



Plan for  
**Better**

**2023/24**  
**Sustainability update**

**J Sainsbury plc**



# Overview

## About this report

This document provides an update on our Plan for Better, covering our financial year from 5<sup>th</sup> March 2023 to 2<sup>nd</sup> March 2024. It was published in June 2024, and it includes information regarding our progress through the year, as well as leadership perspectives, voices from the value chain, key case studies and learnings. It also provides information about our governance and other business practices, as well as our performance scorecard (pages 34-38).

A number of metrics have been selected for external assurance. This is highlighted with (\*) in our scorecard pages. For 2023/24 our assurance statement from ERM CVS can be found [here](#).


The information contained in this document refers to our Group activities across Sainsbury's, Argos, Habitat, Tu, Nectar and Smart Charge. This report does not include information on Sainsbury's Bank.



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## Our reporting suite




Annual Report (incl. TCFD statement)

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SASB disclosure

Read more



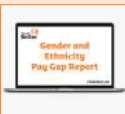
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Plan for Better databook

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Gender and ethnicity pay gap report

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Antibiotics stewardship report

Read more



Animal health and welfare report

Read more



Sainsbury's corporate website

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## Transparency and frameworks



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Read more on page 31



Read more on page 31

# Good food for all of us



At Sainsbury's, our heritage is rooted in doing the right thing - for our customers, our farmers and growers and for our planet.

To deliver on our new purpose, to make good food joyful, accessible and affordable for everyone, every day, we've fully integrated our Plan for Better into the way we work and how we operate, underpinning everything we do. We're now taking this to the next level so we can continue to drive even better outcomes for people and our planet and create the resilient food system that we all need to see.

Climate change, social and economic inequality and political unrest have never been greater threats to our world. These are issues that customers tell us they care deeply about and which affect our entire industry. That's why here at Sainsbury's, we've made a clear commitment to play our part in enabling and driving a better food system, focusing on how we source our products and helping our customers have better access to good food.

As a major food company, we recognise that economic prosperity, improving nature and biodiversity and reducing environmental impact all go hand-in-hand with food production. They can't be treated separately and we must address them together in order to build system-wide resilience. We know that we play a critical role in the food value chain and at the same time, we have a significant responsibility and opportunity to drive the change that is required. This report outlines the progress we have made this year.

We've worked incredibly hard to make nutritious, tasty food more affordable and accessible. Today, 80.9 per cent of overall sales are now 'healthy' and 'better for you' and at least 75 per cent of our Aldi Price Match products are healthier options. Our regular customers rate us ahead of others in making it easy for them to choose food that's healthy.

We've invested £780 million in lowering prices over the last three years, ensuring our customers are getting great value as well as quality when they shop with us. We recognise that many people are struggling to even put food on the table and that's why we're working with Comic

Relief, FareShare and Neighbourly to tackle food poverty and find ways to bring healthy, good food to those who need it most. We redistributed millions of meals to those in need and with the help of our customers and colleagues, raised a total of £36 million for good causes this year.

**We know that we play a critical role in the food value chain and at the same time, we have a significant responsibility and opportunity to drive the change that is required.**

We can't build a more resilient business without the support of our supply base and we know we need to work differently to unlock this. This means longer-term contracts and new payment models for producers and farmers, giving them the security to invest in making their own businesses more sustainable and resilient.

We're also innovating with our suppliers to lead the industry. Following years of development with ABP, we launched the largest ever lower carbon beef range, offering a 25 per cent lower carbon footprint compared to industry standard. Together with Moy Park we improved welfare for our chickens, giving them 20 per cent more space than the industry standard and a better living environment, while offering the same great value that our customers expect.

Beyond the UK, collaboration is equally as critical and we're finding better ways to work with our global suppliers. We've reinvigorated our 24 year partnership with Fairtrade and worked with farmers and producers in Cameroon, Colombia, Dominican Republic and Ghana to take steps towards closing the Living Wage gap and improve livelihoods for banana growers, three years ahead of the industry commitment.

We continue to work on innovative solutions to reduce plastic and make it easier for our

customers to recycle at home. This year we made our single largest plastic removal of 775 tonnes by moving to cardboard packaging across our own-brand mushrooms.

To support the transition to a low-carbon UK economy and help our customers to reduce emissions, we've launched a new ultra-rapid electric vehicle charging service - Smart Charge. Powered by the same 100 per cent renewable electricity as our stores, we now have 371 charging bays in 45 stores and we'll roll out more this year.

I'm proud that our environmental progress and transparency has again been recognised by the CDP who awarded us an A rating for climate change disclosures, making us the only UK food retailer to have achieved this for 10 years running.

There's still much more to do and no one can solve these challenges alone. Building greater food resilience needs to be a national priority so we're already calling on the Government to take action through policy and system changes which are fit for purpose, integrated and joined up across departments.

Working with all our partners and suppliers, we are committed to driving the change that is needed across our industry. Collaboration with groups like IGD, WRAP and WWF is critical in driving collective action and will help unlock better solutions in areas like data definition and measurement. As President of the Institute of Grocery Distribution (IGD), I am fully committed to working with all of my peers to lead the conversation on food system change together, uniting the industry as one voice.

Ultimately, a more resilient and sustainable food system, which improves the nation's health, supports farmers and growers, works in harmony with nature and helps prosperity and job creation, benefits all.

**Simon Roberts**  
Chief Executive Officer



# At a glance

## About us

We make good food joyful, accessible and affordable for everyone, every day.

Offering delicious, great quality food at competitive prices has been at the heart of what we do since Sainsbury's was founded in 1869. Today, inspiring and delighting our customers with tasty food remains our priority and our purpose is clear – to make good food joyful, accessible and affordable for everyone, every day.

597

Sainsbury's has 597 supermarkets

834

Sainsbury's has 834 convenience stores

659

Argos has 659 stores

4<sup>th</sup>

Argos is the fourth most visited retail website in the UK<sup>1</sup>

148k

Our 148,000 colleagues are integral to our success

[Read more](#)

## Our business strategy

In February 2024, we set out our Next Level strategy, driven by our new purpose. Focusing on four key outcomes, our strategy is designed to give customers more of what they come to Sainsbury's for: outstanding value, unbeatable quality and great service.

**First choice for food** - Attract many more people to choose Sainsbury's as the place they come to for good food – and play a leading role in creating a sustainable food system in the UK.

**Loyalty everyone loves** - Build a world-leading loyalty platform – more personalised, joyful, rewarding and transparent – for everyone.

**More Argos, more often** - Unleash and transform Argos around the three things that have always made it brilliant – curated range, famously convenient experience and great value – so more customers buy more often.

**Save and invest to win** - Save £1 billion and invest in transforming our capabilities – taking another big leap forward in efficiency, productivity and customer focus, continuing to build a platform for growth.

Our Plan for Better is at the heart of our new strategy and is fully embedded throughout our business. It is how we operate to deliver on our commercial and sustainability outcomes.

## Plan for Better

Our Plan for Better sets out our sustainability goals across our whole business, outlining our priority areas of focus, key commitments and our progress.

We have aligned our focus to the UN Sustainable Development Goals and through a materiality assessment, we have identified which issues matter most to our stakeholders so that we can make the biggest difference. Our plan has three interlocking pillars: Better for you, Better for the planet and Better for everyone.



### Better for you

We are committed to providing access to affordable, nutritious and diverse food to help make future generations and our planet healthier for longer. We believe everyone should enjoy good food and we aim to help our customers have access to healthier and more sustainable diets.

[Read more](#)



### Better for the planet

In the face of the climate and nature crises, we need more leadership and collaboration than ever before. We are committed to playing our role in mobilising action across our value chain to protect and restore our planet.

[Read more](#)



### Better for everyone

We rely on people, locally and globally, to help us provide good food for the communities we serve. In a world of rising inequality, we are committed to championing human rights, ensuring fair treatment for both people and animals and creating a place where everyone can feel safe and supported.

[Read more](#)

## Highlights

80.9%

of our sales are Healthy and Better for you

51.7%

reduction of absolute greenhouse gas (GHG) emissions from our own operations vs our baseline

£500m

invested into colleague pay over three years

At least 75%

of our Aldi Price Match campaign featured Healthy or Better for you food products

57.8%

more surplus food redistributed to communities versus the 2022/23 financial year

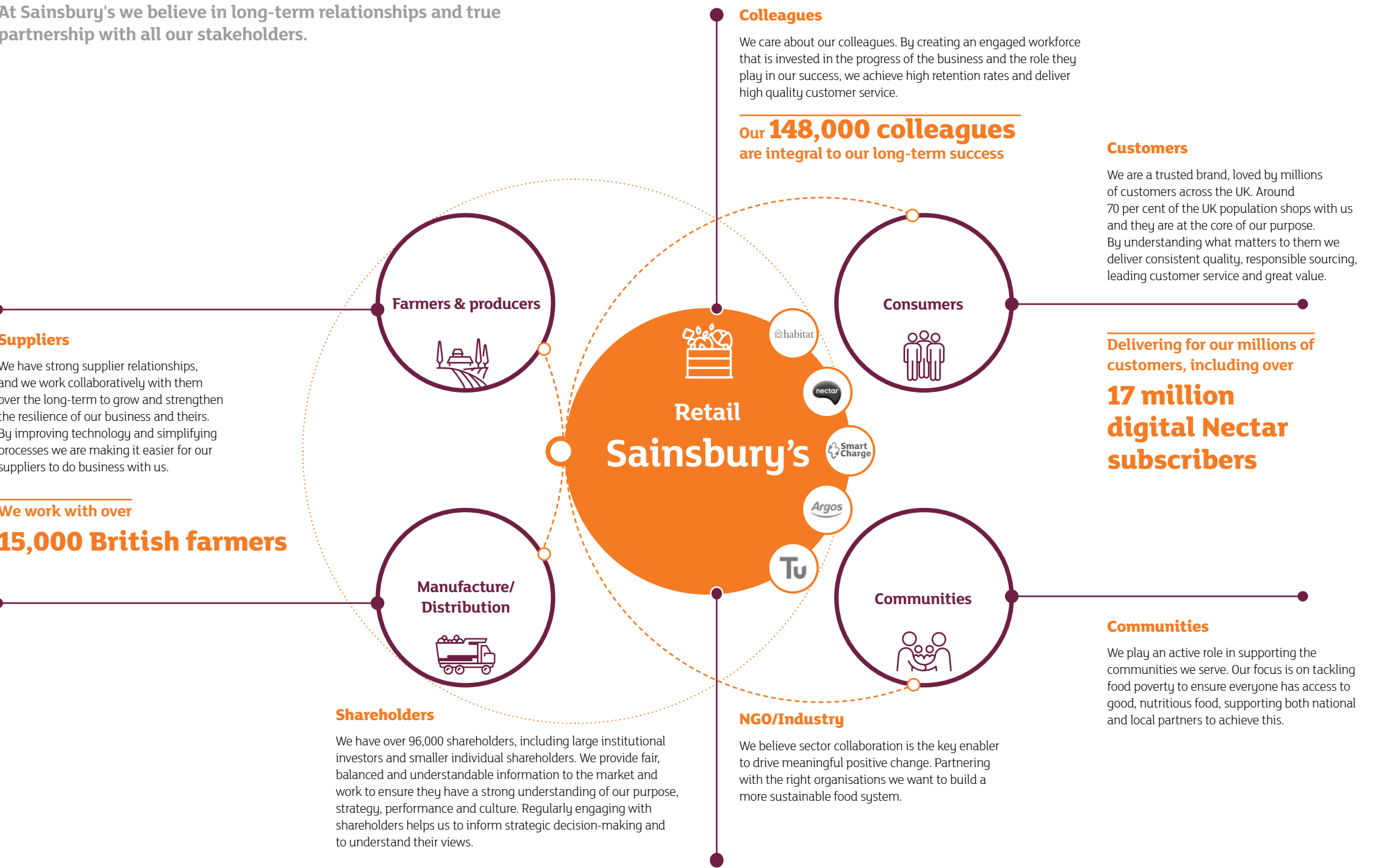
£36m

raised for good causes this year

<sup>1</sup> SimilarWeb traffic share, 52 weeks to 2 March 2024

# Partnering through the value chain

At Sainsbury's we believe in long-term relationships and true partnership with all our stakeholders.



# Stepping up to global challenges

With our scale and market position we have an important role to play in mobilising action and collaboration. Only by working together with others can we start to tackle the complex global challenges we face to build a more resilient food system.

Read more about challenges we face on page 30

## Climate crisis



- Global temperatures are expected to rise 2.5-2.9°C above pre-industrial levels this century<sup>1</sup>
- Over one third of GHG emissions come from the food system<sup>2</sup>

How does it relate to Sainsbury's

Increased likelihood of extreme weather events, including wildfires, heat waves, flooding and droughts, leading to a reduction in crop yields, increased sourcing costs and changes to sourcing areas.

## Biodiversity Loss



- More than 1 million species are facing extinction<sup>3</sup>
- 40% of water pollution in England is due to agriculture<sup>4</sup>

How does it relate to Sainsbury's

Loss of biodiversity threatens the equilibrium of the food chain, reducing crop yields and exacerbating crop disease. There are significant risks relating to water, including scarcity, flooding and pollution, which as a business we contribute to but are also increasingly impacted by.

## Increasing pressure on resources



- Humanity is consuming 1.7 Earth's worth of resources per year, using resource quicker than can be regenerated<sup>5</sup>
- Globally, 70% of freshwater is used for agriculture<sup>6</sup>

How does it relate to Sainsbury's

We are dependent on our agricultural and marine value chains to produce our products. Lack of sufficient inputs such as water, and rising temperatures threaten the security of our supply, exacerbated by food loss and waste which depletes scarce resources further.

## Rising inequality



- 28 million people globally are affected by forced labour<sup>7</sup>
- 11.3 million people in the UK have experienced food insecurity<sup>8</sup>

How does it relate to Sainsbury's

Though our global sourcing, we indirectly provide employment and income for millions of people. We take our responsibility seriously to champion human rights across our value chain and support the customers and communities we serve.

## How we are responding

- We have an approved SBTi 1.5 degree Net Zero target
- Action to reduce energy consumption in our own operations through efficiency measures including the implementation of Refrigerated Integrated Heating and Cooling (RIHC) systems
- Working with suppliers to reduce GHG emissions in our supply chains and building longer-term partnerships to support investment in multi-year term sustainability projects
- Development and promotion of lower carbon beef and nutritious meat alternatives
- Launch of Smart Charge, a brand new dedicated EV charging business that will give drivers access to ultra-rapid EV charging points across our stores

- Created 'Making it Happen' action groups with strategic suppliers focused on soil health and fertiliser use
- Enhanced our point-based reward system for our Sainsbury's Dairy Development Group, which rewards suppliers for on-farm initiatives that improve animal welfare and environmental outcomes
- Partnership with Land App mapping tool, to support UK farmers to measure biodiversity and receive advice on how to balance their land use between food production and habitat creation
- Partnership with Woodland Trust to restore nature through initiatives such as our Agroforestry programme, supporting our Sainsbury's Dairy Development Group suppliers to plant more trees on dairy farms

- Supporting the expansion of circular economy supply chains through our recycling approach
- We have developed circular design principles and an approach to end of life management for General Merchandise
- Tackling food waste across the value chain through redistribution initiatives, measurement of on farm and product labelling to help reduce food waste in customers' homes
- Tackling deforestation through landscape initiatives
- Mapping our water risks for priority supply chains to understand where they intersect with water scarcity
- Supporting industry action on water reduction and stewardship through WRAP including participation in seven water collective action projects in some

- A commitment to ensure that our transition to net zero is just and equitable for the communities we source from, protecting human rights across our supply chain
- Focus on tackling food poverty through our community and partnerships programme from fundraising to meal donations and food surplus redistribution schemes
- Contributing to closing the Living Wage gap for workers in our banana supply chain through Fairtrade three years ahead of the industry commitment.
- Through our new industry-leading partnership with Fairtrade we will invest in climate resilience for banana producers, as well as addressing systemic issues across key commodity supply chains.

<sup>1</sup> Based on current pledges under the Paris Agreement. UN Emissions Gap Report 2023 | <sup>2</sup>UN Food and Agriculture Organization (FAO) | <sup>3</sup>UN's Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services 2019 | <sup>4</sup>Environment Agency: State of the water environment indicator B3: supporting evidence, May 2024 | <sup>5</sup>Global Footprint Network | <sup>6</sup>Food and Agriculture Organization 2020 | <sup>7</sup>International Labour Organisation | <sup>8</sup>The Trussel Trust 2023





Plan for

Better



Our Plan for Better is at the core of our strategy, focused on the most material issues to our stakeholders and our business and aligned to the UN Sustainable Development Goals.

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# Plan for Better, at the core of Sainsbury's strategy

## Corporate Responsibility and Sustainability Committee



Keith Weed, Chair of our Corporate Responsibility and Sustainability (CR&S) Committee, shares his views on the role of Plan for Better in the new Sainsbury's purpose and strategy, our progress, challenges and priorities.

### What are your thoughts on Sainsbury's new purpose and strategy and the role Plan for Better plays in it?

Sainsbury's new purpose-led strategy is deeply rooted in its Plan for Better, reflecting its ambition to create a positive impact on society and the environment as it strives to make good food accessible and affordable for all.

The plan demonstrates its willingness to lead by example, encouraging others to follow in adopting sustainable practices to create more resilient supply chains. Coupled with a focus on innovation and investment, this increasingly positions Sainsbury's as a forward-thinking and responsible corporate citizen.

### What role will Plan for Better play in driving long term value creation for Sainsbury's?

Sainsbury's is first and foremost a food business and depends on secure supply chains to operate, so it's in its interest to make the food system better and more resilient.

By embedding sustainability into its operations and decision-making, Sainsbury's is well-positioned to address the challenges and opportunities presented by a rapidly changing world.

By providing more nutritious and sustainable food options, Sainsbury's can help customers to make healthier, responsible choices. Focusing on quality and innovation will also help to increase customer loyalty and sales growth.

Reducing its carbon footprint, minimising waste and promoting sustainable sourcing practices

will help to mitigate environmental risks and drive cost savings and operational efficiencies.

And a commitment to diversity, inclusion and community engagement fosters a positive corporate culture and reputation, leading to improved employee satisfaction, retention and talent attraction.

### How do you feel the Plan for Better agenda at Sainsbury's has progressed over the year?

Sainsbury's is well aware that it can't deliver on its goals alone so has been actively engaging with suppliers to promote sustainable sourcing practices. I recently visited a major produce supplier and it was very powerful to see both the scale of the challenge and some of the great regenerative farming work being done.

### What do you see as the biggest challenges facing Sainsbury's and the industry in delivering against the ESG agenda?

A huge challenge for any major food business is ensuring sustainable sourcing practices across what is a complex and global supply chain, as it requires close collaboration with suppliers and ongoing monitoring of environmental and social standards.

Similarly complex is reducing carbon emissions across operations, transportation and supply chains, requiring significant investment in clean energy, technology, and low-carbon transportation solutions.

One of the most difficult challenges for any large customer-facing business is changing consumer behaviour, whether that's encouraging more sustainable and healthier

food choices, or driving action on recycling or reducing food waste. Effecting change of this scale requires significant system-wide collaboration between retailers, suppliers, government and other stakeholders.

### As Chair of the CR&S Committee, what are your priorities for the coming year to help steer the delivery of Plan for Better?

Working with the Committee and executive team, my priorities will include carbon reduction and energy efficiency, tackling food waste, plastics reduction, and encouraging suppliers to meet environmental and social standards and make progress on issues such as deforestation and human rights.

Ultimately, the number one priority which underpins all of the above will be continuing to work with others to help achieve our goals and the goals for the industry. None of us are as smart as all of us.

**Keith Weed**  
Chair, Corporate Responsibility and Sustainability Committee



# Materiality informs our approach

Undertaking a materiality assessment helps us to 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 supports us to identify areas of emerging importance.

### Our process

- Identify issues:** we established a long list of issues through horizon and trend scanning, industry and benchmark reviews and analysis of internal objectives and the ESG agenda.
- Stakeholder engagement:** we engaged our key internal and external stakeholders, conducting surveys and holding interviews to receive tailored input into our material issues.
- Prioritisation and mapping:** we then analysed our findings and applied them to our materiality matrix to visualise the importance of the different topics and define which were our most material issues.
- Governance:** the materiality review and the outputs were validated in 2022 via our Plan for Better governance forums to ensure 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.

Sainsbury's Pillars

BETTER FOR YOU

BETTER FOR THE PLANET

BETTER FOR EVERYONE

GOVERNANCE



As part of our Plan for Better we support and contribute to the UN Sustainable Development Goals (SDGs). Our sustainability agenda is aligned to them so that we can help create a more sustainable future for all. We have identified the following eight SDGs as the ones we can contribute towards in the most meaningful way.

2

ZERO HUNGER

We work with our partners to tackle food poverty in our communities

3

GOOD HEALTH AND WELL-BEING

We provide access to healthier, more sustainable diets for all and support colleague wellbeing

8

DECENT WORK AND ECONOMIC GROWTH

We pay fair wages to colleagues and work to secure sustainable livelihoods for people across our value chains

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

We work to ensure sustainable and ethical production standards are upheld across our value chain

13

CLIMATE ACTION

We take action to reduce our impact on climate change in our own operations and across our value chain

14

LIFE BELOW WATER

We maintain high standards of conservation and sustainable fishing from our suppliers

15

LIFE ON LAND




We protect and regenerate nature and commit to treating animals in our value chain with respect

17

PARTNERSHIPS FOR THE GOALS

We collaborate industry, NGOs, government and beyond to drive systems-level change

# Our commitments

<div><div>Better for you</div></div> <div><div>Target and progress</div><div><b>Healthy and sustainable diets</b> At least 85% Healthy and Better for you sales tonnage sold by 2025 <a href="#">Read more</a></div><div><div>2023/24 highlights</div><ul style="list-style-type: none"><li>80.9% of our total sales and 87.1% of our own-brand sales are Healthy and Better for you choices</li></ul></div></div>	<div><div>Target and progress</div><div><b>Reduction in carbon emissions</b> Reduce Scope 1 &amp; 2 emissions to net zero by 2035. Reduce Scope 3 emissions to net zero by 2050 <a href="#">Read more</a></div><div><div>2023/24 highlights</div><ul style="list-style-type: none"><li>Accelerated our targets, which were approved by SBTi</li><li>Launched Smart Charge, our ultra-rapid EV charging service</li></ul></div></div>	<div><div>Target and progress</div><div><b>Reduction in plastic packaging</b> Reduce our own brand plastic packaging by 50% by 2025, increase recycled content and recyclability <a href="#">Read more</a></div><div><div>2023/24 highlights</div><ul style="list-style-type: none"><li>2.8% relative reduction of plastic packaging</li><li>Biggest ever single plastic removal in our full mushroom range</li></ul></div></div>	<div><div>Target and progress</div><div><b>Nature positive</b> Committed to protecting and regenerating nature <a href="#">Read more</a></div><div><div>2023/24 highlights</div><ul style="list-style-type: none"><li>1.3m trees planted with the Woodland Trust since 2020</li><li>Winner of MSC and ASC Supermarket/Retailer of the year awards</li></ul></div></div>
<div><div>Better for the planet</div></div> <div><div>Target and progress</div><div><b>Reduction in food waste</b> Reduce food waste by 50% by 2030 <a href="#">Read more</a></div><div><div>2023/24 highlights</div><ul style="list-style-type: none"><li>57.8% more surplus food redistributed to communities</li><li>New trials to explore additional routes for redistribution</li></ul></div></div>	<div><div>Target and progress</div><div><b>Increase recycling</b> Support the expansion of circular economy supply chains through our recycling approach <a href="#">Read more</a></div><div><div>2023/24 highlights</div><ul style="list-style-type: none"><li>Over 28,000 products repaired and almost 190,000 refurbished</li><li>New in-store recycling hub trial</li></ul></div></div>	<div><div>Target and progress</div><div><b>Minimise water use</b> Minimise the use of water in our own operations, driving towards water neutral by 2040 <a href="#">Read more</a></div><div><div>2023/24 highlights</div><ul style="list-style-type: none"><li>1.3% reduction of water used in our own operations</li><li>Improved CDP water disclosure score to A-</li></ul></div></div>	
<div><div>Better for everyone</div></div> <div><div>Target and progress</div><div><b>Support human rights</b> Committed to championing human rights <a href="#">Read more</a></div><div><div>2023/24 highlights</div><ul style="list-style-type: none"><li>Contributing to closing living wage gap in our banana supply chain 3 years ahead of industry commitment</li></ul></div></div>	<div><div>Target and progress</div><div><b>An inclusive place to work and shop</b> Committed to achieving our diverse leadership representation targets by 2024 <a href="#">Read more</a></div><div><div>2023/24 highlights</div><ul style="list-style-type: none"><li>79% of colleagues told us they're able to be themselves at work</li><li>£200m investment in colleague pay</li></ul></div></div>	<div><div>Target and progress</div><div><b>Animal health and welfare</b> Improve animal health and welfare and practise responsible antibiotic stewardship <a href="#">Read more</a></div><div><div>2023/24 highlights</div><ul style="list-style-type: none"><li>Over 30% improvement in better welfare standards above the UK industry baseline</li></ul></div></div>	
<div><div>Target and progress</div><div><b>Community and partnerships</b> To leave a measurable positive impact on the communities we serve and address food poverty by providing good food for all of us <a href="#">Read more</a></div><div><div>2023/24 highlights</div><ul style="list-style-type: none"><li>£36m raised for good causes</li><li>135m meals delivered through our partnership with Neighbourly</li></ul></div></div>	<div><div>Target and progress</div><div><b>Skills and opportunities for all</b> At least 75% of colleagues on an apprenticeship will complete it. 70% of colleagues on Leading@ Sainsburys will be promoted within 9 months <a href="#">Read more</a></div><div><div>2023/24 highlights</div><ul style="list-style-type: none"><li>92% apprenticeship pass rate following completion of their programme</li></ul></div></div>		





# Better for you



We are committed to providing access to affordable, nutritious and diverse food to help make future generations and our planet healthier for longer. We believe everyone should enjoy good food and we aim to help our customers have access to healthier and more sustainable diets.

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Healthy and sustainable diets	11



# Healthy and sustainable diets

We have a long history of providing good food and leading change to help our customers eat healthier, more sustainable diets. To achieve dietary shifts in line with the Eatwell Guide we are making healthy food more affordable and appealing, reformulating products, trialling new initiatives and advocating for sector action.

Our commitments

At least **85%**  
Healthy and Better for you sales tonnage sold by 2025

Highlights

80.9%

of our sales are Healthy and Better for you

75%

of our Aldi Price Match campaign featured Healthy or Better for you food products

Award

Peas Please Pledger Champion Award winner for 2023, recognising efforts to grow, serve and sell more vegetables



Our Healthy and Better for you sales tonnage as a proportion of total sales is at 80.9 per cent and at 87.1 per cent for our own-brand sales. Progress in driving healthier choices is reflected in our market outperformance of Produce volume sales and the fact that our primary customers rate us ahead of our competitors for making it easy for them to choose food that is healthy.

This year, 72.1 per cent of protein sales came from plant-based and meat-free products, of which 10 per cent was entirely plant-based. The key drivers of the decline in sales of healthier products have been the lower-than-expected impact of high in saturated fat, salt and sugar (HFSS) regulations and the shift in purchasing behaviour in light of an inflationary environment. So, to drive tangible progress on our strategy, we have focused on five clear areas of action.

Making healthy choices affordable

This year, more than ever, price has been a primary concern for our customers, so we continue to make healthier choices more affordable. At least 75 per cent of the food products we price matched to Aldi in our campaigns are Healthy or Better for you choices.

In our September price match campaign we wanted to increase the diversity and balance of our offer relative to the Eatwell Guide, so we included products such as wholewheat pasta and tinned salmon.

We continued to offer customers bags of seasonal vegetables at 19p, resulting in 6,384 tonnes sold at Christmas, 10.8 per cent more year-on-year. To further support customers with their New Year health ambitions, we also ran a 3 for 2 promotion on 156 frozen fruit and vegetable lines.

Our 'Taste me, Don't waste me' fruit and vegetable boxes provide customers with fresh, healthy and affordable food, as well as helping us to prevent food waste. Since their launch in January 2023 we have sold 134,000 boxes, available for £2 at 235 stores.

Making healthy choices more appealing

We continue to build our understanding of how we can best help our customers make healthier choices.

In the Autumn we ran our fourth Nectar Fruit and Veg challenge, rewarding shoppers with additional Nectar points for purchasing fruit and vegetables. Customers who participated purchased over 113 million fruit and vegetable portions during the challenge (25 million more portions than last year) and we issued 278 million points through the app, worth nearly £14 million.

We won the Food Foundation's Peas Please Pledger Champion Award for 2023, which recognises our work to embed our pledge to grow, serve and sell more vegetables across our organisation and activities.

Testing and learning to understand real world impact

We have an ongoing commitment to evaluate the impact of what works to drive healthier sales in real world settings. Since 2017, we have worked with academic partners at the Universities of Leeds and Oxford, together with IGD and CGF, to independently evaluate our health interventions. Further details can be found [here](#).

Today, we are the lead industrial partner in a UKRI-funded grant (FIO-FOOD) that aims to provide actionable evidence for policy on retail strategies to address dietary inequalities in people living with obesity and food insecurity. We are also one of four retailers working with IGD and the University of Leeds to evaluate the impact of the Government regulations to restrict the placement of selected HFSS products (DIO-FOOD).



## Case study: Test and Learns

2023/24 trials<sup>1</sup>

Fruit & veg:

Annual Nectar incentives challenge

Nectar app challenge using personalisation, gamification and reward to increase fruit & vegetable purchases



113m

portions of fruit and veg sold, 25 million more portion than last year

Basket balance:

Price matching to Aldi

Increased the choice of healthy options across eatwell food groups by adding in wholewheat pasta, salmon and brown rice



Tinned salmon

+10% . Wholewheat pasta and rice no change

Healthier products:

Nectar incentives

Less healthy offers within the Your Nectar Prices loyalty programme were switched off so customers only received healthier offers for a fixed period




Modest increase in the healthiness of the basket, but decrease in offer redemptions overall

Example historic trials

Fruit & veg:

Safeguarding funds for low-income customers

Supplemented the government Healthy Start voucher by £2




+13

portions in £2 voucher redeeming baskets

Healthier eating:

Disney collectable cards

Promoted products with price reductions and Disney collectable cards



+387%

fruit packs +72% lower sugar baked beans

Unsuccessful trials

Breakfast cereals:

Eyeline as the buyline

Moved high-fibre, low sugar breakfast cereals to eye-level

No significant differences

Biscuits:

Range change to reduce calories

Increased availability of lower calorie biscuits, by changing 25% of products ranged

No significant differences

<sup>1</sup> Pink shaded trials evaluated by Sainsbury's only



# Healthy and sustainable diets continued

## Making our products healthier

We are improving the healthiness of our products through reformulation and innovation. This year we reported on our progress towards Public Health England's sugar and salt targets.

Since 2015 we have reduced our sugar tonnage by 35 per cent from baseline in the top five sugar contributing categories (biscuits, cakes, ice cream, yogurts and puddings) and 85 per cent of our products meet the salt maximum target for 2024.

We continue to find opportunities to reformulate products. For example, in March we reformulated our ready-to-roll puff and shortcrust pastry, resulting in the removal of almost 70 tonnes of fat per year and we reformulated three of our salad cream lines, which removed 25 tonnes of fat per year. We also reformulated our range of creamy dips in September, removing three tonnes of salt from customers' baskets per year, and as a result all the products are now compliant with the 2024 salt targets.

## Our ambition moving forward

We will progress our strategy, finding new ways to grow sales of foods that are good for us, including fruit, vegetables and fibre rich grains, and encouraging more diverse and sustainable protein choices through a focus on 'better' meat, fish, poultry and dairy. We will focus on responsible retailing through more 'low and no' alcohol beers, wines and spirits. We will continue to advocate for system wide change that enables healthier, equitable and more sustainable diets and creates a level playing field will continue to be a priority.

## Advocating for policy change and sector collaboration

Nilani Sritharan, Group Head of Healthy and Sustainable Diets, discusses how key actors in the food system need to join forces to drive a shift to healthier diets.

### What challenges are food retailers facing to achieve their healthier and sustainable diets targets?

Over the past few years, with rising costs impacting households, the market has seen fruit and vegetables sales decline significantly, whilst at the same time more indulgent categories have seen softer sales declines, as customers shifted from out of home dining to in-home treating.

Our research also indicates that whilst customers tell us that health matters, and most are very good at estimating their purchases of fruit and vegetables, many underestimate their intakes of treats and fibre-rich carbohydrates and customers don't always respond as hypothesised when in real world settings.

All of this shows that despite significant efforts we have made to support and address affordability of the healthier choice, seeing this translate into sales can be a real challenge – especially comparing to a baseline from 2021, when customer purchasing behaviours were very different.

### What change in the broader system is essential for Sainsbury's to achieve progress?

It is clear that retailers alone cannot drive this change. We want to work alongside the Government and policymakers to co-create and develop policy that levels the playing field and supports action for the greater good.

We need certainty, effective enforcement and mechanisms to reward businesses that raise the bar. We need clear and universally agreed definitions of a better choice for both health and sustainability to allow producers to invest

Retailers alone cannot drive this change. We want to work alongside the Government and policymakers to co-create and develop policy that levels the playing field and supports action for the greater good.

and innovate against these standards and improve affordability. Mandating disclosures on healthy sales against these agreed definitions, will enable better performance benchmarking, building the data to inform food policy and drive innovation.

We also need regulation that supports us to act in areas where there is no competitive advantage to lead, such as rebalancing unhealthy sales or guiding responsible portions. Finally, we need to reward businesses that are leading the way on what good looks like.

### What progress has Sainsbury's driven this year towards this agenda?

We were one of the first retailers to publicly disclose the healthiness of our total sales, and we have one of the most extensive disclosures on the healthiness of our portfolio.

We are active members of the DHSC's Food Data Transparency Partnership, supporting sector definitions and UK disclosures for health. We continue to call for the HFSS multibuy restrictions to be implemented and have shown support for the HFSS advertising regulations



whilst calling on policymakers to address potential loopholes.

We are also partnering extensively with others to understand what works to unlock better purchasing patterns (see case study on page 11). We are seeing that 'what works' might actually be much more nuanced than first thought.

We have continued to champion for more food sector businesses to join us in this food systems journey and our CEO, Simon Roberts will continue this work as the President of IGD.

### What is next for Sainsbury's in this space?

Looking ahead, we have re-set our strategic priorities to be laser-focused, identifying business integration and sector and regulatory action as key focuses. We will advocate for common definitions for a healthy and sustainable diet and for greater transparency to evidence better and more diverse protein sales.

We will support better sector data on eco metrics and we will voice clear and transparent positions on health and sustainability policy proposals.



## Better for the planet

In the face of the climate and nature crises, we need more leadership and collaboration than ever before. We are committed to playing our role in mobilising action across our value chain to protect and restore our planet.

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# Reducing greenhouse gas (GHG) emissions

With climate change reaching dangerous thresholds for humanity, we continue to take steps to cut greenhouse gas emissions in our operations to achieve our net zero target. We collaborate across our value chain to also achieve reductions outside of our direct control.

Our commitments

Reduce absolute greenhouse gas (GHG) emissions from our own operations to **net zero by 2035**

Reduction of absolute GHG emissions in line with **1.5°C** trajectory

Highlights

Smart Charge

our ultra-rapid EV charging service launched in January

Accelerated

our targets, which were approved by SBTi.

Award



The world is expected to reach 1.5°C of warming in the 2030s<sup>1</sup>. This poses a material threat to communities around the world and has the potential to severely impact global food security due to the risk of supply chain and agricultural system disruption.

As a signatory to WWF's Retailer's Commitment for Nature, our emission reduction targets align to a 1.5°C trajectory across all Scopes (Scopes 1, 2 and 3) and timeframes (near-term targets and longer-term net zero targets). This year we have reduced our absolute greenhouse gas (GHG) emissions within our operations to 458,973tCO<sub>2</sub>e. This is a reduction of 51.7 per cent from our 2018/19 baseline, keeping us on course for our 2035 net zero target.

Revised targets

In a move that validates our ambitious goals, the Science Based Targets initiative (SBTi) approved our new GHG reduction targets. Back in 2020, we set SBTi validated targets and we had previously committed to reducing our absolute Scopes 1 and 2 emissions by 50 per cent by 2030. We have now pledged a 68 per cent reduction within the same time frame. We have also committed to achieve net zero in Scopes 1 and 2 by 2035.

Our Scope 3 target of a 30 per cent reduction by 2030, aligning to a well below 2°C scenario has been updated and accelerated to align with a 1.5°C emission reduction trajectory. As a result of the SBTi's new requirements, we have also split our Scope 3 target to cover two separate commitments:

- We have set an energy and industry target that includes areas such as transport, energy use and manufacturing sites, which we have increased to 50.4 per cent by 2030, demonstrating our commitment to tackling GHG emissions generated across our value chain.
- Then for the first time, following new requirements, we now have validated targets which focus on Scope 3 GHG emissions that come from forests, land and agriculture (FLAG). We have pledged to reduce our FLAG emissions by 36.4 per cent by 2030.

The CDP again recognised our environmental progress and transparency by awarding us an A rating for our climate change disclosure. We are the only UK food retailer to have achieved this for ten consecutive years. We were also awarded an A rating for supplier engagement.

Progress in our own operations

We are very proud of the progress we continue to make in our own operations through energy efficiency programmes, including the installation of 100 per cent LED lighting across our estate since 2022, electrification of our heating, moving to 100 per cent renewable energy since 2022 and committing to long-term purchasing of renewable energy from new-to-the-planet power purchase agreements.

We are implementing Refrigerated Integrated Heating and Cooling (RIHC) systems, which efficiently electrifies heat in stores, removing the need for natural gas. It also utilises waste heat from the fridge to provide refrigeration, cooling and heating. We continue to remove refrigeration systems using Hydrofluorocarbons (HFCs), replacing them with more efficient fridges using natural refrigerant gas.

This year we announced a commitment to buy all the electricity produced over the next 15 years from the newly completed Longhill Burn Wind Farm in Scotland. The 50 megawatts of electrical capacity it will add to the grid will be used to power Sainsbury's stores, offices and depots nationwide. When all the turbines are operating at maximum capacity, they will provide enough electricity to supply up to 33 per cent of Sainsbury's total electricity needs.

Collaboration across the value chain

96 per cent of emissions are in our value chain and we know only through collaboration we will be able to achieve our ambitious reduction targets. Collaboration with our supply base is critical to unlocking this, and we have continued to prioritise engagement with suppliers who represent 80 per cent of our value chain emissions. We encourage these suppliers to submit their targets to SBTi for validation, so that they can have approved net zero 1.5°C science-based targets by end of 2025.

We also continue to drive progress through our suppliers' disclosure of site level emissions and reduction plans through Manufacture 2030 and Higg platforms, which allows us to identify hotspots and opportunities for decarbonisation in our supply chain. For the first time, this year all our own brand textiles and clothing suppliers have disclosed through Higg. To overcome the challenge of reporting accurate Scope 3 emissions, we are proactively engaging with key suppliers to obtain supplier specific primary data of the products they supply us.

Collaboration at industry level is also essential to drive greater action as a collective force. As a signatory to the WWF's Retailer's Commitment for Nature we have committed to halve the environmental impact of UK food baskets by 2030. We also continue to participate in industry-wide working groups, such as BRC Mondra coalition and WRAP's Climate Action Programme.

Innovation in the design and production of our products also helps us to reduce our environmental impact (see case study). We want to help our customers to reduce their carbon footprints and in January we announced the launch of Smart Charge, powered by Sainsbury's. This ultra-rapid EV charging service helps to address the shortage of electric chargers in the UK. We installed 343 charging bays across 40 Sainsbury's stores, and we will increase our network throughout 2024/25.

Our ambition moving forward

We will focus on emissions reductions in five distinctive areas: agriculture and land management, supplier operations, healthy and sustainable diets, supply chain transport and fuel use.

More information about how we are managing risks related to carbon emissions can be found on the TCFD section of our annual report.



Case study: Product innovation

This year we introduced crownless pineapples in our stores, which could offer a carbon reduction benefit because we can fit more pineapples into each crate we ship, resulting in a reduction of the number of boxes used to transport them per year. This move also allows us to minimise waste as the crowns can either be replanted or shredded and given to local farmers to be used for animal feed, potentially reducing waste by over 500 tonnes every year.

In September, we launched a reduced carbon, grass and forage-fed Taste the Difference range of Aberdeen Angus beef which generates a 25 per cent lower carbon footprint compared to industry standards, making it the biggest low-carbon beef range ever produced in the UK. We achieved this by working collaboratively with ABP Food Group and the farmers and suppliers in our dairy and beef supply chains.

[Read more](#)

<sup>1</sup> An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty. IPCC, 2018

# Reducing food waste

Food waste represents a loss of resources and contributes to a quarter of global emissions, making it a material area for us to address. We recognise the need to accelerate progress and this year we have run a successful trial to redistribute 'use by' foods and we are extending trials on new ways to repurpose food waste for animal feed.

## Our commitment

**50%**  
reduction in food waste by 2030

## Highlights

**23 million**

meals worth of surplus food donated since our partnership began with Neighbourly

**57.8%**

more surplus food redistributed to communities year-on-year

Failing to use food which has been grown and produced for consumption represents a misuse of water, land and other resources. Since 2013, none of our food waste has been sent to landfill; unsold food is redistributed within our communities, sent for animal feed or, as a last resort, sent to anaerobic digestion. This year, 0.627 per cent of food handled was sent to anaerobic digestion, a reduction of 2.7 per cent year-on-year.

We restated the 2022/23 result for food waste to anaerobic digestion reported in the 2022/23 annual report from 23,443 tonnes to 30,399 tonnes due to a reporting error identified. The 2019/20 baseline is restated from 31,615 tonnes to 34,609 tonnes. This means that in 2022/23 we reduced absolute food waste by 12.2 per cent rather than the 25.8 per cent reported versus our 2019/20 baseline. This year we have reduced food waste to anaerobic digestion by 12.5 per cent absolute and 13.9 per cent relative to total tonnes handled versus our 2019/20 baseline.

## Own operations

Since it launched in 2021, our partnership with Neighbourly has enabled us to redistribute over 23 million meals to those who need it most, removing surplus food from our own operations. This year we have redistributed 13.5 million meals and prevented 5,917 tonnes of surplus food going to waste. Through Neighbourly, our stores now support and donate to over 2,760 good causes across the UK. More information on our Neighbourly partnership can be found on page 22.

As we continue to explore additional routes for food redistribution we have launched a partnership with Olio to redistribute 'use by' dated food which will roll out across our store estate

## Joining the Coronation Food Project

"Over the past year, Sainsbury's has been an integral partner of the Coronation Food Project, which works across sectors to tackle food waste and insecurity in the UK and get food to over 8,500 charities and community groups supporting some of the most vulnerable people in society.

By working alongside other retailers and food businesses, Sainsbury's has set a great example across the food and manufacturing industry to share resources, and help unlock the social and environmental impact of surplus food. Working together will help us combat the environmental impact of food waste, and help the charities we support strengthen communities up and down the country. FareShare is hugely grateful to Sainsbury's for joining us on this initiative to tackle waste of all kinds and get more good-to-eat food for the people who need it."

**George Wright**  
CEO, Fareshare UK



As we continue to explore additional routes for food redistribution to help accelerate progress, we have launched a partnership with Olio, the local food sharing app, to redistribute 'use by' dated food which will roll out across our store estate in 2024. We are also extending trials on new ways to repurpose food waste for animal feed.

## Across the value chain

It is important to look beyond our own operations to find solutions that drive significant overall change and reduce waste.

In November 2023 we joined FareShare's Coronation Food Project, an initiative in which the wider food industry is working together to use surplus and donated resources of any kind - food, packaging, labour and capacity - to produce nutritious food to help people in need. We are now working with selected suppliers across different categories to understand

opportunities to bridge the gap between food waste and food need across the UK. We also worked with two of our produce suppliers to support the WWF to test a food waste measurement tool for on farm food waste. The WWF have now rolled out this tool to the industry.

We again stepped on our approach to rethinking 'use by' labelling based on best practice guidance, and in September 2023 became the largest UK retailer to remove all 'use by' dates on our own-brand milk (including all fresh and organic milk sold across England, Scotland and Wales), instead moving to 'best before' guidance, which helps customers reduce food waste in their own homes. This move impacts over 730 million pints of milk sold annually.

## Our ambition moving forward

We know we need to do more to accelerate action on food waste, and we will further explore opportunities throughout the value chain. We will continue to focus on preventing food from being wasted in our own operations, alongside increasing efforts to redistribute more food within our communities and find more opportunities to recover food waste as animal feed. Through collaboration with our suppliers and WRAP we will gain further visibility of supplier food waste performance, enabling us to support action where it is needed most, and trial measurement tools to capture farm loss and waste.



# Reducing plastic packaging and increasing recycling

Customers care deeply about plastic pollution, and they want less plastic to be used in the packaging of the products they buy. We continue to work in collaboration with our suppliers to develop new materials and other solutions to reduce the amount of plastic we use.

**Our commitments**

Reduce our own-brand plastic packaging by **50% by 2025**, increase recycled content and recyclability

Support the expansion of **circular economy** supply chains through our recycling approach

Since 2021, we have removed over 12,000 tonnes of plastic from our packaging and worked towards making our own-brand product packaging fully recyclable. We are continuously investigating ways to reduce the packaging of our products and become less reliant on plastic. Our target is to reduce our own-brand plastic packaging by 50 per cent by 2025 and at the same time increase recycled content and recyclability. We reduced relative plastic packaging by 2.8 per cent year-on-year (12.9 per cent relative reduction from our baseline) and on an absolute basis, our own brand plastic packaging tonnage increased by 1.3 per cent year-on-year and declined by 16.4 per cent from our baseline.

**Leading through innovation**

In November we announced our biggest ever single plastics removal, a result of switching all our own-brand mushroom punnets from plastic to cardboard (see case study).

We also became the first UK retailer to announce a switch from plastic to paper packaging across our entire own-brand toilet paper and kitchen towel ranges. This will save 485 tonnes of plastic, equivalent to nearly 55 million pieces of plastic a year. The new paper packaging can easily be recycled at home through kerbside recycling. In another first, we replaced five million plastic hangers from our Tu Clothing Baby range, a saving of 103

tonnes of plastic a year. The new hangers, made from cardboard, allow customers to recycle at home.

While we continue to reduce the amount of packaging we use, we also aim to make it easier for our customers to recycle a variety of materials through in-store facilities

Alongside this work, we submitted our first disclosure to comply with the new Extended Producer Responsibility (EPR) guidelines, which we anticipate will initiate robust policies that drive positive change.

**Making recycling easier**

Our five-point strategy to 'Remove, Reduce, Replace, Recycle and Reuse' across everything we sell is just one way we are introducing a circular mindset throughout our business. While we continue to reduce the amount of packaging we use, we also aim to make it easier for our customers to recycle a variety of materials through in-store facilities. We launched a trial of a new in-store recycling



hub this year, bringing our recycling offer together in one place for customers and removing duplication with kerbside collections.

Driven by our commitment to increase recyclability and create a circular economy for our products, customers can bring used electrical items into our stores for repair and refurbishment. This helps customers save money and also reduces waste. As a result of this initiative, we repaired over 28,000 products and refurbished almost 190,000 items this year, giving them a new lease of life. Additionally, we launched furniture recycling for our online customers in partnership with Clearabee.

**Our ambition moving forward**

We are proud of our progress on plastic reduction, improved recycling and increased circularity across our business. Moving forward we will be working to develop a more holistic packaging strategy beyond just plastic. We will continue our work to improve our understanding of our packaging footprint by raw material and we will build circular design into our approach so that we use the right material for customer, safety, waste and emissions.

**Highlights**

**2.8%**

relative reduction of plastic packaging year-on-year (12.9% relative reduction from our baseline)

**775 tonnes**

of plastic removed from our own-brand mushrooms, our biggest single plastic saving to date



**Case study: Our biggest plastic packaging removal ever**

In our single biggest plastics removal, we were the first UK retailer to roll out cardboard punnets for all mushrooms across all stores. The removal of all plastic punnets from our full own-brand mushroom range will save over 775 tonnes of plastic, equivalent to over 52 million pieces of plastic a year.

The new fully recyclable cardboard trays will help customers to both cut down on plastic and recycle more easily at home. Customers are also able to recycle the film packaging at one of our front-of-store flexible plastics recycling points (available in all Sainsbury's UK supermarkets).



# Protecting and regenerating nature

We want to play a leading role in reducing the impact of the food system on the environment and are helping to both protect and regenerate natural ecosystems that are vital to communities and to tackling climate change.

Our commitments

**Nature Positive:**  
committed to protecting and regenerating nature

Ensure our own-brand products are **deforestation and conversion free** by 2025

Awards

Awarded Marine Stewardship Council (MSC) UK Supermarket of the Year and Aquaculture Stewardship Council (ASC) UK Retailer of the Year awards



As a business and society we depend on nature, including to produce the raw ingredients and materials that go into our products, and we know that nature helps both mitigate against and support society and businesses to adapt to the worst effects of the climate crisis.

**Protect nature**  
We are building a more nature-positive and resilient supply chain, both in the UK and internationally, through our sourcing standards and collaborations in the high-risk raw materials and regions that need intervention the most. We have already reached our sustainable sourcing targets in palm oil and farmed seafood, and this year we were named Marine Stewardship Council (MSC) UK Supermarket of the Year and Aquaculture Stewardship Council (ASC) UK Retailer of the Year, making us the first retailer to ever achieve both awards.

We have achieved 100 per cent farmed seafood and 86 per cent wild caught fish and seafood to be independently certified as sustainable. The remaining 14 per cent of our wild caught fish is all responsibly sourced, in line with the Sustainable Seafood Coalition code guidelines.

Through our collaboration with the Better Cotton Initiative, we have also made significant progress and 97 per cent of cotton was sourced sustainably across our ranges.

We have responsible sourcing roadmaps for our key raw materials and ingredients and this year we published new policies for: manmade cellulosic fibres, palm oil, cotton, leather, precious metals and minerals and feather and down. These policies help to ensure we are moving towards sustainable sourcing and creating opportunities for nature regeneration (read more on page 32).

**Collaboration and benefits across the system**  
The food system is complex and to deliver change we must work collaboratively and holistically to address the environmental challenges in high-risk locations. We also need to support initiatives beyond our own supply chain to address the root causes of nature

degradation, including deforestation and conversion. Through our partnership with the Consumer Goods Forum (CGF) we invested over £300,000 in landscape initiatives which work across a range of actors from Government to importers.

For example, we invested £200,000 in a landscape initiative in Sintang, West Kalimantan, Indonesia, facilitated by the Rainforest Alliance. This project seeks to prevent deforestation linked to palm oil production by educating farmers in sustainable palm oil production, improving the ability and capacity of the Government to enforce policies which prevent deforestation and increasing awareness of the impacts of deforestation and the benefits of certification among farmers. This aims to ensure areas of high conservation value in the region are protected and also to reduce deforestation in the region by 25 per cent. Furthermore, smallholder farmers will have traceable supply chains, supporting access to the EU market.

The project in Indonesia also supports our work around human rights. The scheme supports farmers to form cooperatives so they can apply to be certified by either the Roundtable on Sustainable Palm Oil (RSPO) or Indonesian Sustainable Palm Oil System (ISPO). These standards come with minimum requirements that protects land and worker rights.

We are building a more nature-positive and resilient supply chain, both in the UK and internationally, through our sourcing standards and collaborations in the high-risk raw materials and regions that need intervention the most.

## Case study: Certification of Manmade Cellulosic Fibres

Our work to tackle deforestation and conversion goes beyond our legislative commitments. An example of this is our work on Manmade Cellulosic Fibres (MMCFs), fabrics made from wood pulp with the most common being Viscose.

MMCFs can leave a significant environmental and social footprint due to the trees harvested and the chemicals used to process the wood pulp. To tackle this, we partnered with Canopy and ensured that all of our suppliers are, at a minimum, ‘Green Shirt’ certified or sourced to an equivalent standard.

This year, 95 per cent of MMCFs were sourced to an independent sustainability standard. Going forward, we want to work with Canopy to identify alternative feedstocks that have a reduced environmental footprint, such as recycled textiles.





# Protecting and regenerating nature continued



## Case study: Short and long term investments to prevent deforestation linked to soya

This year we invested £100,000 with the Amazon Environmental Research Institute (IPAM). Our investment will help to prevent deforestation linked to soya and cattle by supporting the restoration of forests, embedding agroforestry practices with smallholders and working with local governments in Mato Grosso, Brazil, to embed sustainability and human rights principles into policy.

This is part of our approach, which acknowledges the different barriers to tackling deforestation. The solution requires both short-term financial incentives and support for systemic interventions. We already invest in the Responsible Commodities Facility which offers low interest loans to farmers on the condition they do not deforest or convert land.

The work with IPAM complements this by supporting governmental efforts to address deforestation and raising awareness of the benefits of sustainability in the region. This helps to tackle the legislative and cultural issues that currently support deforestation.

### Regenerate nature

We continue to work to restore and regenerate natural resources and landscapes through close collaboration with our suppliers and farmers, supporting them on this journey through technology, best practice sharing and landscape initiatives.

This year we reconfirmed our commitment to protecting and restoring nature in the Ica Valley in Peru, in collaboration with our supplier Barfoot's and local partners Huarango Nature. This project has included the establishment of the first regional Native Plant Conservation Centre and the restoration of wildlife and desert flora corridors in this arid and water scarce region.

Additional native wildlife habitat networks will be restored and the education programmes at the plant conservation centre will continue. To further protect native plant species in the region, a new botanical garden will be developed alongside watershed restoration to increase carbon and water capture.

Closer to home, through our partnership with The Woodland Trust we invested £200,000 to protect and restore ancient forests in Mourne

Park, one of the rarest habitats in Northern Ireland. This investment will help ensure it continues to be a habitat where native trees, flowers and wildlife can flourish and will also support access to nature in an area deprived of green space.

Since 2004 we have raised over £14 million for the Woodland Trust, funding the planting of over 5.1 million native trees, which have the potential to mitigate over 1.2 million tonnes of carbon dioxide.

### Technology, collaboration and knowledge sharing

The balance between food production and nature enhancement is a delicate one for farmers, and there are challenges associated with standardised definitions and approaches to the measurement of biodiversity loss and interventions to improve biodiversity.

In 2023 we partnered with Land App, a mapping tool that helps our UK farmers measure biodiversity accurately and quickly across the land they manage. We also funded a development with the product to embed the

UK Centre for Ecology & Hydrology (UKCEH) habitat planning software, so that farmers can get advice on how to balance their land-use between food production and habitat creation. Through our work with Land App 198 farmers in our supply chains have mapped their farms, have a biodiversity baseline and are working towards Land Management plans that can incorporate tree planting, river protection, and establishing pollinator-friendly areas. In addition, we're working closely with the Woodland Trust to provide bespoke support and guidance to our farmers in adopting agroforestry practices.

Also this year we launched our 'Making It Happen' action groups, established to deepen

understanding and share best practice on key issues including soil health, water quality, greener fertiliser and energy usage. The groups are focused on building trust and driving continuous improvement, and utilise external expertise from industry partners, such as Sustainable Soil Alliance and Fenland Soil.

### Data and transparency

We know that measurement and data are key enablers for driving action and monitoring outcomes. In 2023, we conducted spatial analysis to understand where our direct

operations may be located in proximity to designated protected areas, a basic precursor to taking targeted action to reverse the loss of biodiversity.

As legislation increases in this space, including Biodiversity Net Gain and Nutrient Neutrality, understanding how our estate interfaces with nature will become even more critical. We will continue to conduct this mapping on an annual basis and will share our findings in our CDP disclosure.

### Our ambition moving forward

We will develop our approach to protecting and regenerating nature, including providing meaningful farm level guidance on nature positive agriculture, and responding to emerging reporting frameworks.

We will continue to invest in landscape initiatives that protect and restore nature, in particular in areas where there is a high risk of deforestation or land conversion.

We will remain focused on improving traceability and data capture across key commodities and suppliers to build resilience in our supply chain, secure supply and mitigate risk.

We have partnered with Land App, a mapping tool that helps our UK farmers measure biodiversity accurately and quickly across the land they manage.



# Water use and stewardship

We have identified water risk as a key social and environmental focus area, and understand we must build resilience throughout our supply chains not only to protect our business, but also the value chains, communities, and landscapes that we interact with.

### Our commitment

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

### Highlights

1.3%

year-on-year reduction of water used in our own operations

Improved

CDP water disclosure score to A-

Agriculture is responsible for about 70 per cent of freshwater use globally and in some areas contributes to water scarcity. At the same time climate change is impacting the frequency and intensity of floods and droughts. Freshwater is a shared resource that does not recognise business or country borders, so collaboration and collective action with other users are critical to true water stewardship in any given region.

### Efficient operations

We continue to drive towards more efficient management of water in our operations. Since 2005 we have reduced our water usage by almost one billion litres, despite growing our store estate, achieving this through a combination of rainwater harvesting, leak prevention and innovative self-supply licence.

We have reduced our water usage by 1.3 per cent year-on-year to 2,621,341m³. This equates to a 18.7 per cent reduction from our 2018/19 baseline. We also improved our CDP water rating to A-. To accurately track our water usage, we have increased the frequency of water meter readings. This has given us a benchmark for all our sites and we are able to identify which stores are using more water than necessary and spot opportunities to reduce water in our operations.

### Expansion of replenish pilot

This year we worked with the Rivers Trust to pilot an innovative approach and purchased some Replenish credits as part of a wider catchment resilience project in the Wyre. In addition to our instore efficacy measures, this project supports us to reach our water neutrality target because the variety of nature-based solutions being implemented will replenish the equivalent volume of water used by four regional stores, over approximately 10 years, back into local ecosystems.

The project has since won an Edie award for the Nature and Biodiversity project of the year, given the broad benefits it delivers beyond just water. We have expanded on this pilot, purchasing additional Replenish volumes in two other catchments – the Beult in the South East and the Cocker in North West. Both projects are led by local Rivers Trusts and will be

implementing Nature-based Solutions (NbS) to reduce flood risk and improve water quality for the target areas.

### Collaborating across the value chain

We are signatories to the WWF's Retailers' Commitment for Nature and WRAP's Courtauld 2030 Water Roadmap, which set the ambition for 50 per cent of fresh food to be sourced from areas with sustainable water management by 2030. Alongside other UK supermarkets we agreed to a revised set of leadership actions and associated funding to accelerate the delivery of the Courtauld 2030 Water Roadmap, focusing on four priority action areas:

- Advocacy for good governance, policy change, and implementation
- Identifying water risks and priorities for action, and reporting against progress
- Collective action projects in priority at-risk sourcing areas
- Consistent guidance and standards for supply chains

Building on our water footprinting exercise in 2021, we identified key water hotspots and now support seven collective action projects in important sourcing areas for our supply chain across the UK, Spain, South Africa, Peru and Kenya. There are several partners involved in delivering on-the-ground collective action to tackle the most salient water risks in these regions, including The Rivers Trust, Good Stuff International, IDH and WWF. We also remain observer signatories to The Glasgow Declaration for Fair Water Footprints.

### Our ambition moving forward

We will continue to consider the impact of embedded water on environmental and social outcomes, and improve our farm-level data to enable us to conduct robust risk-mapping of our priority supply chains, alongside looking into ways we can support enhanced water stewardship via our Making it Happen Action group on water.



### Case study: Supply chain water-risk mapping

This year we conducted mapping exercises for some of our priority supply chains to understand where our supply intersects with water-related risks. Using data from the Water Framework Directive, we mapped the Sainsbury's Dairy Development Group to assess the number of farms and the volume of milk we are sourcing from areas of good ecological status. From our analysis, we understand how much of our milk volume is sourced from catchments meeting good ecological status and where we need to focus our efforts moving forward.

We also mapped our textiles supply chain tier one sites, using site locations and water volume data collected via the Higg platform, and water risk data from the WWF Water Risk Filter platform. This has shown where our highest flood risk sites are, but also allowed us to conduct more complex analysis to understand where we have greater dependencies, for example through identifying sites that use high volumes of water, but are situated in water stressed areas.

Using an official data layer, farm-level geolocations from our supply chain, and following the WWF guide for checking legal water use in Southern Spain, we conducted a comprehensive exercise to understand how our berries and cherries sub-category intersected with these legal and illegal areas in Doñana. We also set a requirement for our growers in these regions to complete a water risk assessment.





## Better for everyone

We rely on people, locally and globally, to help us provide good food for the communities we serve. In a world of rising inequality, we are committed to championing human rights, ensuring fair treatment for both people and animals and creating a place where everyone can feel safe and supported.

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# Supporting human rights

We want to ensure that people in our value chain are treated with respect and protected in the transition to net zero and beyond. This year we have driven tangible change for workers in our own operations, as well as in our UK and international supply chains.

### Our commitment

We are committed to **respecting human rights across our value chain**, and to ensuring our transition to net zero is just and equitable for the communities we source from.

### Highlights

## 3 years ahead

of industry commitment we are contributing towards closing the living wage gap for workers in our banana supply chain

## 92%

completion and 86 per cent public disclosure on the Workforce Disclosure Initiative (WDI) disclosure

In 2021 we conducted a human rights saliency assessment to help us to direct our resources to where they will have the most impact on the people and communities who help create our products. This led to the identification of five key issues - forced labour, sustainable livelihoods, safe and healthy work environments, discrimination and grievance mechanisms - and the development of commitments and targets.

We continue to strengthen our partnerships to accelerate the delivery of our human rights strategy. For example, our partnership with the University of Nottingham's Rights Lab focused this year on research into the evolving risks around child labour and the impact of climate change on workers. We have also joined ACT – an agreement between global brands, retailers and trade unions to transform the garment, textile and footwear industry and achieve living wages for workers through collective bargaining at industry level linked to purchasing practices.

### Reinforcing supplier standards

We have established a comprehensive audit programme covering our transport and logistics operations, supported by our newly launched Responsible Use of Labour Providers Manual. The manual sets out clear ethical standards and guidance on the use of agency labour in all of our warehousing and logistics supply chains. It outlines required standards under UK law, as well as best practice in line with the ETI Base Code and our human rights and ethical trade policies. This includes standards relating to forced labour indicators such as recruitment fees, illegal deductions, and excessive working hours.

### Addressing forced labour in UK supply chains

We continue to co-fund and participate in the Seasonal Worker Scheme (SWS) Taskforce, which aims to ensure responsible recruitment and employment of seasonal workers in the UK agricultural sector. In particular, we contribute through workstreams that aim to improve worker access to information and grievance mechanisms and improve worker

finances. Outputs from the SWS Taskforce this year include further development of the Just Good Work app, which provides workers with information about the scheme and life in the UK, and grower training events that give tools and guidance to growers on how to address risks to workers coming through the scheme.

By being active members of the SWS Taskforce we promote effective due diligence, support industry-wide approaches to remediating issues, and advocate for Government action to address the underlying risks associated with the SWS.

### Remediation plans and learnings

We have joined with others in the industry to address human rights violations in agricultural supply chains in East Africa. Following claims of systemic gender-based violence and harassment in our tea supply chain in Kenya, a steering group was formed with industry and civil society organisations to undertake a human rights impact assessment, followed by the development of a comprehensive corrective action plan. The report highlighted the power dynamics between managers, supervisors and workers and how this was a key root cause of gender-based violence and harassment across the plantation.

Following on, we organised a workshop to share the learnings of the investigation with the wider industry, local stakeholders and government officials. This contributed to driving industry alignment to tackle pervasive gender-based violence and harassment in Kenyan tea

### Our ambition moving forward

We are focused on developing roadmaps covering our five priority focus areas, and detailed action plans for priority products and ingredients. We will continue to collaborate with our strategic partners to drive awareness and accelerate industry-wide action on our human rights priorities.



### Case study: Contributing to closing the living wage gap

In March 2023, alongside nine other UK retailers brought together by the Sustainable Trade Initiative (IDH), we committed to closing living wage gaps in international banana supply chains by 2027.

Working with our longstanding partner Fairtrade and banana supplier Fyffes, we have taken action three years ahead of that commitment. From February 2024, every banana sold at Sainsbury's is contributing to closing the living wage gap for workers in our banana supply chain, as well as helping to improve livelihoods for smallholder farmers in Cameroon, Colombia, Dominican Republic and Ghana.

We have done this through committing to pay the Living Wage Reference Price, by moving to longer-term contracts to give growers greater stability and financial security, and by engaging with workers and producers to agree where the Fairtrade premium can be used to top-up wages. Living wage is a shared responsibility, and for workers to receive living wages, all buyers must adapt their purchasing practices. We encourage other retailers to follow suit and make the necessary changes.

As part of our renewed partnership with Fairtrade we will invest in climate resilience for banana producers, as well as addressing systemic issues across key commodity supply chains.

[Read more](#)



# Supporting our communities

We believe that everyone deserves access to good food. Our Nourish the Nation programme funds organisations that do vital work to help ensure that everyone up and down the country has access to good food that is balanced, nutritious and sustainable.

## Our commitment

To leave a **measurable positive impact** on the communities we serve and source from and **address food poverty** by providing good food for all of us.

## Highlights

**£36m**

raised for good causes this year

**13.5m**

total meals delivered through Neighbourly

In 2022 we launched our Nourish the Nation programme with our long-standing partner Comic Relief to help tackle food poverty for the communities at risk now and in the future. We are also supporting local charities that are doing valuable work to get food to those who need it, and we fundraise, volunteer and raise awareness throughout the year. With the help of our customers and colleagues we raised a total of £36 million for good causes this year.

## More routes to Nourish the Nation

Through our Nourish the Nation programme, in partnership with Comic Relief, we provide funding to ensure communities have improved access to balanced, nutritional and sustainable food sources. In this second year of the programme, our focus has been on providing more ways for customers to join our efforts in tackling food poverty. For example, in the summer we encouraged customers to get cooking and donated to Comic Relief 50p of every product purchased from our Inspired to Cook range. We also donated £100,000 to Comic Relief from the sales of school uniforms during our Back to School campaign.

We supported communities at risk of food insecurity by donating the full sales of our selected festive vegetables to Comic Relief in the last week of Christmas. and by donating 10p on every purchase of our festive Christmas sandwiches. Additionally, our Nourish the Nation seasonal homeware generated a £200,000 donation to Comic Relief.

## Partnering for tangible impact

We have donated £11.4 million to support Comic Relief and our wider Nourish the Nation community programme, helping to support communities facing food insecurity, at a time when the impact of the rising cost of living is still preventing communities accessing food.

In line with our commitment to make good food accessible to everyone, we distributed 13.5 million meals through our partnership with Neighbourly and front of store customer donations during Christmas. Over the course of our partnership with Neighbourly we have donated over 23 million meals to communities.

This year we joined the Coronation Food Project, an initiative launched by His Majesty King Charles III which aims to address the growing issue of food insecurity in the UK. Through Fareshare, and together with some of our key suppliers, we have donated one million meals. For other elements of our Coronation Project contributions see page 15.

We continue to work with Neighbourly on our Community Grant Scheme, which aims to help the most vulnerable people throughout the UK to get access to food. Through this scheme, our stores, depots and store support centre divisions can nominate a not-for-profit partner to receive a grant of at least £500. This year we supported 798 local good causes and committed over £1 million of funding. Our customer food donation scheme also supports local community groups. 98 per cent of our stores are supporting 986 community groups with essential grocery items.

Supporting communities impacted by natural disasters and conflict wherever they are in the world remains important to us, and this year we donated a total of £600,000, which includes support for those affected by the earthquakes in Morocco and floods in Libya.

Alongside our community investment, we make positive economic contributions through our responsible approach to tax. We contributed approximately £2.3 billion in cash taxes borne and collected this year.

## Our ambition moving forward

Through Comic Relief we aim to increase the support we give to our communities by designing specific programmes for children living in food poverty. Internationally, we will focus on building and strengthening the resilience of the communities from which we source, in particular addressing the impact they are facing as a result to climate change.

## The Kennishead Larder Our Nourish the Nation programme with Comic Relief is helping communities and people across the country.

As the Development Manager for Feeding Britain in Scotland, Pauline works with Kennishead Larder, a community shop in Glasgow that opened to help the local community with the cost-of-living. At the Larder, residents of Kennishead can buy good quality, affordable food, and access vital support.

"The impact of the cost-of-living has been horrendous here, but now people come in with their cheeks a little pinker, their eyes a little brighter. I can see the change in our members with my own eyes."

The Kennishead Larder provides more than just food to local people. It also offers a sense of community and a helping hand when times get tough. The staff and volunteers offer practical help, and signpost members for further support.

"If someone is struggling with rent, damp, debt, fuel bills or any other problem, we



support them by pointing them in the right direction of the help they need. The sense of community is quite remarkable. It's about so much more than food. We all need to eat, but we all need that little bit extra support. I am so proud to say that the Larder is doing just that."

The Kennishead Larder is supported by Sainsbury's through the 'Nourish the Nation' programme with Comic Relief.

"They've given Feeding Britain a lot of help, money and assistance through the Nourish the Nation programme, and organisations like our Larder couldn't do it without their support."



# Building an inclusive culture

We are committed to being a truly inclusive retailer where every one of our colleagues can fulfil their potential and where our customers feel welcome when they shop with us. Our Diversity, Equity and Inclusion scores in our annual colleague feedback survey are the highest they have ever been.

Our commitments

75%  
of colleagues are able to be themselves at work

Achieving diverse representation in leadership by 2024

Highlights

79%  
of colleagues told us they are able to be themselves at work

£200 million  
investment in colleague pay

The feedback we get every year from colleagues helps us understand how they feel about working at Sainsbury's and what matters most to them. It enables us to put plans in place to make Sainsbury's a great place to work. 79 per cent of colleagues say they feel comfortable being themselves at work, 72 per cent say they are treated fairly and 72 per cent feel supported by their line manager.

**Gender and ethnicity pay gap**  
We continue to focus on representation and transparency across the business and we again published our integrated Gender and Ethnicity Pay report. Our mean gender pay gap has decreased from 8.5 per cent to 8.4 per cent, while our median gender pay gap has increased from 6.3 per cent to 6.7 per cent.

While we have seen a further improvement in representation of women in senior leadership positions (up 54 per cent), the pay gap still exists as we have more men in higher paid leadership roles and an increase in the number of men carrying out hourly paid roles that attract a premium – including online delivery drivers and bakers.

Our mean ethnicity pay gap is -2.9 per cent (-1.6 per cent in 2022) and median gap is -5.4 per cent (-4.0 per cent in 2022). Although all retail hourly-paid colleagues receive the same base rate of pay, stores in London attract a location premium. Around 50 per cent of retail hourly-paid Ethnically Diverse colleagues work in a London store, compared to only 5 per cent of White hourly-paid colleagues.

**Building a diverse talent pipeline**  
We offer leadership development acceleration programmes to encourage a diverse talent pipeline. Our refreshed Accelerate YOU programme aims to speed up the progression of high potential Ethnically Diverse colleagues through targeted and personalised development. We also sponsored the Diversity in Retail Ethnic Future Leaders Programme, reflecting our commitment to nurturing diverse talent within the business and industry. All of our development programmes run with an expectation of a 50/50 gender split.

And to build gender balance we have analysed our business to understand what parts require better gender balance and identified Tech as a development area. As a result, we launched a Tech Engineering Bootcamp programme to develop in-house talent who aspire to work in Engineering.

**Wellbeing**  
As part of our wellbeing strategy we refreshed the line manager mental health training and made it mandatory for all line managers to complete for the first time, with 97 per cent completion. We are pleased to have significantly improved our score for the CCLA wellbeing benchmark, achieving a tier 2 accreditation.

**External recognition**  
For the second consecutive year, we have been named a Top 50 Employer for Gender Equality by *The Times*, one of only two retailers recognised on the list, and we are one of only 68 companies in the FTSE 350 to have met or exceeded the FTSE Women Leaders' 40 per cent Women in Leadership Target.

We were awarded the Leading Edge Employee Journey award from Diversity in Retail for ensuring that inclusion is at the heart of each stage of the colleague lifecycle and we continue to be accredited as a Disability Confident Leader, the highest tier of accreditation in the Government's Disability Confident scheme.

Three of our colleagues were recognised in Diversity in Retail's Women to Watch and Role Models for Inclusion in Retail Index. A Sainsbury's colleague was also listed in The Grocer's Top 10 activists to make grocery a better industry for the LGBTQ+ community and nominated for the 2024 British Diversity Awards. Our I AM ME network has been recognised as a Top 10 colleague network by the Investing in Ethnicity Awards for the third consecutive year and our Proud@Sainsbury's network was nominated for the LGBTQIA DIVA Award in the category Network of the Year.

We are making progress in driving positive, sustainable change to improve the lived experience and opportunities for

underrepresented groups. There is more we can do, and we continue to work with a number of partners, including Business Disability Forum, Carers UK, Stonewall, Business in the Community, Diversity & Inclusion in Grocery and Diversity In Retail.

**Investing in colleagues**  
In January, we led the market, announcing that we would be investing £200 million to increase colleague pay in line with the Real Living Wage. This means that over three years, we have invested over £500 million in colleague pay. For more detail please read pages 99-117 in our annual report.

To further support our colleagues, we provide free food for store and depot colleagues during their shifts and, in July 2023, we introduced free sanitary products across all sites and stores for colleagues. To help make their weekly shop more affordable, colleague discount in Sainsbury's increases from 10 to 15 per cent every Friday and Saturday. We also offer savings and salary advance schemes to help with budgeting, savings and debt.

Our ambition moving forward

We remain committed to supporting our colleagues and will be setting out new gender and ethnicity targets to further increase diverse representation. We will also be launching our refreshed Diversity, Equity and Inclusion strategy that is focused on encouraging colleagues to take personal responsibility for inclusion and holding our line managers to account on actively promoting and upholding inclusive practices and policies within our organisation.

## Our colleague networks

All of our networks are led by our colleagues and are open to colleagues who are part of that community and their allies. Over 13,000 colleagues are members of the networks. They celebrate a number of events across the year such as Black History Month, Carer's Week, International Women's Day, Pride Month and Sainsbury's Disability Week. They also play an integral part in representing our colleagues and agitating the business to make positive change.





# Skills and opportunities for all

We continue to encourage our colleagues to develop their skills and fulfil their potential. As we transition into our new Next Level strategy, our ability to identify, acquire and develop the critical skills and capabilities that will underpin our success continues to be our primary focus.

Our commitments

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

**70%** of colleagues who are on our Leading@Sainsbury's development cohorts will be promoted within 9 months of completion of their programme

Highlights

**92%** apprenticeship pass rate following completion of their programme

**125** colleagues trained to access highly technical careers where skills are most needed

Behind the great products and outstanding service Sainsbury's delivers to customers are many thousands of colleagues performing hundreds of jobs in numerous locations across the country. The skills required for a retail business such as ours are diverse and wide-ranging and we offer exciting and varied opportunities to those taking their first steps into a new career as well as those wishing to progress.

There is a wide variety of development programmes and learning opportunities available for our colleagues. These include high-potential progression and manager development programmes, personal development toolkits, on-demand virtual development sessions, live webinars from thought-leaders across the globe, and mentoring and training programmes, including apprenticeships.

Colleagues have access to a learning platform which hosts a variety of online courses, including mandatory training and personal development.

**Apprenticeships**

We have committed that at least 75 per cent of colleagues on an apprenticeship will successfully complete their programme, ahead of nationally reported apprenticeship completion rates. We offer a variety of apprenticeships across the business and since 2016 we have supported 1,950 of our colleagues and managers with apprenticeship roles. Apprenticeship programmes enhance colleagues' knowledge, skills and behaviours across a structured programme aligned to their job role, so they can make an even greater impact with greater confidence and increased knowledge. The 211 colleagues who completed their apprenticeship this year achieved a first time completion rate of 92 per cent.

**Leadership**

We have identified the areas where skills shortages are most acute and we continue to invest in solutions that benefit both our colleagues and the business. In response to these areas of focus, our leadership

development and talent programmes continue to be important in facilitating a future pipeline of diverse, capable leaders at all levels within the organisation.

These include a leadership acceleration programme for those senior leaders with operating board potential and our successful Leading@ talent programmes running across Retail and Store Support Centres. This year, 48.5 per cent of colleagues who were in our Leading@ programme were promoted within nine months of its completion.

The skills required for a retail business such as ours are diverse and wide-ranging and we offer exciting and varied opportunities to those taking their first steps into a new career as well as those wishing to progress.

We want all our colleagues to feel that there are opportunities to grow and progress should they wish to. In response to this, as well as supporting retention and capability within our most critical roles, we have been running a number of 'in-grade progression' trials.

Furthermore, in addressing the most urgent skills needs, we have developed a number of internal 'Bootcamp' and 'Jumpstart' programmes, which have successfully provided opportunities for 125 colleagues, as well as external talent, to move into careers in highly technical areas where skills are most needed. This has enabled many of our store colleagues to access careers in data analytics and software engineering.



## Our ambition moving forward

The skills and capabilities required to both accelerate our ambitions, as well as meet the rapidly changing world around us, will remain at the core of our workforce strategy.

Further developing an employee experience that attracts and retains the very best talent, as well as providing exciting and rewarding opportunities for all our colleagues to grow new skills and develop their careers, will ensure that Sainsbury's has a distinct competitive advantage.

# Improving animal health and welfare

The health and welfare of animals in our supply chains is a priority for us and our customers. We have been the number one retailer of RSPCA assured higher welfare products (by volume) since 2011, and this year made significant improvements to chicken welfare through our partnership with Moy Park.

Our commitment

Improve **animal health and welfare** and practice **responsible antibiotic stewardship**

We have a well-established approach focused on continuous improvement of animal health and welfare outcomes and are committed to increased accountability and transparency through annual reporting of our performance metrics in our Animal Health and Welfare and Antibiotic Stewardships reports.

**Better welfare standards**

This year we have seen an improvement in our sales volumes from better welfare standards above the UK industry baseline, up 30.1 per cent on the year to reach 62.3 per cent, driven by our progress in chicken welfare (see Moy Park case study).

We also audited all our dairy farmers against our updated welfare standards, ensuring the Sainsbury's Dairy Development Group (SDDG) remains industry leading and at the forefront of driving improved health, welfare and sustainability.

**Animal health and welfare outcomes**

In 2023, 78.5 per cent of our animal health and welfare outcome KPIs achieved our performance targets, meaning they were rated as "good or excellent". This is an improvement from our baseline of 66 per cent in 2021, and demonstrates our approach is working and leading to tangible improvements in animal health and welfare in our supply chains. In many cases this also leads to improved productivity, efficiency and sustainability on our supplying farms.

**Antibiotic stewardship**

We continue to promote responsible antibiotic stewardship in our supply chains and work closely with our suppliers to measure, monitor and reduce antibiotic use where possible. In 2023, 86.7 per cent of our key animal supply chains achieved Sainsbury's responsible use targets for total antibiotic use, and 66.7 per cent had zero use of antibiotics deemed critically important for human health. These were both improvements on our baseline year of 2021, and our datasets now include our key farmed seafood species, alongside our meat and dairy supply chains.

Our ambition moving forward

Our priority in the coming year is to deliver further improvements to the performance of our animal health and welfare outcome KPIs.

Our commitment to long-term supplier partnerships will allow us to accelerate our progress in this area, and benefit from associated improvements such as minimal antibiotic use, increased productivity and improved sustainability.

## Case study: Happier and healthier chickens at Moy Park



**Our partnership**

In March 2023, we began a new 10-year partnership with chicken supplier Moy Park and, working with our trusted Sainsbury's Chicken Farmer Group, we were the first retailer of our scale to reduce maximum bird stocking density from 38kg/m2 to 30kg/m2. This provided our birds with 20 per cent more space than the industry standard, complemented by enhanced environmental enrichments compared to the UK baseline, such as perches and play bales. In parallel, our chicken market share has steadily increased during the year.

**Animal health and welfare benefits**

A study conducted in conjunction with the University of Bristol and Flox has allowed us to assess the impact of this reduced density. It utilises AI-powered tools, such as full-shed cameras and data analysis, like algorithms, to detect issues such as clustering and bird activity, sending the farmer real-time alerts for corrective action. The project will provide a better understanding of the factors that impact bird welfare and will identify opportunities for improvement.

The study has shown that birds housed at our reduced stocking density of 30kg/m2 are 2.2 times more likely to exhibit foraging behaviour, and 3.9 times more likely to exhibit preening, both of which are clear indicators that the birds feel 'happier' and are more comfortable exhibiting natural behaviours.

As well as behavioural improvements, we have also seen improvements across our animal health and welfare KPIs due to this change, such as hock marking and pododermatitis, with antibiotic levels remaining very low.

We have also provided our Sainsbury's Chicken Farmer Group with individual KPI reports, benchmarking their progress against the Sainsbury's KPIs and their peers, to help drive tangible progress against our targets on farm.

As the first of the Big Four supermarkets to improve chicken welfare at such a large scale, we are hoping that the learnings we acquire will benefit not only our operations, but ultimately the poultry industry as a whole.

**Systems benefits**

Thanks to our partnership with Moy Park we have been able to deliver benefits across other areas of our Plan for Better, beyond ensuring optimum animal health and welfare. We have worked on exciting nature positive initiatives on farms, including many at Beech Farm, Moy Park's 'farm of the future', constructed with overall sustainability at the forefront.

The use of Agrisound will give unique insights into the local pollinator population and allow us to quantify the positive impact our actions are having on biodiversity. And in February 2024, in a collaboration with Moy Park and the Woodland Trust, we planted a mix of 500 native broadleaf trees at Beech Farm, creating a natural woodland that will support natural habitat opportunities and resources for wildlife. It will also inform and guide our future plans for nature positive initiatives on other indoor poultry farms.

"I cannot start to say what a difference it makes to the welfare of the birds. They are brighter, more active and cleaner."

**Matt**  
Moy Park chicken farmer

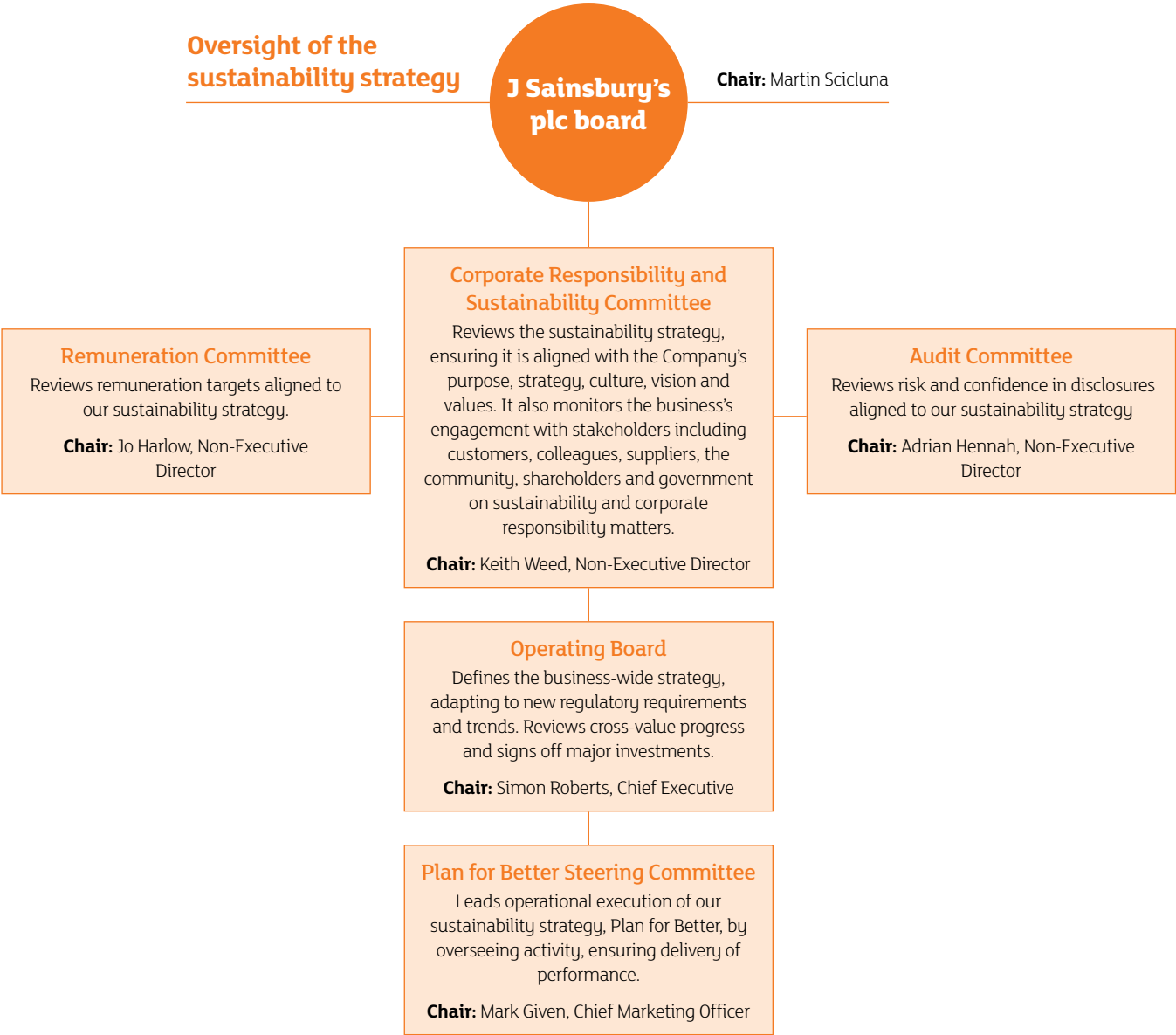




An integral part of our Sainsburys purpose is to play a leading role in creating a sustainable food system. Our Plan for Better is integrated into our strategy and the way we operate as a business, driving improved customer, commercial and sustainability outcomes.

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# Plan for Better governance



## How our governance structure interacted with sustainability this year

Sustainability is integrated into Sainsbury's Group's overall strategy and is key to delivering it. The Corporate Responsibility and Sustainability Committee's role is to provide oversight and challenge on any material sustainability matters identified, advising and making recommendations to the Board where appropriate.

### Key activities in 2023/24

- Reviewed customers' perceptions across the Plan for Better pillars
- Approved the year-end results and reporting for 2022/23
- Received updates on key sustainability matters
- Discussed the Health year-end results and agreed an evolved approach for 2023/24
- Reviewed food waste targets, noting key challenges to reporting
- Approved the general merchandise plan to deliver Plan for Better targets
- Approved the Group's SBTi submission and net zero transition planning
- Reviewed the Plan for Better targets, including the key risks and dependencies to deliver
- Approved changes to the Committee's Terms of Reference

### Priorities for next year

- Continued focus on embedding Plan for Better into all aspects of Next Level Sainsbury's strategy
- Future reporting, regulations and disclosure readiness, including TNFD, UK Sustainability Disclosure Standards and IFRS ISSB
- Community and charitable partnerships
- Climate transition planning
- Supplier engagement, including visits to key suppliers
- Evolve our approach in 'Healthy and sustainable diets' whilst influencing the system through sector advocacy.
- Accelerate our strategic approach to food waste, to deliver end-to-end opportunities
- Evolve our approach on plastic and take a leading role to drive action in the sector
- Develop our approach to protecting and regenerating nature, including responding to emerging frameworks such as TNFD
- Redevelop commitments for our diversity, equity and inclusion strategy
- Develop roadmaps for each of our human rights commitments



# Engaging with our stakeholders on sustainability

We engage our stakeholders throughout the year on the sustainability issues that matter the most to them. Throughout the year, we create opportunities for two-way, open and positive engagement that ensures we are always listening and responding to their most urgent needs.

Stakeholder groups	Important issues this year	How we responded to these issues	Our engagement channels
<div>  <div>Customers</div> </div>	<ul style="list-style-type: none"> <li>Supporting our communities</li> <li>Ensuring animal welfare</li> <li>Reducing plastic and recycling</li> <li>Responsible use of water</li> <li>Reducing carbon emissions and food waste</li> </ul>	<ul style="list-style-type: none"> <li>Quantitative and qualitative research to inform our strategy and understand how to more effectively communicate Plan for Better</li> <li>Commissioned research to support development of communications device ‘Good To Know’</li> <li>Launched marketing campaigns communicating Plan for Better initiatives, including reduced carbon beef, chicken welfare, mushrooms plastic removal and Nourish the Nation</li> </ul>	<ul style="list-style-type: none"> <li>Customer communications across all channels</li> <li>Brand tracking and CSAT (Customer satisfaction score)</li> <li>Nectar data</li> <li>Qualitative customer focus groups and quantitative surveys</li> </ul>
<div>  <div>Colleagues</div> </div>	<ul style="list-style-type: none"> <li>Progress against our Plan for Better targets</li> <li>Reward and benefits</li> <li>Training and development</li> <li>Wellbeing, health and safety</li> <li>Diversity, equity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Confidential colleague feedback on what it is like to work for the business, helping us to understand colleagues’ views and sentiments</li> <li>Provided regular updates to the Board on culture, diversity, equity and inclusion, colleague pay, benefits, talent and succession</li> <li>Shared our progress, including plastic packaging reductions, improved welfare standards and launching Smart Charge.</li> <li>Delivered campaigns and corporate events to highlight Plan for Better progress</li> </ul>	<ul style="list-style-type: none"> <li>National Make It Better Together group, with elected representatives of colleagues accross the buisness</li> <li>Continual two-way communication through internal channels</li> <li>Annual colleague engagement survey, ‘We’re Listening’</li> <li>Regular pulse surveys</li> </ul>
<div>  <div>Suppliers</div> </div>	<ul style="list-style-type: none"> <li>Plan for Better strategy and plans</li> </ul>	<ul style="list-style-type: none"> <li>Produced supplier journal and newsletters, covering topics such as food waste and plastic</li> <li>Engaged with key suppliers on SBTi target approval and disclosure through environmental impact disclosure systems such as Higg, CDP and Manufacture 2030</li> <li>Trade briefing, covering our commitments, progress and requirements</li> <li>Launched ‘Making it Happen’ action groups focussed on soil health and fertiliser use</li> </ul>	<ul style="list-style-type: none"> <li>Supplier events and conferences</li> <li>Updates with our supply base through online supplier portals</li> <li>Annual, independent Supplier Advantage Survey</li> <li>‘Making it Happen’ action groups</li> </ul>
<div>  <div>Shareholders</div> </div>	<ul style="list-style-type: none"> <li>Nature and biodiversity</li> <li>Healthy and sustainable diets, with focus on protein diversification, affordability of healthy choices and metric benchmarking</li> <li>Human rights, with a focus on Seasonal Workers Scheme and Living Wage</li> </ul>	<ul style="list-style-type: none"> <li>Engaged with investors 1:1 and in small groups to answer questions and discuss their feedback on most material issues</li> <li>Sent investor newsletters and provided regular reporting vs targets</li> <li>Hosted Healthy and sustainable diets deep dive with key investors</li> <li>Hosted in-person event for investors and analysts to launch our “Next Level Sainsbury’s” strategy, including Plan for Better’s role</li> </ul>	<ul style="list-style-type: none"> <li>Regular reporting within our quarterly results</li> <li>Deep dive small group meetings</li> <li>Newsletters and corporate website reporting</li> <li>1:1 engagement</li> <li>Small group / coalition engagement via email and in meetings</li> <li>Participation in key metrics and benchmarks</li> </ul>
<div>  <div>Communities</div> </div>	<ul style="list-style-type: none"> <li>Tackling food poverty for communities at risk now and in the future</li> <li>Improving access to food to prevent the risk of falling into food poverty, at local and national level</li> </ul>	<ul style="list-style-type: none"> <li>Partnership with Comic Relief provided us with insights on the needs of our communities and funded partners to inform funding decisions</li> <li>Raised £36m for good causes and donated 15.7 million meals</li> <li>Increased ways to donate through our Nourish the Nation programme</li> <li>Joined the Coronation Food Project</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing partnerships with our food redistribution partners</li> <li>Longstanding partnership with Comic Relief</li> <li>Colleague and customer communications</li> <li>Community champions in our stores and Store Support Centres</li> </ul>
<div>  <div>NGO/Industry</div> </div>	<ul style="list-style-type: none"> <li>Openness and transparency</li> <li>Collaboration with NGOs and industry</li> <li>Business responsibility</li> <li>Insight from business leaders</li> <li>Dedication of time and resources to address key challenges and issues</li> </ul>	<ul style="list-style-type: none"> <li>Our CEO, Simon Roberts, became IGD president and will focus on leading the work to build a more sustainable food system</li> <li>Met with signatories to the WWF’s Retailers’ Commitment for Nature and submitted data to WWF Basket Report to support our commitment</li> <li>Worked with NGOs, to unlock sector challenges on data definition and measurement</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing development of partnerships with NGOs</li> <li>Regular industry meetings and collaboration, supported by NGOs</li> <li>Participation in key benchmarks and disclosures</li> </ul>
<div>  <div>Government</div> </div>	<ul style="list-style-type: none"> <li>Action on sustainability matters</li> </ul>	<ul style="list-style-type: none"> <li>Parliamentary events covering Health and Community</li> <li>Labour party launch event for ‘Healthy Britain’ report by Kim Leadbeater</li> <li>Sustainability Roundtable with Vidhya Alakeson OBE and Tobias Garnett</li> <li>Active participation in Food Data Transparency Project working group, to develop and refine health reporting metrics</li> </ul>	<ul style="list-style-type: none"> <li>Regular correspondence and attendance at Parliamentary and political events</li> <li>Public responses to consultations and through NGO/industry groups</li> <li>Government organised roundtables</li> <li>Participation in government organised forums</li> </ul>

# Suppliers as partners

**We work with over 15,000 British farmers to produce the good food we are proud to sell. We have the scale to have a real impact and are committed to a culture of collaboration and longer-term partnership with our suppliers. This will enable a food system which supports farmers and growers, improves planetary outcomes, enables a healthier population, and drives economic growth and shared value across the system.**

We've identified the pressure points in the industry and where we can intervene to help, meaning our focus has been in agriculture, marine and horticulture. We have focused our action this year across five themes: investment and longer-term partnership, reward, innovation, joint problem solving and systems-level action.

## Investment and longer-term partnership

In April 2022, we announced a longer-term partnership with Moy Park to improve animal welfare and step change the sustainability of chicken production. From March 2023 all *bySainsbury's* fresh chickens have 20 per cent more space than the industry standard and a better living environment.

This longer-term partnership has benefitted our supplier, providing greater security, enabling the investment required to improve welfare standards. It has allowed us to develop a greater understanding of the carbon footprint of rearing chickens for Sainsbury's and aligned our priorities to achieve 100 per cent deforestation free soy in own brand products by 2025. Our customers can buy better welfare chicken at the same great value.

Climate and weather impacts have a huge impact on horticulture, impacting size of harvest. This year we have taken action to build security for small growers, including supporting our apple and pear growers with a pre-harvest cost price increase after this season's yield was much lower than last year's bumper crop, giving them the security to plan and invest accordingly. We also introduced a cost model with a predictable margin, which supports smaller potato growers to be part of our supply chain.

## Innovation

We are working with farmers and producers in the UK to transition to more sustainable food production and build the resilience of our supply chains. To do this we have invested in Land App, a mapping tool designed to drive nature positive agriculture, and we have also funded a development within it to embed the UK Centre for Ecology & Hydrology's (UKCEH) habitat planning software. This will support farmers with habitat planning and soil health.

By mapping their farms, our farmers receive a biodiversity baseline, calculated using the Natural England biodiversity net gain metric, as well as additional free insights. 80 per cent of the Sainsbury's Dairy Development Group (SDDG) successfully created biodiversity baselines for their farms during the year and are now receiving metrics on the impact of their land use on biodiversity, water course protection and future opportunities to balance food production and nature.

We are now identifying opportunities at group level to reward improvements to nature. One identified opportunity is linking the SDDG with our Agroforestry initiative with the Woodland Trust to plant more trees on dairy farms.

## Joint problem solving

In the face of complex challenges where the solution is not clear, the need for collaboration and creating a genuine dialogue between retailer and supplier has never been greater. This year we launched our Making it Happen Action Groups with a key group of agriculture suppliers to identify the behaviours, projects

and initiatives we need to drive large scale, measurable improvements on key issues.

**Soil Health Action Group:** In November we brought together a group of our largest fresh food suppliers to identify measurable actions that will deliver sustained improvement in soil health across our supply chain, with the aim of reducing carbon emissions, protecting biodiversity and water course, and building more climate resilient agricultural supply chains. This year we have shared learnings with our global orchard crop growers from a pilot project on soil health in orchards, linking our UK orchard crop growers with the National Institute of Agricultural Botany (NIAB) led Agriculture and Horticulture Development Board (AHDB) Soil Biology and Health Partnership. Through this partnership we looked at how a soil health score card developed in field crops and grass might be adapted to use in an orchard.

**Fertiliser Use Action Group:** We know that a large proportion of our Scope 3 emissions happen as a direct and indirect result of emissions embedded in artificial fertiliser. We have organised the fertiliser action group to identify opportunities to reduce our fertiliser-related emissions. This will include opportunities to reduce our use of traditional artificial fertilisers as well as finding innovative fertiliser that has a lower carbon footprint.

## Systems level action

Working with our suppliers in long-term partnerships enables us to drive system-level progress, across different sustainability areas. The mapping of SDDG enabled us to assess the ecological status of the areas where we source our milk from, and through our partnership with Moy Park we have planted a mix of 500 native trees in collaboration with the Woodland Trust.



## Rewarding sustainability initiatives

**A new sustainability matrix is enabling us to reward farmers in our Sainsbury's Dairy Development Group for emissions reduction and nature positive actions.**

Since its inception more than 15 years ago, the SDDG has allowed us to work collaboratively and support our dairy farmers in establishing improved animal health and welfare measures, and increasingly more sustainable ones as well. Such improvements drive efficiency and are strongly associated with reductions in GHG emissions.

We can only achieve our Scope 3 target by working collaboratively with our suppliers to reduce emissions across our value chain. In October, we launched our new Sustainability Matrix to our SDDG group with the aim of rewarding reductions in emissions and nature positive actions from our trusted dairy farmers. Through this voluntary initiative, the 175 farms in the SDDG can voluntarily submit their performance according to a new series of metrics and are rewarded with up to 1p per litre. The initiative rewards both inputs and outputs to acknowledge where suppliers are at different stages of their sustainability journey. Our latest carbon footprint of SDDG (March 24) is 1.13 kc/co2 L FPCM,

Additionally, SDDG farmers are using a soil health scorecard developed by AHDB to measure and monitor soil health. The scorecard uses soil health data on four indicators and compares them to relevant benchmarks to produce a 'traffic-light' summary of soil health to guide decisions on farm.

**"As dairy farmers we have always wanted and needed to be sustainable for the good of our animals, our customers and our livelihood. With the new sustainability matrix we can focus on key areas to help reduce our GHG emissions and further improve biodiversity on our farms while still being able to produce top quality milk."**

**David Bacon**  
Gleadthorpe Farm Nottinghamshire



# Challenges and partnerships

No one organisation can tackle the complex challenges of climate change, biodiversity loss and social injustice in isolation. Addressing these challenges will require collaboration across industry, NGOs, Government and beyond to maintain focus, facilitate conversations and drive change on pivotal issues. We will play a leading role mobilising action across our value chain and identifying the steps to go further in unlocking sector-wide challenges to build a more sustainable food system.

Challenge	What are we doing		Partnerships to meet our challenges	
<b>Data definition and measurement</b>	Standardised definitions and approaches to measuring and monitoring across both climate and nature to more effectively drive progress, comparison, and reporting. <ul style="list-style-type: none"> <li>Carbon Scope 3</li> <li>Healthy, sustainable diets</li> <li>Agricultural food waste</li> <li>Biodiversity baselining, sustainable water management and soil health</li> </ul>	We are collaborating through industry groups to agree best practice definitions and reporting.  We are partnering to drive nature positive agriculture and support farmers measure biodiversity improvements.  We collaborate with third parties and experts from academia to suppliers on metric definition including crop resilience, nature metrics.	<b>WWF</b>	Sector alignment on key metrics to measure progress towards halving the environmental impact of UK baskets by 2030, part of the WWF's retailers' commitment to nature
	More robust and granular Scope 3 emissions data to understand and act to decarbonise our supply chain and enable customer decision making.	We are working in partnership to simplify data collection for our suppliers and enable more granular reporting.	<b>Food Data Transparency and Design Partnership Group</b>	Partnership between government, industry and experts on common definitions and disclosures for health and environment
<b>Technology and innovation</b>	Technology development notably in alternative fuel vehicles to support our decarbonisation plans.	We continue to conduct feasibility studies and trials to explore new technologies and solutions.  We also participate in working groups focused on innovation in transportation and the cold chain.	<b>Land App and UKCEH</b>	Mapping tool designed to support British farmers with habitat planning and soil health
			<b>WRAP</b>	Sector alignment on best practice carbon measurement and tooling including the measurement of agricultural food waste
<b>Policy and system change</b>			<b>Manufacture 2030 and Higg</b>	Simplify carbon data collection for suppliers through multi-retailer platforms and equip them with knowledge and tools to accelerate grocery supply chain decarbonisation
			<b>Mondra / BRC</b>	Engagement on product level emission footprinting
			<b>Williams Advanced Engineering</b>	In collaboration, we created the Sainsbury's Innovation Investments to support small businesses pioneering sustainable technologies that reduce carbon and water use
			<b>Logistics UK / Zemo Partnership and Cold Chain confederation</b>	Industry collaboration to identify requirements, technology and policy needs to support a transition to low carbon vehicles and fuel and a net zero cold chain
	Understanding of how to deliver the required transformation in the UK food system.	We are working alongside industry to understand how everybody in the food system needs to change the way they work to grow resilience and sustain what we deliver for the long-term future.	<b>IGD</b>	Industry wide discussion on food system action and key levers for change
	Policy intervention and investment to create the infrastructure for change, enable a level playing field and support customer behaviour change.	We have outlined our key priorities to Government to keep prices affordable and to support our farmers and suppliers and regularly provide input and insight through industry groups into sector consultation.	<b>BRC</b>	Working to promote the value of the retail sector across the UK, fostering sector alignment on key sustainability challenges, and responding to Government consultations to share sector insights and outline the impact on businesses and the wider industry
	Customer behaviour change is often slow and difficult to move. We need to find ways to support customer behaviour change towards healthier, sustainable products and diets.	Working with industry to agree best practice to enable customers to navigate more sustainable choices through on-pack labelling and reduce food waste in their home.	<b>IGD</b>	Industry wide alignment to unlock a harmonised solution to environment labelling
			<b>IGD / University of Leeds</b>	Evaluating initiatives to help support healthier purchases
		We continue to test and learn with new ways to engage customers on healthier, sustainable diets.	<b>WRAP</b>	Industry alignment to develop a uniform approach to customer communications and research on best practice
	We do not have direct control over our value chain and rely on the actions of others to support the delivery of our targets.	We play our role in mobilising action within our supply chain. We are engaged in landscape initiatives and collective action on hard to transform areas.	<b>WRAP</b>	Signatories of Textiles 2030 and Courtauld 2030 Roadmap committing to reduce the aggregate water footprint of new textiles products sold by 30 per cent and source 50 per cent of fresh food from areas of sustainable water management by 2030. Support seven water stewardship projects.

We collaborate and work with many other notable partnerships across a wide range of areas to support knowledge sharing and industry wide action to deliver the change we need.

# ESG frameworks, benchmarks and disclosures

## S&P Global

The S&P Global Corporate Sustainability Assessment is an annual evaluation benchmark of over 13,000 companies' sustainability practices, providing companies with a holistic view of performance vs. industry standards. In 2023 we scored 34 in our 2023 disclosure.



WDI aim to improve corporate transparency and accountability on workforce issues. Sainsbury's is leading the sector and industry scoring 92 per cent completion and 86 per cent public disclosure on the WDI disclosure. We were shortlisted for both the 'WDI Award' and 'Contingent Workforce Data' categories, and received special mentions in the 'Workforce Action' and 'Value Chain' categories.



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 global food companies. We have successfully maintained our Tier 2 position.



As signatories to WWF's Retailers' Commitment for Nature, we have agreed to work collaboratively towards halving the environmental impact of UK shopping baskets by 2030 across our most material impact areas: climate, deforestation, diet, agriculture, marine, food waste and packaging. 2024 sees the third year of our WWF commitment and the third time we disclose our data and information for the WWF Basket, a retailer reporting framework.



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 2023 and over five years.



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 20.6 in their ESG risk rating which is a medium-risk.



Food and Agriculture Benchmark measures and ranks 350 keystone companies on their sustainability practices. Its 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 6<sup>th</sup> in the total 350 most influential food companies, ranking 1<sup>st</sup> amongst food retailers.



The CCLA Corporate Mental Health Benchmark evaluates and scores the 100 largest UK-listed companies with more than 10,000 employees on their public disclosures based on their approach to workplace mental health. In 2023 we successfully maintained our Tier 2 position meaning we demonstrate a strategic approach to workplace mental health management and disclosure.



From Fashion Revolution, the Fashion Transparency Index 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 51 per cent in the 2023 Fashion Transparency Index, making Sainsbury's the leading UK retailer in public disclosure and above the 26 per cent average score.



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 2023 ATNI report, we were ranked 2<sup>nd</sup> of the retailers.



CDP is a 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 ten consecutive years, the only UK retailer to have done so. We were also awarded an A rating for supplier engagement. We improved our rating for our water disclosure, achieving an 'A-' rating, whilst our forests disclosures are rated 'B'.



The Taskforce on Climate-related Financial Disclosures (TCFD) developed a framework to help organisations more effectively disclose climate-related risks and opportunities through their reporting processes. We became a signatory of TCFD in January 2020, committing to implement TCFD's recommendations. We have been making progress towards embedding climate considerations into our reporting and decision-making, setting targets to measure progress and incentivise performance. For our TCFD disclosure, please see our annual report.



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 2024, we published our fourth SASB disclosure.



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 change.



# Sustainability policies

Being transparent about how we communicate with our suppliers, source our products and protect our colleagues is important to us. This year we published new policies for key raw materials, including Manmade cellulosic fibres, Palm oil, Cotton, Leather, Precious metals and minerals, and Feather and down to help us build a more resilient and transparent supply chain through the products we source. Find all our sustainability policies below:

## CR&S Committee Terms of Reference

 [Read more](#)

## Sainsbury's Cotton Policy

 [Read more](#)

## Sainsbury's Feather and Down Policy

 [Read more](#)

## Sainsbury's Forest Products Policy

 [Read more](#)

## Sainsbury's Group Ethical Sourcing Policy

 [Read more](#)

## Sainsbury's Home Work Policy

 [Read more](#)

## Sainsbury's Human Rights Policy

 [Read more](#)

## Sainsbury's Manmade Cellulosic Fibres Policy

 [Read more](#)

## Sainsbury's Leather Policy

 [Read more](#)

## Sainsbury's Policy on Marketing Communications

 [Read more](#)

## Sainsbury's Palm Oil Policy

 [Read more](#)

## Sainsbury's Precious Metals & Minerals Policy

 [Read more](#)

## Sainsbury's Prison Labour Policy

 [Read more](#)

## Sainsbury's Natural Rubber Policy

 [Read more](#)

## Sainsbury's Timber Policy

 [Read more](#)

## Sainsbury's Requirements for Soy Feed

 [Read more](#)

# Traceability and transparency

## Tier 1 sites for GM

 [Read more](#)

## Tier 1 sites for Food

 [Read more](#)

## Tier 1 sites for Clothing

 [Read more](#)

## Tier 1 sites for Goods not for Resale

 [Read more](#)



Being transparent about our performance and progress is an important part of building trust. The following pages include information about our results, baselines and targets. More information, including our methodology, can be accessed through the databook on our website.

Inside this section	
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Plastic packaging	35
Water	36
Nature	36
Community	37
Diversity, equity and inclusion	37
Skills and opportunities	38
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A number of metrics have been selected for external assurance. This is highlighted with (\*). Our 2023/24 assurance statement from ERM CVS can be found [here](#).



# Our ESG performance scorecard

## Healthy and sustainable diets

Commitment	Metric	Baseline	Results		Target
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2025/26
At least 85% Healthy and Better for you sales tonnage sold by 2025	Healthy and Better for you sales tonnage as a proportion of total sales tonnage (%)	82.0%	81.2%	80.9%	85.0%

A slight decline year-on-year, mainly driven by adverse product mix within categories. For Own Brand, 871 per cent of sales tonnage is Healthy and Better for you.

## Greenhouse gas (GHG) emissions

Commitment	Metric	Baseline	Results		Target
		FY 2018/19	FY 2022/23	FY 2023/24	FY 2035/36
Reduce absolute greenhouse gas (GHG) emissions from our own operations to net zero by 2035	Absolute GHG emissions within our own operations (tCO <sub>2</sub> e)	949,744*	461,692*	458,973*	Net zero
	Electricity which comes from renewable sources (%)	17.0%*	100%*	100%*	100%
Commitment	Metric	FY 2018/19	FY 2022/23	FY 2023/24	FY 2050/51
		FY 2022/23	FY 2022/23	FY 2023/24	FY 2025/26
Reduction of absolute GHG emissions in line with 1.5 degree trajectory	Absolute Scope 3 GHG emissions (tCO <sub>2</sub> e)	25,652,904 <sup>1</sup>	N/A	N/A	Net zero
	Suppliers disclosing through M2030 or Higg (% of emissions)	43.8% (442 <sup>2</sup> suppliers)	43.8% (442 <sup>2</sup> suppliers)	572 % (683 suppliers)	80%
	Suppliers disclosing through CDP (% of emissions)	54.8% (188 suppliers)	54.8% (188 suppliers)	63.8% (218 suppliers)	80%
	Suppliers with SBTi 1.5 degree Net Zero target approved (% of emissions)				
	• SBTi 1.5 degree Net Zero target approved	Less than 2% (8 suppliers)	Less than 2% (8 suppliers)	6.0% (23 suppliers)	80%
	• SBTi 1.5 degree Net Zero target approved + Committed SBTi 1.5 degree	N/A	N/A	16.6% (46 suppliers)	
	• ESBTi 1.5 degree Net Zero target approved + Committed SBTi 1.5 degree + Any SBTi approved target at all	N/A	N/A	41.9% (91 Suppliers)	
	Suppliers who have signed up to the UK soy manifesto (%)	85.7%	85.7%	88.3%	100%

**Absolute GHG emissions within our own operations.** The total figure represents the sum of Scope 1 and Scope 2 (Market Based) emissions. In 2022/23 and 2023/24 Our Scope 2 Market Based emissions are Zero, for reference our Scope 2 Location based emissions in 2023/24 are 247,142.54 tCO<sub>2</sub>e. We have reduced emissions in our own operations by 571 per cent vs baseline - through our transition to 100 per cent renewable electricity, replacement of hydrofluorocarbon refrigerant gases with natural alternatives and electrification of our heating.

**Electricity which comes from renewable sources.** Since January 2022, 100 per cent of electricity has been sourced from renewable sources (combination of energy sourced directly from solar and UK wind farms as well as certificate-backed renewable electricity from the UK).

**Reduction of absolute GHG emissions in line with 1.5 degree trajectory.** We are working towards an aligned industry approach to measure supplier-specific emissions as this is the most effective way to track emissions reductions within our own supply chain. We recognise the challenge in reporting accurate Scope 3 emissions footprint and we are proactively engaging with key suppliers to obtain supplier specific primary data of the products they supply us.. Our Scope 3 engagement metrics monitor the response rate of our suppliers disclosing on the following environmental impact disclosure systems: CDP, Manufacture 2030 and Higg by percentage of emissions covered. We also encourage our suppliers to obtain 1.5 degree SBTi aligned net zero targets and to be signed up to the UK Soy Manifesto.

(\*) This data has been subject to independent external assurance. Our 2023/24 assurance has been conducted by ERM Certification and Verification Services Limited. Click [here](#) for the assurance statement.

<sup>1</sup> Carbon absolute Scope 3 greenhouse gas emissions 2018/19 baseline restated from 26,663,081 tCO<sub>2</sub>e to 25,652,904 tCO<sub>2</sub>e | <sup>2</sup> Number of suppliers disclosing through M2030 or Higg in 2022/23 restated from 395 food suppliers to 442 suppliers

# Our ESG performance scorecard

## Food waste

Commitment	Metric	Baseline	Results		Target
		FY 2019/20	FY 2022/23	FY 2023/2024	FY 2030/31
Reduce food waste by 50% by 2030	Food waste to anaerobic digestion (tonnes)	34,609 <sup>1</sup>	30,399 <sup>2</sup>	30,275	17,305 <sup>3</sup>
	Food waste sent to anaerobic digestion as a percentage of total tonnes handled (%)	0.728% <sup>4</sup>	0.645% <sup>5</sup>	0.627%	0.364% <sup>6</sup>

**Food waste to anaerobic digestion.** Food waste to anaerobic digestion tonnage has remained broadly flat year-on-year. Whilst our total tonnage of unsold food has increased, this has been offset by an increase in surplus redistributed to people. Progress against our baseline has improved by 12.5 per cent.

Our total tonnage of unsold food is broken down as follows:

- Food waste to anaerobic digestion 30,275 tonnes
- Surplus food redistributed to people 6,345 tonnes
- Surplus food sent to animal feed 4,665 tonnes

**Food waste sent to anaerobic digestion as a percentage of total tonnes handled.** Food waste sent to anaerobic digestion as a percentage of total tonnes handled (removing volume impact) has reduced by 2.7% year-on-year. Progress against our baseline has improved by 13.9 per cent.

## Plastic packaging

Commitment	Metric	Baseline	Results		Target
		Food - CY 2018 GM - CY 2020	CY 2022	CY 2023	CY 2025
Reduce our own-brand plastic packaging by 50 per cent by 2025, increase recycled content and recyclability	Own-brand plastic packaging (tonnes)	69,839	57,624	58,379	34,920

Commitment	Metric	CY 2021	CY 2022	CY 2023	CY 2027
30% average recycled content across all Food own-brand plastic packaging by 2022	Average recycled content across own-brand products (%)	31.5%	32.3%	N/A	50%

50% average recycled content across all Food & GM own-brand plastic packaging by 2027

Commitment	Metric	CY 2021	CY 2022	CY 2023	CY 2023
100% of Food plastic packaging to be reusable, recyclable or compostable by 2023	Own-brand products that are fully recyclable (%)	84.0%	90.6%	89.7%	100%

**Own-brand plastic packaging.** Own-brand primary plastic packaging saw an absolute increase of 1.3 per cent and a relative reduction (removing volume impact) of 2.8 per cent year-on-year. Against our baseline, own-brand primary plastic packaging has reduced by 16.4 per cent on an absolute basis and 12.9 per cent on a relative basis.

**Average recycled content across own-brand products.** Result unavailable this year.

**Own-brand products that are fully recyclable.** Performance impacted by the delay of unified recycling across the UK and the lack of alternative materials to replace some types of plastic packaging, such as PET film.

<sup>1</sup> Food waste restated due to a reporting error identified, for more details see page 15. Food waste to anaerobic digestion 2019/20 baseline restated from 31,615 tonnes to 34,609 tonnes | <sup>2</sup> Food waste to anaerobic digestion in 2022/23 restated from 23,443 tonnes to 30,399 tonnes | <sup>3</sup> Food waste to anaerobic digestion target restated from 15,808 tonnes to 17,305 tonnes | <sup>4</sup> Food waste sent to anaerobic digestion as a percentage of total tonnes handled 2019/20 baseline restated from 0.666% to 0.728% | <sup>5</sup> Food waste sent to anaerobic digestion as a percentage of total tonnes handled in 2022/23 restated from 0.498% to 0.645% | <sup>6</sup> Food waste sent to anaerobic digestion as a percentage of total tonnes handled target restated from 0.333% to 0.364%



# Our ESG performance scorecard

## Water

Commitment	Metric	Baseline	Results		Target
		FY 2018/19	FY 2022/23	FY 2023/24	FY 2040/41
Minimise the use of water in our own operations, driving towards water neutral by 2040	Absolute water usage within our own operations (m³)	3,224,000*	2,655,753* <sup>1</sup>	2,621,341	Water neutral

Water consumption has reduced by 18.7 per cent against baseline due to improvements in leak management processes and continuation with rainwater harvesting trials.

(\*) This data has been subject to independent external assurance. Our 2023/24 assurance conducted by ERM Certification and Verification Services Limited (limited assurance post publication of this report and annual report).

## Nature

Commitment	Metric	Baseline	Results		Target
		CY 2019	CY 2022	CY 2023	CY 2025
Nature Positive: committed to protecting and regenerating nature	Timber sourced to an independent sustainability standard (%)	58.2% <sup>2</sup>	82.9% <sup>2</sup>	92.9%	100%
	Palm oil sourced to an independent standard - Mass-Balance / Segregated / IP (%)	99.1%	100%	100%	100%
	Soy independently certified - Credits / Mass-Balance / Segregated (%)	5.8%	45.1%	88.3%	100%
	Cotton sourced to an independent sustainability standard (%)	CY 2019	CY 2022	FY 2023/24	CY 2025
		76.0%	97.5%	97.4%	100%
	Tanneries certified to a minimum of bronze level (%)	FY 2023/24	FY 2022/23	FY 2023/24	FY 2025/26
		96.4%	N/A	96.4%	100%
	Manmade cellulosic fibres sourced to an independent sustainability standard (% of SKU's)	FY 2023/24	FY 2022/23	FY 2023/24	FY 2025/26
		95.3%	N/A	95.3%	100%
	Wild caught seafood sales which is independently certified as sustainable (%)	82.3%	80.3%	86.0%	100%
	Farmed seafood sales which is independently certified as sustainable (%)	100%	100%	100%	100% ongoing
	Woodland trees planted (cumulative number)	493,750	1,114,583	1,292,583	1,500,000 FY 2025/26

**Timber.** Since 2024 all new deliveries into our business have been from sustainably sourced supply chains.

**Palm oil.** We have maintained our 100 per cent certification.

**Soy.** Our percentage of Deforestation and Conversion Free (DCF) soy has increased from 45 per cent to 88 per cent. The underlying volumes of certified soy tonnage (excluding our purchase of credits) has improved from 30 per cent in 2022/23 to 72% in 2023/24..

**Cotton.** Maintained performance year-on-year.

**Tanneries.** This is the first year of reporting on this metric. Since 2024, procurement of leather has been from Leather Working Group accredited tanneries, and to a minimum standard of bronze or above.

**Manmade cellulosic fibres.** This is the first year of reporting on this metric.

**Wild caught seafood.** Increase in certification coverage driven by launch of pole and line caught Maldivian MSC certified tuna for all tinned skipjack tuna and sales growth of MSC certified tuna, cod and salmon.

**Farmed seafood.** Our farmed seafood remains 100 per cent sustainably certified

**Woodland trees.** This year we have funded the planting of 178,000 native trees and therefore have delivered 86.2 per cent of our commitment announced in 2020 to plant 1.5m trees. Since 2004 we have raised over £14 million for the Woodland Trust, funding the planting of over 5.1 million native trees which have the potential to mitigate over 1.2 million tonnes of CO<sub>2</sub>.

<sup>1</sup> Absolute water usage within our own operations restated from 2,655,817 m3 to 2,655,753m<sup>3</sup> | <sup>2</sup> Timber sourced to an independent sustainability standard restated from 60% to 58% | <sup>3</sup> Timber sourced to an independent sustainability standard in 2022 restated from 92.1% to 83%

# Our ESG performance scorecard

## Community

Commitment	Metric	Baseline	Results		Target
			FY 2022/23	FY 2023/24	
To leave a measurable positive impact on the communities we serve and source from and address food poverty by providing good food for all of us.	Amount generated for good causes (£m)	N/A	£34.5m	£36.0m	N/A
	Meals donated (number)	N/A	7,620,734	15,736,222	N/A

**Amount generated for good causes.** In the second year of our Nourish the Nation programme, we have developed key campaigns and donating product ranges to rally our customers and colleagues behind our mission to provide Good Food for all of us. This has helped us donate £11m to help tackle food poverty. We have continued to support communities impacted by natural disasters and conflicts around the world.

**Meals donated.** Increase year-on-year driven mainly through our food redistribution partnership with Neighbourly. Also we have donated 1.2 million meals through our front of store customer donation programme and 1 million meals through our depots.

## Diversity, equity and inclusion

Commitment	Metric	Baseline	Results		Target
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2023/24
75 per cent of colleagues will tell us they are able to be themselves at work through our colleague engagement survey	Colleagues who say they can be themselves at work (%)	78%	77%	79%	75%

Commitment	Metric	FY 2020/21	FY 2022/23	FY 2023/24	FY 2023/24
We are committed to achieving diverse representation in leadership positions by 2024	Senior leadership positions (top 230 leaders) held by:				
	• Women (%)	37.7%	44.2%	46.6%	50%
	• Ethnically diverse (%)	8.1%	9.3%	10.1%	12%
	• Black colleagues (%)	14%	2.8%	3.2%	3%
	Senior management positions (top 1200 leaders beneath the top 230 senior leadership positions) held by:				
	• Women (%)	35.5%	39.7%	40.7%	43%
	• Ethnically diverse (%)	7.2%	9.1%	10.6%	12%
	• Black colleagues (%)	0.7%	1.0%	1.2%	3%

**Colleagues who say they can be themselves at work.** The percentage of colleagues who feel able to be themselves at work remains ahead of target for the 3<sup>rd</sup> consecutive year.

**Senior leadership and management positions.** This is the final year of the three year diverse representation targets. We have seen improvement across all six of the metrics over the three years and beat one of the targets. The increases in representation we have seen since the start of the three year period have been significant - over a 24.5% increase in all of our Ethnically Diverse and Black representation numbers at these senior levels. We have also seen great improvement in the representation of women over the three year period, with a 23.6% increase at the senior leader level and a 14.7% improvement at senior manager level.



# Our ESG performance scorecard

## Skills and opportunities for all

Commitment	Metric	Baseline	Results		Target
		FY 2019/20	FY 2022/23	FY 2023/24	FY 2023/24
At least 75 per cent of our colleagues on an apprenticeship will successfully complete their programme, ahead of nationally reported apprenticeship completion rates <sup>1</sup>	Colleagues on an apprenticeship that will successfully complete their programme (%)	70.0%	92.9%	91.9%	75%
		FY 2022/23	FY 2022/23	FY 2023/24	FY 2023/24
70 per cent of colleagues who are on our Leading@Sainsbury's development cohorts will be promoted within 9 months of completion of their programme	Colleagues who are on our Leading@Sainsbury's development cohorts, that have been promoted within 9 months of completion of their programme (%)	58.7%	58.7%	48.5%	70%

**Colleagues on an apprenticeship.** This is the final year for our targets and we have continued to promote our apprenticeship offer and we remain above both our own targets and the national apprenticeship completion target of 67 per cent by 2024/25.

**Colleagues on our Leading@Sainsbury's programme.** For the past six years, Leading@Sainsbury's has empowered thousands of colleagues to achieve promotions. To take our ambitions to the next level, we're launching new development programs laser-focused on career growth and equipping leaders with the skills to excel. While this means we'll no longer report on Leading@Sainsbury's metrics, our commitment to colleague development remains stronger than ever. Our new innovative programs will unlock even more opportunities for talented colleagues to thrive at Sainsbury's.

## Animal health and welfare

Commitment	Metric	Baseline	Results		Target
		FY 2022/23	FY 2022/23	FY 2023/24	FY 2030/31
Improve animal health and welfare and practice responsible antibiotic stewardship	Better Welfare Standards (Feather & Down): sales volume from an independently audited farm assurance standard (%)	95.4%	95.4%	95.7%	100%
	Better Welfare Standards (Food): sales volume from welfare standards above the UK industry baseline (%)	47.9%	47.9%	62.3%	YoY maintain/increase
		CY 2021	CY 2022	CY 2023	CY 2030
	Continuous Improvement of Outcome KPIs: animal health and welfare outcome KPIs achieving Sainsbury's KPI performance targets: All species (%)	66.0%	69.7%	78.5%	100%
	Key animal supply chains achieving Sainsbury's responsible use targets for total antibiotic use: All species (%)	82.0%	81.8%	86.7%	100%
	Critically Important Antibiotic Use: key animal supply chains achieving Sainsbury's responsible use targets for antibiotics deemed critically important for human health (CIAs): All species (%)	55.0%	54.5%	66.7%	>90%

We are on track to deliver against all our Animal Health & Welfare commitments. In relation to sales of Better Welfare Standards (Food), improvement year-on-year was driven by our move to improved chicken welfare on all our fresh core chicken (i.e. reduced maximum stocking density from <38kg/m2 to <30kg/m2).

View our latest [Animal Health & Welfare Report](#) and [Antibiotic Stewardship Report](#) for more information.

<sup>1</sup> Source for National apprenticeship completion target [https://assets.publishing.service.gov.uk/media/65fb022e703c42001a58f0d8/Robert\\_Halfon\\_apprenticeship\\_achievements\\_letter\\_2024.pdf](https://assets.publishing.service.gov.uk/media/65fb022e703c42001a58f0d8/Robert_Halfon_apprenticeship_achievements_letter_2024.pdf)