on food poverty. Our strategy is underpinned by two key pillars – access to food and prevention, which will be delivered through three key programmes to support Helping everyone eat better: food donation, local activation and prevention.

Our Food Donation Programme

We have a long history of working with food banks and community donation schemes to support our local communities. A key priority for the last year has been around access to food and to increase the redistribution of surplus food for human consumption. In August 2021, we began our partnership with Neighbourly, which has since been rolled out to all supermarkets. From August to March, we donated a total of 2,567,803 meals, which is equivalent to a £4,878,826 million saving to charities and community groups (based on £1.90 per meal).

We are a founding member of FareShare which began in 1994 and continue to work with them to redistribute surplus food. Through our partnership, with our customers, £1.7 million was donated to FareShare this year, allowing them to support charities across the UK at the heart of our communities, supporting those individuals impacted by food poverty.

Helping feed those in need over Christmas

To help support our local communities impacted by food poverty, we ran our Help Brighten a Million Christmases campaign again in stores this year from 1-24 December, with every one pound donated helping feed four people in need. In total, Sainsbury's and our customers generated £2.6 million for our local partners who worked over the Christmas period to make sure meals were shared with the families that needed them.

Helping everyone eat better Community Grants

In September, we launched our Helping everyone eat better Community Grant scheme, to help support some of the most vulnerable people and communities throughout the UK.

This grant allows each Sainsbury's and Argos store to nominate a partner organisation, NGO, registered charity or community group that supports food poverty to receive a grant of up to £500. The aim of these grants are to help people get access to food and to help lift people out of food poverty.

These grants can be used to help local partners increase their capacity to meet growing requests, help organisations train more volunteers, help signpost individuals to additional support services, help give access to a new skill to help lift people out of food poverty or to provide food parcels to those who need emergency food donations.

Our grant scheme is managed through Neighbourly who will also help us measure the impact each Sainsbury's and Argos store has on their local community.

CASE STUDY

Spotlight on the community grants

Project: Healthy slow-cooking classes and bread-making

Nominated by: Sainsbury's Woolton

"We have supported more than 450 local residents and families to understand how they can make their weekly food budget stretch further and create healthy, tasty and nutritious meals. We have shared ideas about shopping more effectively and making money go further.

Whilst local residents continue to access food banks and pantries, as well as their weekly shop, they have new skills and equipment to make the most of the food they buy/collect. Project participants tell us that their meals are more interesting and their families are enjoying their food more. This reduces spending on fast food and takeaways which, in turn, adds money to the weekly food budget."

Granby Toxteth Development Trust



£38.4 million

raised for good causes this year



Better for everyone

Fundraising partnerships

We have continued our long-standing partnership with Comic Relief and this year raised £6.2 million for the Red Nose Day campaign. In March, we also worked with Comic Relief to support the humanitarian crisis in Ukraine by launching a Ukrainian Crisis Appeal, donating £2 million and an additional £600,000 donated by our customers via Nectar Donate and donations at checkout.

We continue to support The Royal British Legion's Poppy Appeal and this year raised over £2.3 million through Poppy Appeal collections in store and through the sales of products. Alongside our community investment, we make positive economic contributions through our responsible approach to tax. We contributed £2.3 billion in taxes borne and collected this year.

£2.3 million
raised for the Royal British Legion's Poppy Appeal

2.5 million
meals donated via our partnership with Neighbourly

£6.2 million
raised for Comic Relief's Red Nose Day campaign this year



LOOKING FORWARD

Community grants
We will continue supporting our local charities through our Helping everyone eat better Community Grant scheme

Good causes
We will continue to work with our customers to raise money for good causes throughout the year to help those most in need

Addressing food poverty
With the launch of our new Community and partnerships strategy



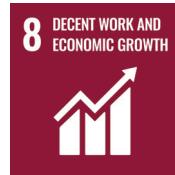
Better for everyone

Championing human rights



We want to treat people fairly throughout our business and supply chains and we remain committed to championing human rights

We understand how intertwined environmental and social sustainability are, and how the challenges in both areas are interconnected. Therefore, as part of a just transition to Net Zero, we want to place the people in our supply chains at the heart of our move to a low-carbon world.



This year we have undertaken an extensive review of the most salient human rights risks facing the people in our supply chain and are using this to inform the development of our new social sustainability strategy, which we will be reporting progress on later this year.

Disclosure and transparency

We recognise the importance of supply chain transparency. Having previously published our Tier 1 clothing sites, this year we also published our Tier 1 food sites with information such as addresses, number of workers, gender split and union membership. We also acknowledge the need for further transparency, therefore we will be publishing lists of our General Merchandise and Goods Not for Resale sites in the year ahead, as well as working to achieve greater visibility of the challenges faced further down the supply chain.

Tackling modern slavery

In 2017, we launched our Modern Slavery Risk Tool, giving us unique insights into slavery risks across a complex global supply chain, and we continue to embed

the tool into the business by using its results for internal risk assessments. In 2020, we increased the scope of this risk to cover all human rights risks and this year have continued the tools development by updating risk data to ensure we have the most up-to-date data on the risks in our supply chain. We identify vulnerable workers and do not tolerate any form of slavery or servitude in our own operations. For more information on our approach to social sustainability and to read our Human Rights Policy and Modern Slavery Statement, please visit:

www.about.sainsburys.co.uk

Special mention

for The Workforce Action Award and The Supply Chain Data Award at the WDI Workforce Transparency Awards

Tier 1 transparency

this year we disclosed our clothing and food supplier sites (direct suppliers)

CASE STUDY

Human rights saliency assessment

This year we conducted a human rights saliency assessment to understand the biggest risk faced by workers in our Food, General Merchandise and Clothing and Goods Not For Resale supply chains. We followed the UN guiding principles for this assessment, ranking risk by severest impact on workers and how remediable these impacts are.

We will be using this saliency assessment to develop human rights targets that we will publish later in the year. Alongside these targets we will be considering how we use this information to address future human rights risks related to climate change and its impacts to help secure our business as we move towards Net Zero.

Collaborating for greater impact

We continue to be active members of The Consumer Goods Forum (CGF) Sustainable Supply Chain Initiative (SSCI), a global benchmarking initiative for third-party audit and certification programmes. Our CEO co-sponsors the SSCI and we play an active part in the Steering Committee looking to drive adoption of the Social and Management criteria benchmarks that we have helped develop. Through our policies and practices, we also support the CGF's Human Rights Coalition; Working to End Forced Labour and Forced Labour Priority Industry Principles.

LOOKING FORWARD

Ethical assurance

Reviewing our systems and processes for managing supplier ethical assurance

Salient risks

Aligning with key materials strategy with salient human rights risks

Revised commitments

Publishing human rights commitments later in the year

Governance and performance



Corporate Responsibility and Sustainability Committee Report



Dear Shareholder,

This year we launched our Plan for Better, putting environmental and social sustainability at the core of the business.

The Committee oversees the governance of Sainsbury's being a sustainable business. We continue to focus on stakeholder engagement including our customers, colleagues, suppliers and the community.

In my fourth year as Chair of the Committee, we continue to see great developments in our sustainability agenda, particularly with the evolution of our Net Zero by 2040 plan to our Plan for Better, a key pillar in our broader business strategy. Launching in June 2021, our Plan for Better encompasses a range of sustainability commitments across our environmental and social agenda.

We were also hugely proud to be chosen as the Principal Supermarket Partner of COP26, the United Nations Climate Change Conference, giving us the opportunity to demonstrate strong industry leadership and inspire our colleagues, customers and other businesses to rally together to protect and restore our planet for the future.

COP26 took place in Glasgow for two weeks in November 2021, and as part of our involvement we hosted multiple events. These included chairing panels on a consistent approach to data and labelling and how we are Helping everyone eat better in order to protect our planet and our health. We also engaged the public with our exhibition stand which focused on how we can all make small changes to our plates to reduce the impact on the planet. During COP26, we announced a number of new commitments, including accelerating our target to become Net Zero in our own operations by 2035 and becoming signatories to WWF's Retailers' Commitment for Nature, working with other retailers to halve the impact of UK shopping baskets by 2030. As part of our commitment

to reduce our value chain emissions, we wrote to 400 of our key suppliers, who constitute a high proportion of our value chain emissions, requesting that they disclose their carbon emissions through the CDP or Higg platform, as well as setting their own Net Zero science-based targets. We're pleased that 87 per cent of our key food suppliers are reporting via CDP.

This year we were pleased to arrange an upskilling session for the whole Board, delivered by the Cambridge Institute for Sustainability Leadership. And in June 2021, we held an Environmental, Social and Corporate Governance (ESG) event with investors. We talked with investors about our new sustainability strategy, how we're progressing against our commitments and how our plan aligns with our brand commitment: Helping everyone eat better. We have been a signatory of the Task Force on Climate-related Financial Disclosures (TCFD) since 2020 and this year have implemented its recommendations in full to strengthen our climate resilience; more information on this can be found in our

Annual Report and Financial Statements 2022.

The Committee is very pleased with many of the Plan for Better outcomes achieved this year – rolling out LED lighting to 100 per cent of our supermarket estate and transitioning to 100 per cent renewable electricity across the entire estate. We also implemented our partnership with Neighbourly on our food donation programme across all supermarkets, which has supported a 119 per cent increase in food redistribution for human consumption year-on-year.

COVID-19 has continued to impact the business over the past year, with ongoing periods of change for our colleagues. We continue to focus on engagement with colleagues and clear communication and this year have introduced a new metric on colleague happiness, currently at 68 this year. The Committee was also highly supportive of the initiatives put in place to support the communities we serve, including our campaign to Help Brighten a Million Christmases and the launch of our Helping everyone eat better Community Grants to

help tackle food insecurity. In total £384 million was raised for good causes this year.

The launch and progress of Plan for Better during the last year has occurred during a time of unprecedented challenges for the industry. Sainsbury's ambitions, as reflected in its Plan for Better commitments, are strategic and stretching. The Committee and I look forward to reporting on further progress in the future!

Jo Harlow
Chair, Corporate Responsibility and Sustainability Committee

Principle role and responsibilities



The Committee's principal role is to review the sustainability strategy, ensuring it is aligned with the company's purpose, strategy, culture, vision and values. The Committee also plays a part in monitoring the business's engagement with stakeholders - including customers, suppliers, the community, colleagues, shareholders and government - on sustainability and corporate responsibility matters.

Attendance at scheduled Committee meetings:

Jo Harlow	3(3)	Martin Scicluna	3(3)
Simon Roberts	3(3)	Keith Weed	3(3)

The maximum number of meetings held during the year that each Director could attend is shown in brackets.

Principal activities in the year

The Committee met three times during the year for scheduled meetings, with additional meetings arranged to discuss our ESG event for investors and a session to upskill the Board, carried out by the Cambridge Institute for Sustainability Leadership. The meetings focused on our Plan for Better and stakeholder engagement – customers, colleagues, the community, suppliers and shareholders. Updates and progress against our Plan for Better were a key focus of the Committee this year as well as our Committee members' involvement in our ESG event and our role in COP26.

The Committee discussed the evolution of our sustainability strategy, building on our Net Zero by 2040 plan to provide feedback and approve our Plan for Better. As part of the new strategy, the Committee reviewed the development of the social part of our sustainability strategy, including our evolved approach to community and partnerships to focus on food insecurity and our refreshed commitments and targets on human rights.

At each Committee meeting, members discussed our engagement across our stakeholder groups, with deep

dives of particular groups. The Committee reviewed our engagement with suppliers and the feedback we received from suppliers via the Advantage Suppliers Survey and Groceries Code Adjudicator report. The Committee was also updated on the progress of the Supplier Relationship Management programme and how we supported suppliers during exceptional times as a result of Brexit and COVID-19. The Committee also considered culture and colleague engagement, reviewing insights from colleague engagement surveys.

Reporting and assurance were discussed at both the CR&S Committee and the Audit Committee this year, reviewing our approach to ESG reporting and disclosures, and the level of assurance we have across our metrics. The Committee discussed our approach to the TCFD recommendations and the implementation of responsibility for climate risk and opportunities at the Board level, as well as building Board competency. The integration of climate risk analysis findings within strategic and financial decision-making were also reviewed. More information on TCFD can be found in our

Annual Report and Financial Statements 2022.

The Committee reviewed the steps being taken to prevent modern slavery and human trafficking in our business operations and supply chains and recommended that the Board approve our Modern Slavery Statement.



Governance

J Sainsbury's plc Board

Oversight of the sustainability strategy.

Chairman: Martin Scicluna, Chairman

Remuneration Committee

Reviews remuneration targets aligned to the sustainability strategy¹.

Chair: Susan Rice
Non-Executive Director

Corporate Responsibility and Sustainability Committee

Reviews the sustainability strategy. It also monitors the business's engagement with colleagues, customers, suppliers, the community, shareholders and government on sustainability and corporate responsibility matters.

Chairman: Jo Harlow, Non-Executive Director

Audit Committee

Reviews risk and confidence in disclosures aligned to our sustainability strategy¹.

Chair: Adrian Hennah
Non-Executive Director

Operating Board

Defines the business-wide strategy, adapting to new regulatory requirements and trends. Reviews cross-value progress and signs off major investments.

Chairman: Simon Roberts, CEO

Plan for Better Steering Committee²

Leads operational execution of our sustainability strategy, Plan for better, by overseeing working group activity, ensuring delivery of performance.

Chairman: Mark Given, Chief Marketing Officer

Working Groups³.

Plan for Better working group. Environment working group and Social Working group.

¹ Remit of Committee in relation to the sustainability strategy. For full details on the Committees please read the Remuneration Committee Report on page 78 and the Audit Committee Report on page 73.

² Replaced the Net Zero Steering Committee as of June 2021. Steering Committee meets five times per year. Membership consists of Directors from across the business, with additional Director representation from Audit, Finance and Strategy attending the Committee twice a year to review Corporate Risk Updates including TCFD recommendations.

³ Current working group structure replaced individual pillar working group structure in September 2021. Working groups meet five times per year. Our Diversity & inclusion and Skills & opportunities pillars are managed via the Human Resources Leadership Team and the Community & Partnerships pillar is managed via the Marketing and Loyalty Division.

Reporting frameworks, benchmarks and indices



Sustainability Accounting Standards Board

The Sustainability Accounting Standards Board (SASB) is an independent nonprofit organisation 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.

In 2022, we published our second SASB disclosure.



UN Sustainable Development Goals

In 2015, the United Nations published the UN Sustainable Development Goals (SDGs); 17 ambitious goals which aim to end poverty, protect our planet and increase prosperity and peace for all.

We continue to fully support and contribute to these goals. Whether it's investment into our local communities or reducing emissions to tackle climate.

Taskforce on Climate-related Financial Disclosures

The TCFD developed a framework to help public companies and other organisations more effectively disclose climate-related risks and opportunities through their existing reporting processes.

Sainsbury's became a signatory of TCFD in January 2020. We committed to implementing the recommendations of Task Force for Climate Related Financial Disclosure (TCFD) and have been making progress towards embedding climate considerations into our reporting and decision making, as well as targets in place to measure progress and incentivise performance.

For our TCFD disclosure, please see our Annual Report and Financial Statements 2022.



CDP

CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

Sainsbury's participate in the CDP surveys relating to climate change, water scarcity and forests annually. We have been awarded an 'A' rating for our climate change disclosure for eight consecutive years, the only UK retailer to have done so. We have achieved an 'A' rating for our water disclosure for three consecutive years, whilst our forests disclosures are rated 'B'.



Fashion Transparency Index

From Fashion Revolution, analyses and ranks 250 of the world's largest fashion brands and retailers based on their public disclosure of human rights and environmental policies, practices, and impacts, in their operations and supply chains.

We scored 48 per cent in the 2021 Fashion Transparency Index above the 23 per cent average score.



Business Benchmark on Farm Animal Welfare

BBFAW is the most comprehensive global account of corporate commitment and disclosure on farm animal welfare. The initiative's annual benchmarking report assesses the farm animal welfare performance of 150 of the world's largest food companies.

This year, we successfully maintained our Tier 2 position.

For more information on our disclosures

please visit www.about.sainsburys.co.uk/sustainability

Reporting frameworks, benchmarks and indices



Access to Nutrition Initiative

This Supermarket Spotlight Report aims to encourage the UK's largest supermarket chains to take concerted action to tackle the country's diet-related health challenges. The report provides a snapshot of 11 UK companies' disclosure on their approach to addressing the UK's diet-related health challenges.

In the 2022 ATNI report, we were ranked 2nd of the retailers.



World Benchmarking Alliance

Food and Agriculture Benchmark measures and ranks 350 keystone companies on key issues underpinning the food systems transformation agenda. The benchmark's aim is to stimulate the most influential food and agriculture companies to apply sustainable business practices throughout their operations as well as use their influence to encourage value chain partners to do the same.

We are currently ranked 17th in the total 350 most influential food companies.



Oxfam

The Supermarket Scorecard is a campaign launched by Oxfam in 2018 (as part of the Behind the Barcodes) to expose the economic exploitation faced by millions of small-scale farmers and workers in food supply chains, and mobilize the power of people around the world to help end it.

The Supermarket Scorecard assesses supermarkets' policies and practices on human rights in their supply chains, and whether supermarkets are transparent and accountable in the ways they ensure that workers' rights are respected, small-scale farmers are prosperous and the women who produce our food are treated fairly.

We ranked 4th this year, with a score of 55 per cent.



Workforce Disclosure Initiative

Aims to improve corporate transparency and accountability on workforce issues. In 2021, 173 global companies took part in the Initiative, demonstrating their commitment to transparency. Sainsbury's is leading the sector and industry with our overall Disclosure (completion) score and we are in line with sector and country scores for Public Disclosure.

Sainsbury's was proud to receive special mentions for our Supply Chain Data and Workforce Action in the 2021 awards, as well as being a nominee for the Overall WDI Award. This follows on from our success in the 2020 awards, where we won the WDI Supply Chain Data Award.



Morgan Stanley Capital International

ESG Rating is designed to measure a company's resilience to long-term industry material environmental, social and governance (ESG) risks. MSCI use a rules-based methodology to identify industry leaders and laggards, and their ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).

We ranked AAA as an industry leader in 2021 and for the last three years.



Sustainalytics

ESG Rating measures how well companies proactively manage the environmental, social and governance issues that are the most material to their business, with a focus on a companies' ability to mitigate risks and capitalize on opportunities.

We scored 175 in their ESG risk rating which is a low-risk. 1st in UK retailers.

**For more
information on
our disclosures**

please visit www.about.sainsburys.co.uk/sustainability

Performance Scorecard

Our performance scorecard provides an overview of our key commitments, KPIs and performance across our Plan for Better pillars.

94%

of colleagues on an apprenticeship programme successfully completed their programme

20% reduction

in absolute greenhouse gas emissions within our own operations, against our 2018/19 baseline

119% increase

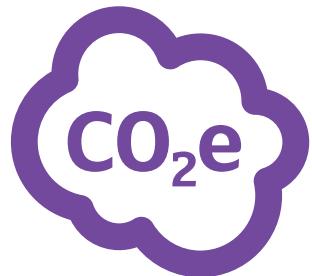
in food redistribution to people year-on-year



Key

FY: Financial year – captures data for the full financial year
CY: Calendar year - captures data from January-December





Carbon

Commitment

Reduce absolute greenhouse gas (GHG) emissions from our own operations to Net Zero by no later than 2035

Metric	Methodology	Baseline		Results		Target
		2018/19 FY	2020/21 FY	2021/22 FY	2035/36 FY	
Absolute GHG emissions within our own operations (tCO₂e)	Absolute, market based, Scope 1 and 2 GHG emissions in the financial year for Sainsbury's Group and supported by third party CBRE and verified by the Carbon Trust. Follows the GHG protocol.	949,744 tCO ₂ e	817,420* tCO ₂ e	762,119 tCO ₂ e		Net Zero
Electricity which comes from renewable sources (%)	The amount of renewable energy used by Sainsbury's Group as a proportion of the total electricity consumption in the financial year, supported by third party CBRE. Combination of energy sourced directly from UK wind farms as well as certificate-backed renewable electricity from the UK.	17%	20%	41% (100% from January 2022)		N/A

Commentary

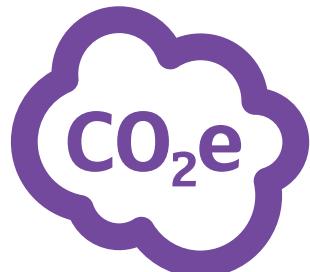
Absolute GHG emissions within our own operations

Absolute GHG emissions are ahead of our 2035 Net Zero trajectory. This year's reductions are mainly from efficiency measures to reduce electricity and delivery/logistics vehicles fuel usage.

*Absolute GHG emissions within our own operations in 2020/21 restated from 818,161 tCO₂e to 817,420 tCO₂e.

Electricity which comes from renewable sources

100 per cent of electricity is now sourced from renewable sources (combination of energy sourced directly from UK wind farms as well as certificate-backed renewable electricity from the UK).



Carbon

Commitment

Reduction of absolute GHG emissions by 30 per cent by 2030

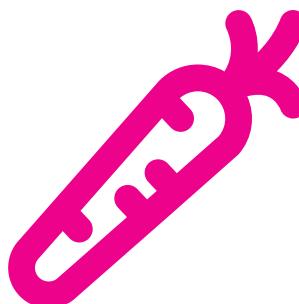
Metric	Methodology	Baseline	Results		Target
		2018/19 FY	2020/21 FY	2021/22 FY	2030/31 FY
Absolute Scope 3 GHG emissions (tCO₂e)	Includes emissions from purchased goods, upstream transport and distribution, services sold and our customers' use and consumption of the products we sell as calculated by the Carbon Trust. Follows the GHG protocol.	26,663,081 tCO ₂ e	N/A	N/A	18,664,157 tCO ₂ e
Key Sainsbury's food suppliers disclosing through CDP (number)	Key food suppliers disclosing through CDP, an environmental impact disclosure system. Key suppliers are our 211 most material carbon footprint suppliers that we asked to disclose through CDP. Data on supplier responses, or lack of, is downloaded from the CDP portal.	N/A	N/A	183 (87% of key food suppliers)	N/A
GM&C own-brand suppliers disclosing through HIGG (number)	GM&C own-brand suppliers disclosing through HIGG, an environmental impact disclosure system. Data on supplier responses, or lack of, is downloaded from the HIGG portal.	N/A	N/A	195 (49% of own-brand GM&C suppliers)	N/A

Commentary

Industry reporting challenges on Scope 3 GHG emissions continue. However, we are committed to work at industry level to find a solution, such as our commitment, alongside other retailers, to work with the WWF to halve the environmental impact of UK baskets by 2030.



Water



Healthy Diets

Commitment

Minimise the use of water in our own operations, driving towards water neutral by 2040

Metric	Methodology	Baseline 2018/19 FY	Results		Target 2040/41 FY
			2020/21 FY	2021/22 FY	
Absolute water usage within our own operations (m³)	Absolute water usage in the financial year for both Sainsbury's and Argos as verified by third party WaterScan.	3,224,000 m³	2,776,288 m³	2,797,699 m³	Water neutral

Commentary

The accuracy of measurement has improved since the switch to self-supply, adversely impacting the result.

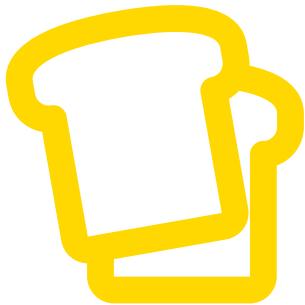
Commitment

Develop and deliver healthy and sustainable diets for all by 2040

Metric	Methodology	Baseline 2019/20 FY	Results		Target 2025/26 FY
			2020/21 FY	2021/22 FY	
Healthy and better for you sales tonnage as a proportion of total sales tonnage (%)	Food sales tonnage of healthy, healthier choice and better for you products as a percentage of total food sales tonnage in the financial year (exclusive of beers, wines, spirits and baby food). For SKUs reported in units or sold by weight, weight assumptions have been applied within the tonnage calculation. Healthy, healthier choice and better for you defined using a nutrition criteria tool, including criteria from the Eatwell Guide which is lower in GHG emissions.	80.3%	79.7%	79.6%	83.1%

Commentary

No discernible driver across categories for slight reduction in metric result.



Food Waste

Commitment

Reduce food waste by 50 per cent by 2030

Metric	Methodology	Baseline	Results		Target
		2019/20 FY	2020/21 FY	2021/22 FY	2030/31 FY
Food waste to anaerobic digestion (tonnes)	Total food waste tonnage sent to anaerobic digestion in the financial year calculated as total operational food surplus i.e. food that is not sold to customers, less any food surplus redistributed to both humans and animals. Third party data for tonnes redistributed to humans through Food Donation Partnerships (FDP) uses sampling.	31,615 tonnes	26,545 tonnes	25,483 tonnes	15,808 tonnes
Food waste sent to anaerobic digestion as a percentage of total tonnes handled (%)	Tonnes of food waste sent to anaerobic digestion (AD) divided by total tonnes of food product handled (i.e. tonnes of food product sold + tonnes of surplus sent to other destinations i.e. humans and animals + tonnes of food waste sent to AD). Tonnes of food products sold contains some judgements in the data around weights of SKUs that are reported in units.	0.666%	0.519%	0.512%	N/A

Commentary

Food waste to anaerobic digestion

Reduction to anaerobic digestion both year-on-year and year-on-two year driven mainly by reduction in operational food tonnage. Food waste redistribution to humans has increased, but partly offset by reduction in food waste sent to animal feed.

Food waste sent to anaerobic digestion as a percentage of total tonnes handled

Small reduction in food waste when removing the impact of sales volume.



Plastic

Commitment

Reduce our use of plastic packaging by 50 per cent by 2025 and then go further

Metric	Methodology	Baseline	Results		Target
			2018 CY	2020 CY	
Food brand and own-brand plastic packaging (tonnes)	Plastic tonnage for the calendar year calculated by multiplying the primary plastic packaging weight of each food SKU (brand and own-brand) by the sales volumes of that SKU. SKU data is collated and updated by third party Valpak. Some of this data uses industry averages where specific SKU data is not available.	120,000 tonnes	117,959 tonnes	117,333 tonnes	60,000 tonnes

Commentary

Absolute reduction in plastic packaging of 0.5 per cent year-on-year, but a relative increase (removing volume impact) of 1.4 per cent year-on-year. Within this, own-brand plastic packaging saw an absolute reduction of 3.3 per cent and a relative reduction of 2.1 per cent year-on-year.



Recycling

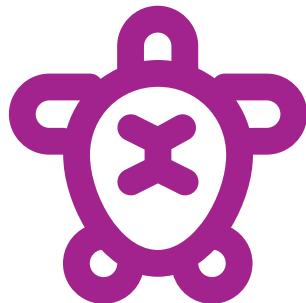
Commitment

Increase recycling and make it easier for our customers to recycle

Metric	Methodology	Baseline	Results		Target
			2019/20 FY	2020/21 FY	
Sainsbury's managed recycling facilities in all available sites (number)	Number of open Sainsbury's sites, excluding store support centres, with public recycling facilities as at the end of the financial year. This includes trial sites for the Deposit Return Scheme.	274	273	264	N/A

Commentary

25 facilities closed during the financial year. This was slightly offset by three new store openings and the inclusion of 13 DRS trial stores (which did not already have a recycling facility present).



Biodiversity

Commitment

Ensure that the impact of our operations is net positive for biodiversity

Metric	Methodology	Baseline		Results		Target
		2019 CY	2020 CY	2021 CY		
Timber sourced to an independent sustainability standard (%)	Cubic metre volume of assessed sustainably sourced timber products sold as a percentage of total cubic metre volume of all assessed timber products sold during 2021 calendar year. Sustainability assessments are carried out by third party Track Record Global Ltd. However, the most recent SKU assessment as at 31st December is used as representative of the whole calendar year.	60%	65%	77%	100%	
Palm oil sourced to an independent standard - Mass-Balance / Segregated / IP (%)	Sustainably sourced palm oil tonnage as a percentage of total palm oil tonnage footprint, as calculated by the third party 3Keel. Includes palm oil sourced through Mass-Balance, Segregated, or Identity Preserved (IP) chain of custody systems. Data may include estimates for any gaps in supplier information.	99.1%	99.3%	100%	100%	
Soy independently certified - Credits / Mass-Balance / Segregated (%)	Sustainably sourced soy tonnage as a percentage of total soy tonnage footprint, as calculated by the third party 3Keel. Soy sourced through credits, mass-balance, or segregated chain of custody systems. Tonnage data in relation to animal feed makes use of an applied conversion factor to derive the relevant figures. Data may include estimates for any gaps in supplier information.	6%	42%	58%	100%	
		2019 CY	2020 CY	2021/22 FY	Target	
Cotton sourced to an independent sustainability standard (%)	Cotton tonnage sustainably sourced and certified by third party Better Cotton Initiative (BCI) as a percentage of total cotton tonnage sourced during 2021 financial year. Some of this data uses industry averages where specific SKU weight data is not available.	76%	89%	94%	N/A	

Commentary

Timber sourced to an independent sustainability standard

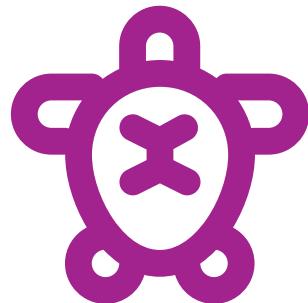
Improvement driven by investment in sourcing more expensive sustainable timber.

Soy independently certified - Credits / Mass-Balance / Segregated (%)

Improvement mainly driven through number of MFP suppliers that have covered their soy footprints with sustainable soy credits.

Cotton sourced to an independent sustainability standard

Increase driven mainly through Clothing, due to improvements in data allowing identification of where sustainable cotton is not being used.



Biodiversity

Continued

Metric	Methodology	Baseline 2019/20 FY	Results		Target N/A
			2020/21 FY	2021/22 FY	
Wild caught seafood sales which is independently certified as sustainable (%)	Sales volume of wild seafood which is independently certified as sustainable as a percentage of total sales volume of wild seafood for the financial year. SKU MSC status as at reporting date is used as representative of the entire reporting period.	82.3%	76.1%	74.5%	100%
Farmed seafood sales which is independently certified as sustainable (%)	Sales volume of farmed seafood which is independently certified as sustainable as a percentage of total sales volume of farmed seafood for the financial year.	100%	100%	100%	100%
Proportion of poultry sales from independently verified higher animal health and welfare outcome source (%)	Sales value of poultry which is RSPCA assured as a percentage of total sales value of poultry for the financial year.	13%	13%	13%	N/A
Proportion of egg sales from independently verified higher animal health and welfare outcome source (%)	Sales value of eggs which are RSPCA assured as a percentage of total sales value of eggs for the financial year.	100%	100%	100%	100%
Woodland trees planted (number)	Total number of trees planted in the financial year through partnership with the Woodland Trust.	493,750	325,000	398,333	N/A

Commentary

Wild caught seafood sales which is independently certified as sustainable

Adverse year-on-year performance driven by mackerel losing its MSC status part way through 2020/21 financial year.

Farmed seafood sales which is independently certified as sustainable

Our farmed seafood remains 100 per cent sustainably certified and we are transitioning over to Aquaculture Stewardship Council (ASC) certification in the first-half of 2022/23.

Proportion of poultry sales from independently verified higher animal health and welfare outcome source

Sales of higher-welfare chicken have remained at the same level as we have seen for a number of years.

Proportion of egg sales from independently verified higher animal health and welfare outcome source

Remains at 100 per cent in line with our policy.

Woodland trees planted

This year, we planted 398,333 native trees. Since 2004, we have planted over 4.6 million native trees, which have the potential to mitigate over one million tonnes of CO₂. During this time we have raised £11.8 million for the trust and moving forward we aim to plant a further 1.1 million native trees by 2025.



Diversity & Inclusion

Commitment

We are committed to achieving diverse representation in leadership positions by 2024

Metric	Methodology	Baseline		Results		Target
		2020/21 FY	2020/21 FY	2021/22 FY	2023/24 FY	
Colleagues who say they can be themselves at work (%)	The percentage of colleagues who feel comfortable being themselves at work per the annual colleague survey 'We're Listening'. The survey ran between 27 September and 16 October 2021 and was open to all colleagues throughout the group.	N/A	N/A	78%	75%	
Senior leadership positions (top 230 leaders) held by females/ethnically diverse/black colleagues (%)	The number of senior leaders who are female/ethnically diverse/ Black (excluding leavers or any contracted agency staff) from the top 230 overall number of senior leaders, at the end of the financial year.	Females	37.67%	37.67%	40.1%	50%
		Ethnically diverse	8.07%	8.07%	8.21%	12%
		Black	1.35%	1.35%	2.42%	3%
Senior management positions (the top 1,200 leaders beneath the top 230 senior leadership positions) held by females/ ethnically diverse/black colleagues (%)	The number of senior managers who are female/ethnically diverse/ Black (excluding leavers or any contracted agency staff) from the top 1,200 leaders beneath the top 230 senior leadership positions, at the end of the financial year.	Females	35.45%	35.45%	35.7%	43%
		Ethnically diverse	7.17%	7.17%	8.73%	12%
		Black	0.73%	0.73%	1.03%	3%

Commentary

It is difficult to directly attribute any one activity to the progress on diverse representation in senior leadership and management positions. We have a number of activities in place such as senior sponsorship, inclusive recruitment, education and talent acceleration. We've also set a three-year target for 2024, which are linked to the long-term incentives of our leadership population to increase accountability. Furthermore, we've also extended our inclusion goals to make these mandatory for all line managers.



Skills & Opportunities

Commitment

At least 75 per cent of our colleagues on an apprenticeship will successfully complete their programme, ahead of nationally reported apprenticeship completion rates

Metric	Methodology	Baseline 2019/20 FY	Results		Target 2023/24 FY
			2020/21 FY	2021/22 FY	
Colleagues on an apprenticeship that will successfully complete their programme (%)	Number of colleagues who passed the end-point assessment first time, per notification from the third party contracted awarding body, as a percentage of the total number of colleagues who completed the apprenticeship programme during the financial year.	70%	N/A	94%	75%
Commentary					
Improvements in programme and application process.					



Community and partnerships

Commitment

To leave a measurable positive impact on the communities we serve and source from

Metric	Methodology	Baseline	Results		Target
			2020/21 FY	2021/22 FY	
Total charitable investment generated across all programmes (£)	Total charitable investment generated across all programmes including commercial initiatives, customer fundraising and colleague fundraising for the financial year.	N/A	£34.5m	£38.4m	N/A
Commentary					
Increase mainly due to support of humanitarian crisis in Ukraine.					