



Sainsbury's Plan for Better

2022/23 sustainability update

Sainsbury's

Welcome

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

This is an update on progress on our Plan for Better for 2022/23.



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

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Helping Everyone Eat Better

From the opening of our first store in 1869, we've always worked hard to offer our customers delicious, quality food at great value. Today, with the cost of living rising and when climate change, social inequality and food security are becoming undeniable, our commitment to ensure value and values go hand in hand is stronger than ever.



Our Plan for Better, with its stretching targets, will enable us to drive impactful change in our value chain against a background of global challenges as well as opportunities. We continue to make progress against our targets and I'm proud to share with you, in this report, the steps we have taken.

In February, following the devastating earthquakes in Turkey and Syria, we donated a total of £500,000 to Comic Relief and British Red Cross to support their on-the-ground rescue, aid and food distribution efforts.

Supporting our communities and reducing food poverty have been priorities for us. Through Nourish the Nation and our emergency support, we raised over £6.8 million for our long-term charity partner Comic Relief. Through our partnership with Neighbourly we have donated 10 million meals so far, which has saved 4,500 tonnes of food from going to waste.

In addition, our 'Taste me, Don't waste me' fruit and vegetable boxes have given customers the opportunity to access fresh, healthy and affordable food as well as helping to use surplus produce wisely.

We have also reviewed our social sustainability strategy and set out five human rights commitments, based on the most salient human rights risks and emerging issues that affect the people within our supply chains.

We have made good progress this year with our ambitious target to achieve Net Zero by 2035 in our operations, from completing the installation of LED lighting across our entire estate through to a £5 million pledge by Sainsbury's Innovation Investments to support technology start-ups to develop sustainable store solutions.

By working collaboratively with our suppliers we are accelerating action on plastic reduction to find alternative materials and solutions. In February we became the first UK retailer to remove plastic trays from our full range of beef mince and our own brand coffee pods are now made from fully recyclable aluminium.

In the recently published Intergovernmental Panel on Climate Change (IPCC) report, scientists delivered

a 'final warning' on the climate crisis. Despite the progress we have already made, it is clear that innovation, collaboration and action are more urgent than ever before.

One way we are stepping up to this challenge is through our pledge to WWF's Retailers' Commitment for Nature where we are working with other food retailers to halve the environmental impact of UK shopping baskets by 2030. I am part of the CEO-led group driving this commitment forward and this year we have updated our targets across all scopes and timeframes to be in line with a 1.5 degree trajectory. We have also agreed plans for a new Climate Action Programme in collaboration with WRAP to support our collective supply chains to take action.

Collaboration will remain at the heart of our approach and we are committed to working with all our stakeholders to accelerate progress and create a fairer and more resilient food system for everyone.



Simon Roberts
Chief Executive Officer



Highlights from the year



Better for you

81.2% of sales (tonnage)

are Healthy and Better for you

At least 70% of products in our Aldi Price Match promotion are Healthy or Better for you

Sold 88 million portions of fruit and vegetables to more than 585,000 customers during The Great Fruit and Veg Challenge

62 new Healthy or Better for you products in the Flourish range

76 plant-based meat alternatives across our fresh range



Better for the planet

Achieved 100%

LED lighting across our entire estate

310,000 native trees planted

in partnership with Woodland Trust (4.9 million trees planted since 2004)

8% reduction in anaerobic digestion waste compared to previous year

Recognised as a Supplier Engagement Leader

by CDP in our engagement with suppliers on climate change related activities



Awarded ASC UK Retailer of the Year 2022



9 consecutive years 'A' rating for our CDP climate change disclosure

Invested £3.5 million into the Responsible Commodities Facility (RCF) Cerrado Programme together with other retailers, to support zero-deforestation soy



Better for everyone

Launched 5 new human rights commitments

to address our most salient risks

£34.5 million raised for good causes this year

77% of colleagues say they can be themselves at work

10 million+ meals donated via our Neighbourly partnership

92.9% of colleagues on an apprenticeship scheme successfully completed their programme

Invested £1 million to Thrive With Sainsbury's an incubator programme for Black founder-led businesses - a UK retail first

£970,000 committed to over 585 good causes through our Helping Everyone Eat Better Community Grant scheme



Our Plan for Better

The environmental and social issues facing the world today are hugely challenging and we know our customers, colleagues and suppliers care deeply about them. As a UK retailer serving communities across the country and with a global supply base, we are committed to putting environmental and social sustainability at the core of how we do business in order to protect our planet and our people and to build a resilient business and food system fit for the future.

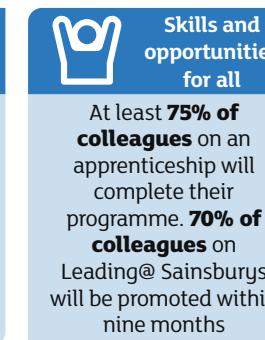
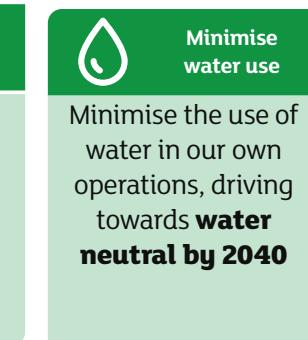
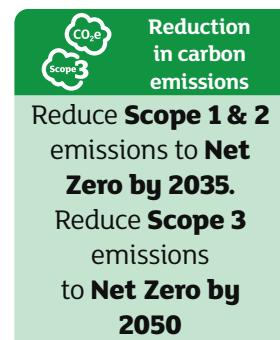
This is why Plan for Better is a core pillar of our business strategy, setting out the sustainability goals, priority areas and key commitments across our business. It is based on the materiality assessment we undertook in 2022, which helped us identify the issues that mattered most to our key stakeholders and business.

Plan for Better consists of three interlocking pillars - Better for you, Better for the planet and Better for everyone and we will report twice a year to transparently share our progress.

In the last year, we have focussed on integrating Plan for Better into our food commercial division to empower our teams to take action to accelerate change. Everyone in our business will play a part in delivering our Plan for Better targets, and we will take the lessons learned from our food integration programme into other areas of our business in the year ahead.



Our commitments





Better for you

Better for you

A key priority for our business is to offer our customers great value, healthy food that is produced sustainably. We will provide customers with the products, promotions and propositions that encourage them to make food choices that are both better for themselves and for the planet. We have set a target to grow the proportion of Healthy and Better for you sales and we are tracking and disclosing progress publicly.

We recognise that this will be a journey and that we need to test and learn how we best transition customers' baskets towards healthier choices in the longer term. We will continue working with external partners to evaluate and publish the findings of this work so that others in the food system can learn with us.



Launched 62

Healthy or Better for you products as part of the new Flourish range

At least 70%

of products price matched to Aldi are Healthy or Better for you choices

Over 88 million portions

of fruit and veg purchased as part of our Great Fruit and Veg Challenge





Healthy and sustainable diets



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

We are serious about our responsibility to help our customers eat healthily, no matter how much time or money they have. For us this means helping more customers achieve a plant-rich diet that is in line with the government's Eatwell Guide.

Currently, 81.2 per cent of total food sales tonnage are Healthy and Better for you against our target of 85 per cent of total sales by 2025. This result represents a modest decline year on year, despite significant innovation, price investments and changing our store layouts to restrict the placement of High, Fat, Sugar and Salt (HFSS) products in line with the placement and promotions regulations. This demonstrates that transitioning customers to healthier and more sustainable diets will not be easy which is why it is so important that we continue to test what strategies are most effective to accelerate progress.

Investing to support healthier choices

Last year we invested £560 million in the price of centre of plate categories such as Produce, Dairy, and Meat, Fish and Poultry, which are predominantly healthy choices, at least 70 per cent of our Aldi price matched products are a Healthy or Better for you choice. We also launched of a new range of 62 products under our Flourish brand to help inspire healthier eating, across a range of product categories. All these options are a Healthy or Better for you choice and many are also more plant rich. We recognise that last Christmas was particularly challenging for our customers, so to support them with access to healthy food

that was also affordable, we offered bags of seasonal veg for just 19p, including carrots, parsnips, potatoes, brussels sprouts, red and white cabbages and swede.

Helping customers make healthier choices

We use 'test and learn' initiatives to trial what approaches work best when providing customers with information, and incentives to support them to make healthier choices. More information on our trials are publicly available through the scientific literature and reports from our partnerships with the [Institute of Grocery Distribution](#) (IGD) and the [Consumer Goods Forum](#) (CGF). These include examples of our trials on pricing, placement and incentives.

We are also the lead partner in a UKRI-funded transforming food systems project called [F10-FOOD](#). In partnership with the Universities of Aberdeen (The Rowett Institute), Leeds, Leeds Beckett, Liverpool and University College London, we will be co-creating solutions to help low income people with a lived experience of obesity to eat healthier and more sustainably. Our collective findings will be shared and published over the next 3 years.



CASE STUDY

The Great Fruit and Veg Challenge

We ran our successful 'Great Fruit and Veg Challenge' for a third consecutive year. We know that customers find it hard to diversify their fruit and vegetable habits and so this year we used a combination of incentives, gamification and personalisation to offer targets for less commonly purchased fruits and vegetables, alongside Nectar points for purchasing fruit and vegetables each time they shop. Over 585,000 customers signed up to the challenge and took home 88 million portions of fruit and vegetables.

Participating customers bought over three times more fruit and vegetables than those who did not participate.





Better for you

Helping our communities eat better

As the cost of living continued to rise, we supported over 19,000 customers with a £2 per week top up to the Healthy Start vouchers that are provided by the government to pregnant women with a low-income and families with children under the age of four. Eligible customers could receive the £2 coupon every week for six months over the winter months, and this could be used to purchase fresh, frozen and tinned fruit and vegetables, helping families get access to affordable and nutritious food. To enable us to support more families we rolled the programme out to Wales and Northern Ireland and in the 6 months that the programme ran, we helped eligible customers take home an additional 770,000 portions of fruit and vegetables. Furthermore, to help increase the uptake of the NHS Healthy Start scheme itself, we have been working with The Bread and Butter Thing, a community-led network of food clubs across the North of England in areas where deprivation can be especially high.

We were also keen to support our colleagues through the cost of living and in addition to significant wage investments, our stores were provided with free food packages for frontline and shift-working retail colleagues (see page 22).



Making everyday products healthier

We know that helping customers to eat better means inspiring them with healthier innovations whilst making quiet improvements to everyday essentials. In 2023, we introduced our Flourish brand, for time-poor customers who want to eat tasty, healthy food. We launched with 62 products across a range of product categories all of which meet strict nutrition criteria. We also continue to support flexitarian or plant-based diets through our Plant Pioneers range. We offer 76 plant-based meat-alternatives across our fresh range and have also increased the number of plant-based sandwiches in our Meal Deal to ensure there is no price difference for customers seeking to make these choices.

We have embedded nutrition benchmarking into our product development gate processes, making it an integral part of our ways of working. In the last year, as just a few examples, we have reformulated to ensure all our pre-packed Taste the Difference hot cross bun range was non-HFSS, removed 58 tonnes of saturated fat from our Taste the Difference sausages.

Disclosure and transparency

In October, we were recognised as the only food business to report on all three of the Food Foundation's healthy sustainable diets metrics. In addition to disclosing progress against our health target, we provide additional health disclosures, including the balance of food groups in a typical basket for our primary shoppers relative to the UK's dietary guidelines. We also provide information on our definition of a healthier choice and our disclosures on total sales versus the UK nutrient profiling model (also known as non-HFSS sales) as an alternative definition of health. We continue to report on our Peas Please Pledge which covers the proportion of our total food tonnage that comes from vegetables, which currently stands at 10.3 per cent, and this year 72.7 per cent of protein sales came from plant-based and meat-free products, of which 11 per cent is entirely plant-based.





Better for the planet

Better for the planet

The urgency of the climate crisis means now more than ever we need accelerated action across our own operations and global supply chains to protect the planet and deliver for our customers, not only now but in the future. This requires more leadership and collaboration than ever before and we are committed to playing our part.

157.4% increase
in our food redistribution for human consumption against our 2019/20 baseline

310,000
Number of native trees planted in partnership with The Woodland Trust this past year, taking our total to 4.9 million since 2004

51.4% reduction
in absolute greenhouse gas emissions within our own operations, against our 2018/19 baseline

10 million+
meals donated via our partnership with Neighbourly





Better for the planet

Reduce carbon emissions



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

Reduction of our value chain emissions by 2030 in line with a 1.5 degree near term trajectory, achieving Net Zero by 2050

We have developed a detailed Roadmap outlining the key activities required throughout the business in order to achieve Net Zero in our own operations by 2035.

Overall, we have reduced our absolute greenhouse gas (GHG) emissions within our operations to 461,692 tCO₂e, a reduction of 382 per cent year-on-year and 51.4 per cent from our 2018/19 baseline, keeping us on course for our 2035 Net Zero target.

As part of our [Retailers commitment for Nature](#) with WWF to halve the environmental impact of UK shopping baskets by 2030, this year all retailers have updated our targets to align to a 1.5 degree trajectory across all scopes and timeframes and developed plans for a new shared Climate Action Programme to drive progress in our collective value chains.

Our updated targets mean our business is committed to reducing our scope 3 emissions in line with a 1.5 degree near term trajectory reaching Net Zero scope 3 emissions by 2050. We aim to have our updated targets reviewed and approved by the SBTi later in 2023.

We can only achieve our ambitious Scope 3 reduction target by working collaboratively with our suppliers to reduce emissions across our total value chain (where our baseline is 26,663,081 tCO₂e 2018/19).

We have set clear expectations of our suppliers to disclose their site level emissions and reduction plans through Manufacture 2030 and HIGG platforms. The data from these platforms enable us to identify hotspots and opportunities for decarbonisation in our supply chain. We have set a higher expectation for those suppliers who constitute 80% of our value chain emissions by requesting them to disclose their group level emissions and climate change related activity via CDP. As a member of the WWF's Retailers' Commitment for Nature, this year we are increasing engagement with these suppliers, asking them to have approved Net Zero 1.5C science based targets by end of 2025.



Innovation in our stores

In partnership with Williams Advanced Engineering (WAE), a world-leading technology and engineering services business which combines cutting-edge technological advances and the industry's best engineers, we have launched 'Sainsbury's Innovation Investments'. We have pledged to invest a minimum of £5 million over the next four years to help accelerate dynamic start-ups and Small/Medium Enterprises (SMEs) in developing, testing, and deploying transformational sustainable technologies, from refrigeration to ventilation. We are investing in start-up companies with 'proof of concept' technologies to create solutions that reduce carbon emissions and water usage across our operations, as well as supporting the wider food retail sector to progress and support our Net Zero goals.

This year we completed the rollout of LED lighting to 100 per cent of our estate; this milestone has helped reduce our lighting energy consumption by an average of 70 per cent. We continue to work towards our commitment to the long-term purchasing of renewable energy from new to the planet wind farms and solar projects, significantly reducing our reliance on fossil fuels. This year we have completed a number of solar photovoltaics (PV) panel installations across our estate, building on our existing 237 PV installations, with plans to continue our roll-out during the next financial year.

CASE STUDY

Integrated Gamechanger Beef

Since we launched our Gamechanger Beef campaign in 2019 we have cultivated an industry leading integrated beef supply chain, using selected Aberdeen Angus genetics, providing farmers with greater security and stability, resulting in a more sustainable, highly consistent, and traceable beef product for our customers.

The genetics used have helped us to improve the sustainability of our beef. Our cattle's daily live weight gain is higher, allowing them to be slaughtered at a younger age. Due to this transition and improved genetics in our cattle, our environment footprint is lower compared to previous years.





Better for the planet

Energy Efficient stores

Every new store we opened last year has continued to make use of our very latest design principles and technology to ensure that they are as energy efficient as possible. They use 100% renewable electricity and LED lighting and are not reliant on natural gas for their heating requirements.

Our new store in Hook is our most energy efficient supermarket, pulling together all our sustainable innovations into one store, projected to use half the electricity of a typical supermarket similar in size. It is completely powered with renewable electricity and has air sealed doors on all chillers, LED lighting throughout the store and solar panels on the roof. It also utilises rainwater harvesting units to provide water for hand washing and toilets. Each of our new stores aims to make a positive impact on surrounding biodiversity. Our Hook store includes an on-site bee hotel with accompanying pollinating plants.

Transport

We are committed to transitioning our full fleet to electric by 2035 in line with our decarbonisation strategy.

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

To support in our transition to a fully electric fleet we launched a research and development project with fleet electrification specialists Flexible Power Systems (FPS) to develop and deploy a new type of smart plug to power

electric Transport Refrigeration Units. FPS also serve our current fleet, helping to maximise our carbon savings and making our delivery fleet more efficient and better for the planet.

We successfully completed our hydrogen-powered HGV trial, working with electric vehicle (EV) company Electra. During a three-month trial, Electra transported our produce to stores across the country on a 19-tonne eCargo Fuel Cell EV refrigerated truck, with zero-emissions. It is estimated to have saved 314kg of CO₂ per day for a 208-mile trip as a result of using Electra's EV in place of a diesel truck.

Disclosure and transparency

We are proud to be recognised by CDP, an environmental impact disclosure system, for our environmental transparency. We were awarded an A rating for climate change for the ninth consecutive year, the only UK retailer to have achieved this.

We have also been recognised by CDP as a Supplier Engagement Leader for our work engaging with our suppliers to tackle climate change.





Better for the planet

Reduce food waste



Reduce food waste by 50 per cent by 2030

Around a third of all food produced for human consumption is lost or wasted. Combating food waste throughout our value chain is one of our top priorities and we are continuously innovating to tackle this issue, all the way from farms and suppliers, right to our customers' homes.

Redistributing food to good causes

We have reduced our operational food waste tonnage by 8.4 per cent year-on-year, a reduction of 20.2 per cent from our 2019/20 baseline. In 2021, we began our partnership with Neighbourly to manage our back of store food donation programme, connecting all our stores to a network of over 25,000 charities, schools and community groups. This year we finalised the roll-out of the Neighbourly platform across our full estate. Our stores now support and donate to over 2,500 good causes across the UK, that help support four million people weekly facing food insecurities.

In the week leading up to Christmas alone, over 335,000 meals were provided to local charity partners who redistribute food to those that need it most; this is the equivalent to a £19 million donation to charities and community groups. This has also saved over 4,500 tonnes of food going to waste, which is estimated to be equivalent to over 16,000 tonnes of carbon emissions.

Where we are unable to donate surplus food to charity, we send it to UK farms, via our partners, to be used in animal feed. We are proud to have sent zero waste to landfill since 2013.

Helping our customers reduce food waste

As part of our ongoing commitment to reduce food waste and provide affordable, nutritious, and sustainable food to our customers, we were proud to introduce our Taste me, Don't waste me fruit and vegetable boxes. The boxes contain a wide variety of surplus fruit and vegetables and are available in over 200 supermarkets for just £2.

As the cost of living continues to rise, we are helping customers access affordable, nutritious food by offering great quality fruit and veg at lower prices and helping to prevent food waste.

In August, to help our customers reduce food waste in their homes, we started to remove 'best before' dates from some fresh produce such as pears, onions, tomatoes and citrus fruits. In total, we have announced changes to date labels on 276 own brand products. This could help UK households save 11,000 tonnes of food from going to waste each year, the equivalent of 17 million products.



CASE STUDY

Sainsfreeze, first-of-its-kind walk-in freezer store

In September, we created 'Sainsfreeze' - a walk-in freezer located in Shoreditch, London. The two-day pop-up showed people how to freeze a variety of foods to help prevent food waste and save money too.

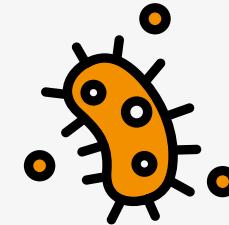
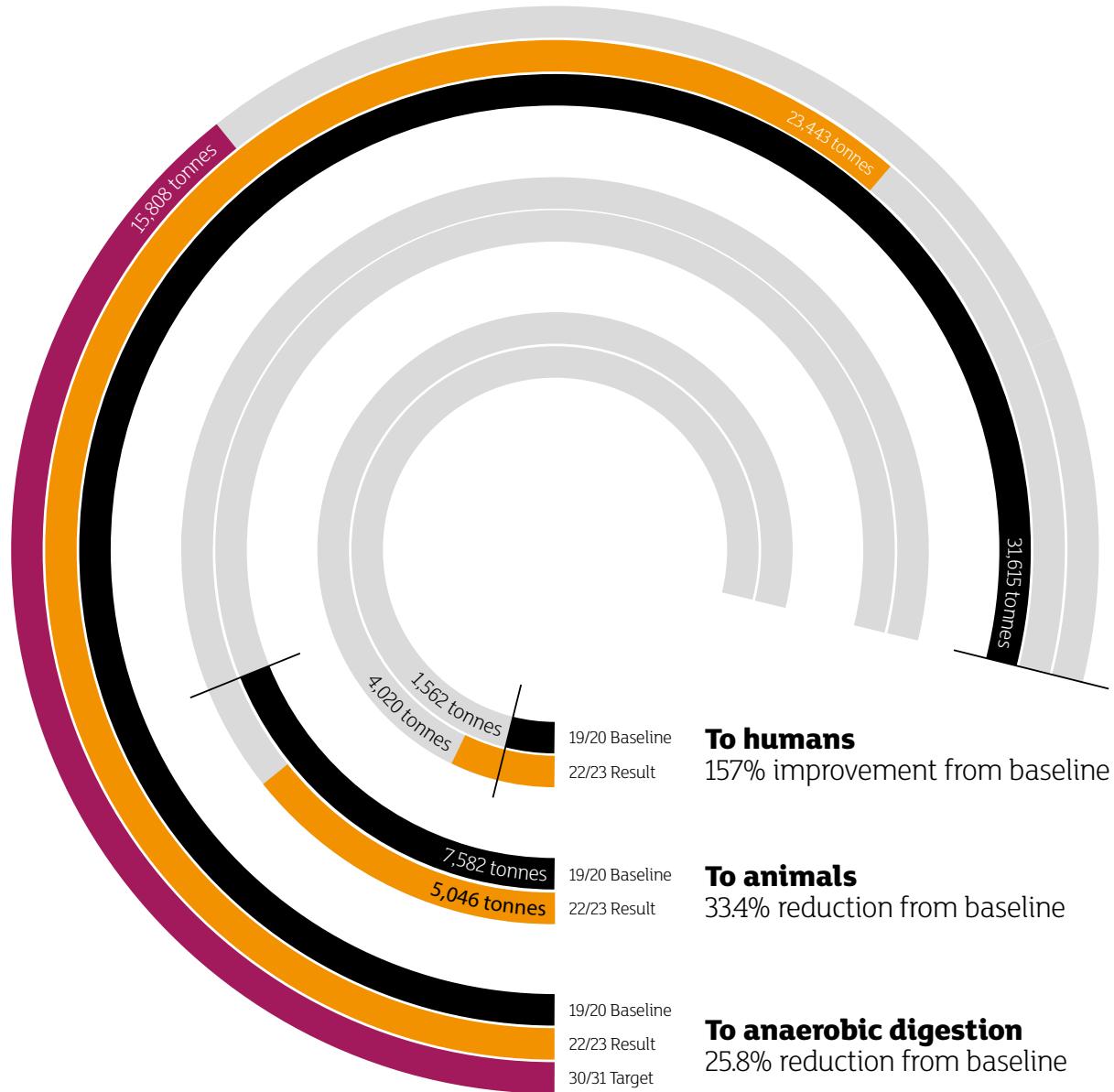
We showed visitors how to freeze products that are commonly thrown away, such as eggs, bread and yoghurt, how to save freezer space and how to keep food for longer. We also gave visitors a selection of frozen food to take home for free.

Through the widespread national press coverage 'Sainsfreeze' achieved, we were able to reach people across the country with our tips on how to use the freezer to help reduce food waste at home.





Better for the planet

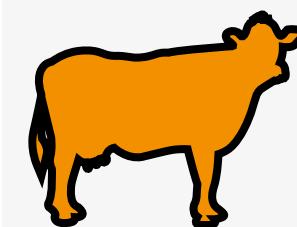


23,443 tonnes
of food waste used for
anaerobic digestion
This equates to **0.498%** of our total
weight of sales
(a **2.7%** reduction from last year)



4,020 tonnes
of surplus food was redistributed
to local communities
(a **157%** improvement compared to
our baseline)

Since we launched Neighbourly in 2021 we have increased
the number of stores that support local good causes
with surplus food donation from 817 to 1,325 (+62%
increase) and 89% increase in the number of good causes
supported.



5,046 tonnes
of food waste was used for
animal feed
(a **14.7%** reduction from last year)



Better for the planet

Reduce the use of plastic packaging and increase recycling



Reduce our own brand plastic packaging by 50 per cent by 2025, increase recycled content and recyclability.

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

Our ambition is to reduce plastic packaging and ensure it is fully recyclable and contains recycled content where feasible. We embed circular thinking into our approach wherever possible and through our recycling facilities in store make it easier for our customers recycle too.

We know that plastic packaging is an area of concern for our customers and colleagues. We continue to remove, reduce, replace and recycle and so far have achieved an absolute reduction in our plastic packaging of 12,215 tonnes, a 17.5% absolute reduction from our baseline (2018 Food and 2020 GM). This year, we have reduced our plastic tonnage by over 5,000 tonnes, some of our key achievements this year include:

- Launching own brand hand-wash refill pouches which use 85 per cent less plastic saving 28 tonnes of plastic annually. These pouches are also 35 per cent cheaper than the equivalent bottles, helping customers save money too.
- Moving to double-length toilet rolls which have twice the number of sheets on each roll, reducing plastic packaging by 30 per cent, saving 84 tonnes of plastic and 13 tonnes of cardboard annually.
- Reformulating our double strength squashes to quadruple strength; this, together with light-weighting the bottle and reducing the recommended serving size saving 185 tonnes of plastic annually.
- Removing lids from our salads and coleslaw saving over 160 tonnes of plastic annually.
- Transitioning Turkey crowns to foil trays saving 7 tonnes and over 210,000 pieces of plastic.

Helping our customers recycle

This year, in partnership with the Flexible Plastic Fund, we expanded our carrier bag recycling scheme to include all flexible plastics and launched this across all of our supermarkets. In 2022 we collected approximately 1,400 tonnes of flexible plastic for recycling, some of which was turned into Bags for Life and sold in our stores.

We continue to work on a Deposit Return Scheme using reverse vending machines in our stores. This will allow customers to recycle plastic, metal and glass drink containers in exchange for a 5p per item coupon towards their shopping. We also offer customers the ability to recycle water filter cartridges in 492 of our supermarkets. We recharge the filter element and reuse this in our stores whilst the plastic casing is recycled back into new water filter cartridges saving 33 tonnes of plastic going to waste.

Last year through our electrical repair initiative we repaired over 37,000 of our customers products, this initiative helps our customers to save money, reduces waste and extends the lifespan of electrical items. Our refurbishment programme has also seen us give over 250,000 returned products a new lease of life.

Collaborating for success

We are working alongside our suppliers, manufacturers, customers and other retailers to reduce the amount of plastic across the value chain, whilst also investing in research and development on materials and technologies to enable a circular economy. As members of the Consumer Goods Forum's Plastic Waste Coalition of Action, British Retail Consortium, the Flexible Plastics Fund and as signatories of UK Plastics Pact and Textiles 2030 we are aligned on numerous industry initiatives driving collaboration and action in plastic and recycling.

This year we also became a founding member of Circularity Scotland, the new, not-for-profit 'System Administrator' of the Deposit Return Scheme in Scotland.

We have also rolled out our partnership with Newlife to all UK stores and donated 1,800 tonnes of unsellable clothing returns and faulty garments. Our partnership with Newlife, the Charity for Disabled Children, first

began in 2019, Newlife recycle or resell any of our Tu clothing range that is not fit for resale in store, using the proceeds to help fund its important charity work.



All of our clothing returns and faulty garments which cannot be resold by Newlife are broken down into raw materials so that they can be recycled or reused for a variety of different purposes such as car insulation and dog bed stuffing.

Through collaboration we look forward to making even more progress in the year ahead on both our plastic and recycling ambitions.

CASE STUDY

Beef VacPack

Sainsbury's became the first UK retailer to replace all traditional plastic tray packaging with vacuum packed alternatives across our entire beef mince range. This uses a minimum of 55 per cent less plastic and will result in a reduction of over 450 tonnes of plastic annually. Additionally, the new packaging is smaller in size and takes up less space in fridges and freezers, helping customers to use space more efficiently.





Better for the planet

Minimise water usage



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

Water is our most vital resource and the basis of all businesses, especially of the size and scope of Sainsbury's. We are reducing the amount of water we use across our operations and mapping and managing our biggest areas of water vulnerability across our supply chains.

Mapping water consumption

This year we have reduced our water usage by 5 per cent year-on-year, to 2,655,817m³. This equates to a 17.6 per cent reduction from our 2018/19 baseline, keeping us on track to meet our commitment to achieve water neutrality by 2040.

Last year we reviewed and reported water consumption across both our supply chain and our own operations and mapped it geographically, considering risk factors in the analysis. The report included a review of technologies to drive efficiency and potential collaboration opportunities to consider inside and outside our supply chain.

In the summer of 2022, we worked with PwC to conduct our first supply chain water footprinting exercise. The analysis was conducted to understand and demonstrate the importance of water throughout our supply chain, and provided a view of hotspots, risks and opportunities.

We also worked with Waterscan, which manages our operational water, to conduct further analysis on our UK supply chain. By comparing our supply chain data with water consumption data from utility companies, we were able to determine which of our tier 1 supply sites were using the most water and which were in water deficit zones. For the first time we were able to understand where our own operations were located in relation to our supply chain, with the associated water risks. This will be critical information as we evolve our approach to achieving water neutrality.



The
Rivers
Trust



Courtauld 2030 roadmap

A critical component of water stewardship is collective action, which is why we are signatories to the Courtauld 2030 Water Roadmap. This practical response to the need to protect water resources brings together food and drink businesses to collectively act in water catchments, with interventions led by delivery partners The Rivers Trust and WWF.

The overarching goal of the Roadmap is for 50 per cent of the UK's fresh food to be sourced from areas with sustainable water management by 2030; there are specific actions for businesses that combine to deliver this, such as monitoring water use in business operations or supporting collective action projects.

This year we have provided additional funding towards the funded WRAP Water Roadmap which will be used to accelerate existing and developing collective action work in hotspot regions of our supply chain where WRAP deem it to deliver the greatest impact. The funding which will be used for a wide variety of activities, ranging from developing best practice guidance, to initiating scoping projects in new areas. We currently support five projects through the Courtauld 2030 Roadmap, all situated in important sourcing areas for our supply chains across the UK, Spain, and South Africa. The projects are delivered by The Rivers Trust and WWF and are tackling the most salient water risks in these regions.



wrap



Better for the planet

Rivers Trust – Replenish

Although our own operations represent only a fraction of our total business water footprint, we are still exposed to water risks, which are intensifying in severity and frequency with climate change.

We are piloting the Volumetric Water Benefit Accounting (VWBA – Replenish) methodology in the Wyre Catchment, to support us in reaching our operational water neutrality target. Developed by the World Resources Institute (WRI) and other partners, this approach meets a critical need in corporate water stewardship action, providing a consistent and robust method for assessing the benefits of water stewardship, which enables water risks to be tackled collaboratively at catchment-scale.

Reducing flood risks across our own operations

Significant increase in flood risk is expected to occur due to shifts in rainfall patterns. We are taking action to manage these risks and reduce the potential financial and strategic impacts of flooding on our business operations.

By collaborating with Balkerne and using their SmartResilience application we can accurately predict flood locations and threat levels using geospatial tracking of weather, river levels and government warnings.

The application also provides a real-time early warning system for flooding. We used site-specific vulnerability ranking reports to determine the most appropriate emergency, temporary, or long-term mitigation plans for our at-risk locations. After analysing this data, we developed flood emergency plans and invested in property-level flood protection for our continuously high-risk sites.

In February 2022, when Storm Eunice hit Yorkshire and the River Wharfe rose, our SmartResilience system provided an early warning to our team 12 hours ahead of a potential flood event. We were able to quickly deploy flood prevention measures at our Tadcaster store and successfully mitigate the potential for a catastrophic event. This ensured that our store remained open, serving the local community and providing access to everyday essentials during a difficult period.



CASE STUDY

The Wyre Catchment Natural Flood Management Project

The Wyre River catchment in North Lancashire has experienced a major flood event four times in the last 20 years, with the economic cost to insurers for this level of flooding being £1.96m.

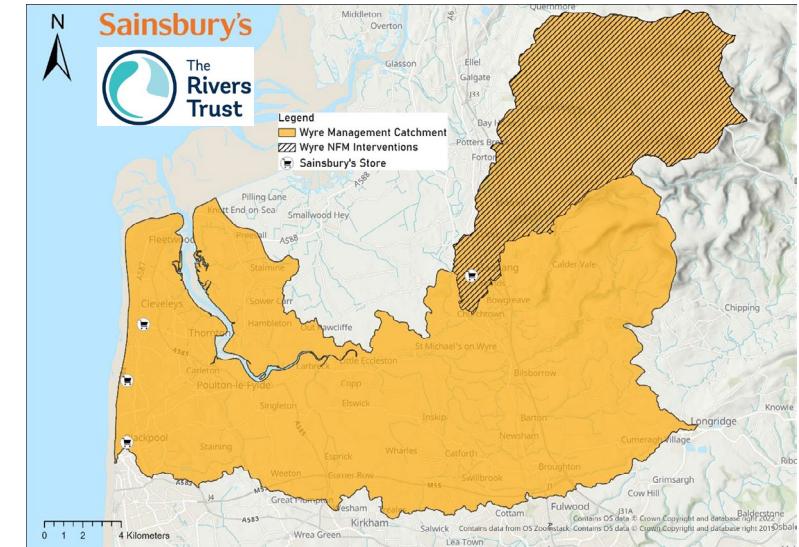
Nature-based solutions are proven interventions to prevent flooding. The Wyre Catchment Natural Flood Management Project (Wyre NFM Project) will use leaky barriers, bunded hedges and ponds to store water during periods of high rainfall and flooding to allow the water overflow to pass through more safely.

Woodland areas will also be created, which are effective at catching rainfall and allowing water to percolate through the soil into the ground.

Working with farmers the Wyre NFM Project will deliver more than 1,000 targeted measures to stores, installed by the Wyre Rivers Trust and volunteers, the interventions will cover over 70 hectares, spread across more than 10 land holdings, and include:

- 39 hectares of woodland creation
- 1710 leaky dams
- 42 ponds and scrapes
- 10km of new bunded hedgerows

We have purchased the Replenish volumes associated with these interventions, which will annually replenish the volumes of water that we use in this catchment area (covering four of our stores). From as early as next year we will offset or replenish the water being used by the four stores locally.



For more information click [here](#).



Better for the planet

Nature



Nature positive: committed to protecting and regenerating nature

As a business, we depend on nature and want to ensure that we are taking steps to make a positive impact to protect all aspects of it, including biodiversity, climate, water and soil. We are aware of the urgency of the challenge and we are committed to avoiding and reducing pressures on nature while working proactively towards nature regeneration.

Our key raw materials

By identifying our high risk key raw materials, we have created roadmaps to clearly outline the actions required to source each material sustainably. From these roadmaps, we are updating a series of key raw material sourcing policies across both Food and General Merchandise to ensure we are moving towards sustainable sourcing and nature regeneration.

Deforestation and land conversion

By 2025, we aim to ensure that all 'high risk materials' within our own brand products can be traced back to land which has not been deforested or converted since 2020. We have clear standards for our suppliers on how products are grown or made, while certification allows us to track our progress and makes it easier for our customers to identify sustainably sourced products.

At COP26 we became founding signatories to the UK Soy Manifesto, a commitment to cutting deforestation and habitat destruction out of UK soy supply chains by 2025. This year, along with Tesco and Waitrose, we have provided funding to the Responsible Commodities Facility (RCF). Sainsbury's invested £3.5 million in financial incentives to farmers who commit to deforestation and conversion-free soy cultivation in the region of the Cerrado in Brazil. In the initial 12 month trial phase, RCF provided finance to 32 farms, helping to protect 8,541 hectares of native vegetation.

Palm oil represents one of the greatest deforestation risks and is a key raw material for many of our products. In 2021 we achieved our target of sourcing 100 per cent of the palm oil in our own brand products sustainably to an independent standard, certified by the Round table on Sustainable Palm Oil.



In collaboration with the Rainforest Alliance and METRO, we have invested in a multi-year initiative in Sintang, West Kalimantan (Indonesia) to help promote an integrated landscape management that brings land users and stakeholders together to address issues around palm oil production and support smallholders to produce palm oil more sustainably.

Peat

In their natural, wet state, peatlands are a critical nature-based solution to sequester carbon and provide valuable habitats. However, in a degraded state, peatlands can be a carbon source. Emissions from drained peatlands account for 5% of global anthropogenic GHG emissions. Our business is both directly and indirectly linked to peatlands, and we are working to shift our products and supply chains to peat-free.

Removing Peat used in bagged compost. Our compost SKUs that we sell are currently 99% peat-free (based on volume), and by 2024, 100% of the compost that we sell will be peat-free.

Reducing Peat used in our horticultural supply chains. We have been reducing the volume of peat used in growing media across our bedding plants, and all of our bedding is now 100% peat free. Our bulbs that we sell are now only sold with coir discs rather than peat, and all remaining perennials, climbers and litre pots are using a reduced peat mix.

Understanding lowland peat. Last year, we became the first retailer to join Fenland SOIL. Fenland SOIL aims to inform and develop 'whole farm' land use policies, specifically for shallow and wasted peat soils found across the Fens in Eastern England. With much of our UK fresh produce being grown on lowland peat soil in this region, the research being led by the organisation will be critical for understanding the opportunities for suppliers to farm more sustainably.

Collaborations

We have worked in partnership with the Woodland Trust since 2004 to create and maintain habitats for wildlife and provide spaces for people to enjoy nature. Over the past 12 months we have supported the Woodland Trust in planting over 310,000 native trees across the UK and we have raised over £12.9 million and planted over 4.9 million trees since our partnership began. This has the potential to mitigate 1.2 million tonnes of CO₂ over their lifetime.

As part of our commitment to being a nature positive retailer, we are collaborating with Land App and The UK Centre for Ecology & Hydrology (UKCEH), to help our farmers and suppliers in the UK scale up action on biodiversity. Land App is an industry leader in using data and mapping, which will help farmers measure biodiversity accurately and quickly across the land they manage.

By combining Land App with biodiversity expertise at UKCEH, farmers can get advice on how to balance their land-use between food production and creating habitats. The farmers will receive information and suggestions on activities such as tree planting, river protection, pollinator-friendly areas and wild-bird food.





Better for the planet

Responsible seafood sourcing

We are committed to sourcing 100 percent certified seafood. On our journey so far, we have achieved 100 per cent farmed seafood and 80.3 per cent wild caught fish and seafood to be independently certified as sustainable. Out of the remaining 19.7 per cent of our wild caught fish, 98 per cent are in time-bound independent fisheries improvement projects. The remaining 2 per cent have agreed action plans in place to move either to certified status or into an independent fisheries improvement project. Therefore, in line with the Sustainable Seafood Coalition code guidelines, we are delighted to report that 100 per cent of our fish is responsibly sourced.

In recognition of our efforts to deliver responsible seafood to UK customers, this year we were awarded the Aquaculture Stewardship Council (ASC) UK Retailer of the Year, acknowledging the commitment and progress we have made to help our customers

eat better and more sustainably. Sainsbury's is proud to offer the widest range of ASC certified products and highest number of ASC labelled products of any UK Food retailer, supporting our commitment to source 100 per cent ASC certified farmed seafood.

In 2022 we became the first UK supermarket to offer 100 per cent ASC certified fresh Scottish salmon and we have transitioned all our species to ASC and display ASC certification logos on all packaging.

Textile Fibres

Cotton accounts for 50 per cent of our total fibre usage, and we are committed to sourcing all of our cotton to an independent sustainability standard by 2025.

From March 2022 to March 2023, Better Cotton Farmers benefited from an estimated USD \$2,189,937 additional profit thanks to our sourcing of Better Cotton.

Better Cotton Farmers experience profit increases for a variety of reasons, most commonly due to increased yields and/or optimised use of inputs (such as irrigation water, pesticides or synthetic fertiliser).

98 per cent of the cotton used by Sainsbury's - including home textiles and Tu Clothing - over the past year was sourced to an independent sustainability standard, including BCI, Organic, Fairtrade and Recycled.

Polyester is the second most widely used fibre in our Tu Clothing range and we are committed to driving the ongoing use of recycled polyester throughout our clothing ranges, with a defined target to ensure 45 per cent of the total polyester used in Tu Clothing will be from a recycled source by 2025. 24 per cent of the polyester used by Tu Clothing over the past year was recycled.

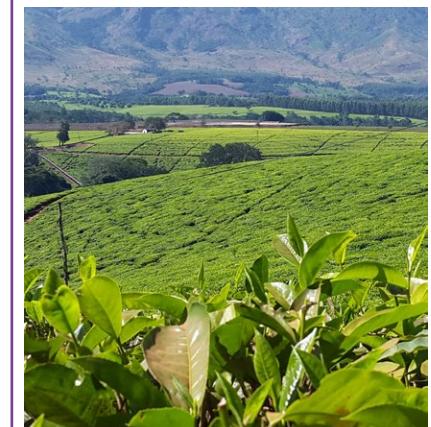


CASE STUDY

Planting a future in Peru

In collaboration with produce supplier Barfoots, Royal Botanic Gardens Kew, and local partners, we are playing our part in restoring habitats, nature and agrobiodiversity in Peru's Ica region. We have helped establish a regional Native Plant Conservation Centre, restoring ecosystems and promoting reforestation. Seeds for rare native plant species are being reintroduced to farms and orchards, creating diverse habitats and useful crops, while helping conserve water and capture carbon. The project also prioritises education and research, establishing school programmes on how to propagate and benefit from these native plants.

Our approach supports the production of food alongside protecting biodiversity, the climate, and people, sustaining and conserving biodiversity and agriculture through promotion of soil fertility, pollination, flood management, and wellbeing.





Better for everyone

Better for everyone

We are passionate about playing an active role in our communities and championing human rights across our business and value chain. We are committed to being a truly inclusive employer where all our colleagues are treated fairly and with respect and are encouraged to develop their skills and fulfil their potential.

£34.5 million
raised for
good causes
this year

**5 new
human rights
commitments**
to address our most
salient risks

10 million+
meals donated via
our partnership with
Neighbourly
 **neighbourly**





Better for everyone

An inclusive place to work and shop



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

Achieving diverse representation in leadership by 2024

We are committed to being a truly inclusive retailer where every single one of our colleagues is treated fairly and with respect and every customer feels welcome.

Representation across the business continues to be a key focus for us and this year we published our third integrated Gender and Ethnicity Pay Report. Our mean gender pay gap has remained flat at 8.5 per cent, while our median gender pay gap has increased slightly from 4.7 per cent to 6.3 per cent. This is a result of investment in our driver premium, where the roles are predominantly held by men.

Our mean ethnicity pay gap is -1.6 per cent and median gap is -4.0 per cent; this is because a high proportion of our Ethnically Diverse colleagues work in locations with a higher overall hourly pay rate. Over 50 per cent of our Ethnically Diverse colleagues work in stores that attract a location premium (i.e. London), compared to approximately 8 per cent of our white colleagues.

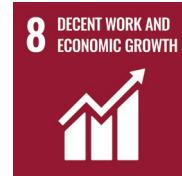
Progress on diverse representation at senior leadership and senior management levels can be seen in the table on page 47.

Diversity and inclusion initiatives and recognition

We are committed to being an inclusive employer with diverse representation at all levels of our business.

We train senior managers who are responsible for recruitment to be inclusive in their decision making and manage bias through the process. Our new recruitment dashboard helps us to identify how successful we are in attracting diverse talent for our Store Support Centre, Retail and Logistics roles and highlights any adverse impact in the recruitment process. Using this data, we work with our Talent partners across the business to agree interventions to support our inclusivity objectives.

Our range of leadership development programmes includes our Ethnically Diverse Programme, which has been running since 2019. It ends this year having supported over 367 Ethnically Diverse colleagues in their careers across Sainsbury's. The newly titled and refreshed



programme for our Ethnically Diverse colleagues, Accelerate YOU, launches in June and will focus on developing colleagues with high potential to prepare for leadership roles in our business.

We are proud that our diversity, equity and inclusivity initiatives have been recognised at a national level:

We are among 'The Times' Top 50 Employers for Women 2022 and have improved our position in the FTSE Women Leaders Review to third place. In a Forbes magazine study, we were ranked 27th out of 400 of the most female-friendly businesses globally, taking second place in the UK.

We are the corporate sponsor of the Diversity in Retail Ethnic Future Leaders programme, supporting 68 leaders in their development and progression across multiple industries.

We continue to be one of only 489 businesses across the UK accredited as a Disability Confident Leader, which is the highest tier of accreditation in the government's Disability Confident scheme.

Three Sainsbury's colleagues were recognised in Diversity in Retail's inaugural Role Models for Inclusion Index and our Company Secretary, Tim Fallowfield OBE, was listed as an Executive Role Model. Our Proud @ Sainsbury's colleague network has been recognised in the Top 10 Networks by the British LGBT+ Awards.

We are making progress in driving positive, sustainable change to improve the lived experience and opportunities for under-represented groups. There is more that 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.

For more information, please visit the Better for Everyone section of our corporate website or read our Gender and Ethnicity Pay Report.

CASE STUDY

Thrive with Sainsbury's

In July, we pledged to invest £1 million, into the launch of the first UK retail incubator programme for Black-led businesses, Thrive with Sainsbury's. In partnership with Foundervine and Mission Ventures, Thrive with Sainsbury's was a free 16-week incubator programme set up to help Black founder-led start-up businesses transition their products onto our supermarket shelves. Nine successful founders were chosen and received one-on-one support and group learning sessions on a variety of subjects with industry experts, with each participant's journey being tailored to their specific needs.

The first three brands Mirror Margarita, Riddles Ice Tea and RAISE Snacks will be available to purchase at Sainsbury's later this year. We hope Thrive with Sainsbury's drives meaningful change within the retail sector and enables us to bring more innovation and a broader range of product to our customers.





Better for everyone

Colleague cost of living support

The increasing cost of living has been challenging for our colleagues and over the last year we have made investment decisions of £225 million to support them. These included increasing the base rate for our retail hourly-paid Sainsbury's and Argos colleagues to at least £11 per hour nationally and £11.95 in London.

Overall pay for our colleagues growing 44 per cent over the past seven years. We were proud to be the first major supermarket in 2022 to pay colleagues above the Living Wage nationally and at the Living Wage in London. This is the first time we have given three pay rises in the same year and represents a 10 per cent rise year-on-year.

To further support colleagues, we introduced a free food support package during shifts for our store, depot, contact centre and local fulfilment centre colleagues. This has been welcomed by colleagues as an additional aid to help them manage tighter budgets.

Colleagues continue to benefit from 10 per cent discount at Sainsbury's and Argos and we increase this to 15 per cent at Sainsbury's for the five days around colleague payday and 15 per cent at Argos on pay day.

We have also enhanced the financial wellbeing resources available on our intranet, in particular those relating to budgeting, savings and debt management and we strengthened our partnership with Salary Finance to include Pay Advance, which enables colleagues to access a proportion of their earned pay ahead of pay-day.

Supporting our colleagues' mental health and wellbeing

We want every colleague to have access to tools and resources that enable them to make positive and proactive choices to support their mental health and wellbeing in all aspects of their lives.

We have updated our wellbeing resources to include information on budgeting, ways to save and debt management, as well as signposting the support available through our Employee Assistance Programme and organisations like Grocery Aid, Money Helper and Step Change Debt Charity. We introduced a colleague Guide to Suicide Prevention which provides a basic understanding of suicide, how to spot warning signs of person who might be at risk and where to go for help.

A new digital Wellbeing Centre provides access to articles, exercise videos, recipes and mindfulness tools. Through several campaigns - Mental Health Awareness Week, Money Matters, Suicide Prevention and Healthy Habits – we have kept mental health and wellbeing conversations going. A dashboard enables us to measure the wellbeing of our colleagues, the impact of our initiatives and monitor risks such as absence trends and colleague engagement.

Overall, as a company, 77 per cent of colleagues told us they are able to be themselves at work and we achieved a score of 68, an increase year-on-year, when it came to colleagues who said they were happy to be working at Sainsbury's and 56 per cent of our colleagues tell us that our mental health and wellbeing tools helped them to improve their wellbeing, an increase of two points on FY 2021/22.

To enable our leaders to support our colleagues, we are enhancing our Mental Health Awareness training and re-launching this as mandatory for all line managers.





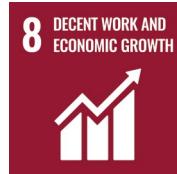
Better for everyone

Skills and opportunities for all

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

70 per cent of colleagues who are on our Leading@Sainsbury's development cohorts will be promoted within nine months of its completion

Creating an environment that enables everyone's innate talent to flourish is central to achieving our goals. We also provide resources and support mechanisms that enable a diverse workforce to build capability and confidence in the areas. This will help accelerate their careers and provide the expertise in emerging skills we need.



At Sainsbury's, we offer a wide variety of development opportunities for all our colleagues, ranging from technical skills to leadership excellence, and from safe and legal training to self-directed learning. 'My Learning', our in-house learning platform, enables colleagues and managers to track their training and navigate a wide range of content and resources that can be tailored to the learners' needs. In addition, our range of skills development programmes, including apprenticeships and Bootcamps, as well as our talent development programmes, provide the vehicles for career progression and the development of knowledge and expertise.



We also run targeted 'Skills Boost' workshops which go deeper on building capability in key topics such as 'personal brand' or 'honest everyday feedback'.

Bite size

Learn
Meet
Grow

Through our 'Bitesize' sessions, which are open to all colleagues to attend, thought leaders and experts share concepts, tools, and tips related to our valued behaviours.

To supplement our development offer, we run specific programmes for future leaders and under-represented groups.

Our range of leadership development programmes includes our Ethnically Diverse Programme, which has been running since

2019. It ends this year having supported over 367 Ethnically Diverse colleagues in their careers across Sainsbury's. The newly titled and refreshed programme for our Ethnically Diverse colleagues, Accelerate YOU, launches in June and will focus on developing colleagues with high potential to prepare for leadership roles in our business.

Leading@Sainsbury's is designed to help both retail and store support centre colleagues who have been identified as having leadership potential to develop the skills and habits they need to live our valued behaviours day-to-day, ensuring we have a strong pipeline of talent that can land in role as quickly as possible when vacancies arise. We are committed to 70 per cent of colleagues who complete our Leading@Sainsbury's development programme gaining promotion within 9 months of completing the programme.



This year 58.7 per cent of colleagues were promoted within the 9 month period. We also run a year-long 'Leadership Acceleration Programme' aimed at colleagues with the potential for the most senior roles in our business.



CASE STUDY

Leading @ Sainsbury's

Colleague testimonials

Steven McKeith – Leading Together programme

"Leading@Sainsbury's has taught me how to reflect on my learning to help stretch my potential, to recognize that people learn and communicate in different ways and how to tailor my own knowledge to support and guide others. Leading@Sainsbury's has given me the tools to grow my support network to reach out for guidance."

Leading@Sainsbury's has opened doors and opportunities for me, from been a Trading Manager, throughout my six-month secondment as a Store Manager and leading up to my current permanent store Manager position in a Argos store in store. Whilst managing my own store I have taken on the challenge of overseeing a neighbouring store who has been without a store Manager, supporting the team through Peak putting into practice what I have learnt through Leading@Sainsbury's."



Better for everyone

Apprenticeship programme

We offer a variety of apprenticeships across all divisions, giving colleagues the opportunity to develop their skills while training on the job. Our apprenticeships include Retailer and Retail Manager, Accountancy, Project management and Data analyst.

We work with industry leading professionals with special knowledge in their area of delivery, equipping our colleagues with the tools they need for a successful career. We're pleased to say that this year, 92.9 per cent of colleagues on an apprenticeship programme successfully completed it.

Early careers

Our Early Careers programmes support colleagues and candidates of all ages and backgrounds, to further develop their careers at Sainsbury's, often enabling them to find opportunities to develop skills that move their career in a new direction.

We have a range of programmes including Jumpstart, for high potential Graduate and Non-Graduate candidates. Our paid intern programme supports students who are between year 2 and 3 of their degree to gain industry knowledge and experience and, where appropriate, we offer them employment after their studies. Our bootcamp programmes support internal colleagues to change and develop their careers at pace into roles where their skills are critical to the future success of the organisation.





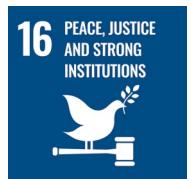
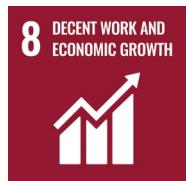
Better for everyone

Championing human rights



We are committed to respecting human rights across our value chain to ensure the people who make or grow our products are not being exploited or exposed to unsafe working conditions - and ensure our businesses' transition to Net Zero is just and equitable for the communities we source from.

We have a long history of setting high standards and working collaboratively with our suppliers to ensure that they are met, and we work hard to embed respect for human rights and ethical practices throughout our business.



Refreshed commitments

This year we have refreshed our social sustainability strategy and set out five new human rights commitments based on the most salient human rights risks and emerging issues that affect the people within our supply chain.

Our five commitment areas are: 1. Sustainable livelihoods, 2. Forced labour, 3. Safe and healthy working environments, 4. Discrimination, 5. Grievance mechanisms. You can learn about what we have committed to achieve by 2030 on our website. In the last year, we have made progress against each of our commitment areas, as detailed below.

Sustainable livelihoods

In March 2023, we signed up to the UK Retailer Commitment on Living Wages in the Banana Supply Chain. This commits us to paying a living wage, equivalent to volumes sold, to the workers in our banana supply chain by the end of 2027. This commitment ensures that workers receive a wage that covers their basic needs and helps address poverty in our sourcing locations.

Forced labour

In 2022, UK produce supply chain faced labour disruption as a result of significant events such as Brexit and the war in Ukraine and there were allegations of illicit recruitment fees being paid by workers utilising the seasonal worker scheme. In response to these challenges, we have collaborated with the grocery industry to form a roundtable to collectively design and implement solutions to better mitigate risk. As part of the roundtable, we supported and co-funded development of detailed grower guidance, workshops for suppliers, a common audit protocol and audits for seasonal workers scheme operators. We also supported the translation of the Just Good Work app into several new languages, so that seasonal workers could be informed of their rights and what grievance mechanisms they had available to them.

Safe and healthy working environments

Sainsbury's supports the UK's Modern Slavery Helpline which is a free, independent and confidential service, operated by Unseen. Our partnership and membership of Unseen's Business Portal gives us access to intelligence on modern slavery and exploitation reports linked to either our own operations or supply chain in the UK. We also receive anonymised information about other appropriate cases reported through the helpline related to our sector. Through this partnership, we discovered during 2022 that 65 per cent of cases reported to the helpline in the UK related to overcrowded and/or unsanitary accommodation being provided for UK workers. In response to these concerns, in early 2023 we trained selected UK growers of berries and cherries on how to access accommodation and in-field facilities. We also communicated our expectations and shared best practice case studies.

Discrimination

Selected clothing suppliers in Bangladesh participated in the Ethical Trading Initiative Gender Sensitive Workplace programme. The project aims to improve respect and dignity in the workplace and build positive industrial relations. Sexual Harassment Complaints Committees were formed, and 4,387 managers, supervisors and worker representatives were trained on gender sensitivity and the role and function of the committees.

Grievance mechanisms

This year, we launched a new group-wide [Whistleblowing Policy](#). Ensuring all our tier 1 suppliers have an effective whistleblowing mechanism in place is the first step in our journey to ensure access to effective and trusted grievance mechanisms across our tier 1 supply chain. We have refreshed our processes to receive and respond to grievances raised in our supply chain. This year, we received 27 grievances relating to our supply chain through various channels.

Evolving issues

In early 2023, we selected the University of Nottingham's Rights Lab as our strategic human rights research partner. Over the next three years we will fund research into our evolving human rights risks, interpret how these risks will affect our business in the future and understand how Sainsbury's can respond. This partnership will place us at the forefront of thinking on human rights risks and unlock practical and impactful business decisions to create benefits for people throughout our business and supply chains.

Policies and assessments

In December 2022, we refreshed and published our Group Ethical Sourcing Policy, which applies to suppliers across Food, General Merchandise and Goods and Services not for Resale (GNFR) supply chains. The group-wide policy consolidated standalone ethical sourcing policies for each business division into one clear and simple document.

We worked in collaboration with Impactt, another retailer and our shared supplier on a Human Rights Impact Assessment (HRIA) in prawns. The HRIA assesses positive and negative human rights impacts across the prawn supply chain and outlines corrective actions needed to address any negative impacts that were identified.





Better for everyone

CASE STUDY

Grievance mechanisms

We work with our suppliers to ensure that the people in our supply chain have safe and fair working conditions.

It is important that workers and affected communities can speak up about their concerns so that issues can be dealt with before they escalate.

We have committed to ensuring that workers have access to effective and trusted grievance mechanisms across our tier 1 supply base. We will measure their effectiveness by hearing directly from workers, for example through worker voice programmes. In priority supply chains, we will go further and roll out this requirement to suppliers beyond tier 1 to ensure that workers' concerns can be quickly dealt with and to help prevent future violations.

We support the UK Modern Slavery and Exploitation Helpline which is a free, independent and confidential service, operated by Unseen and available 24/7.

This is a collaborative industry-wide initiative to deal with the growing number of human rights violations in UK value chains. Callers can be confident that issues will be investigated by the police and relayed to relevant workers' rights organisations.





Better for everyone

Community and partnerships



To leave a positive impact on the communities we serve and source from and address food poverty by Helping everyone eat better

We continue to build strong partnerships and deliver great impact in our communities, locally and internationally. Our strategy is focused on tackling food poverty to support the needs of the most vulnerable in our communities.

This year we have raised a total of £34.5 million for good causes.



Nourish the Nation launch

In response to the rising cost of living, we launched Nourish the Nation, our community programme, in partnership with our long standing charity partner Comic Relief. There are 13.7 million people in the UK struggling to afford to eat, and we believe we should do what we can to help. We will fund initiatives that tackle food insecurity and that ensure communities have access to balanced, nutritional, and sustainable food sources now and in the future.

As part of our Nourish the Nation launch last year, we raised £7.2 million for Comic Relief, our key food redistribution partners and local community groups, such as FareShare and The Felix Project to help mitigate the impact of the rising cost of living.

To support Nourish the Nation customers can donate food in our stores, which goes directly to our local food charity partners. Customers can also donate Nectar points and money to Comic Relief and to Nourish the Nation in stores and online.

Helping everyone eat better Community Grants

In September 2021, we launched our Helping Everyone Eat Better Community Grant scheme, which support some of the most vulnerable people and communities throughout the UK, Ireland and the Channel Islands. Through this scheme, Sainsbury's and Argos stores, depots and store support centre divisions can nominate a not-for-profit partner to receive a grant of at least £500 to tackle food poverty. Additional 'stardust' funding is available for larger projects to provide greater impact. This year we supported 585 local good causes and committed over £970,000 to initiatives supporting our local communities. Our grant scheme is managed through Neighbourly, which will also help us measure the impact of our funding.

Fundraising and partnerships

We continue to support The Royal British Legion's Poppy Appeal and this year we raised over £2,480,000 plus an additional £200,000 donation from our charity Christmas card range. This provided support for members of the Royal Navy, British Army, Royal Air Force, veterans and their families. Customers were able to donate through the rounding up of bills on manned tills, fixed donations on self check-outs, donating points via Nectar and fixed donations via Groceries Online. Colleagues helped to raise over £2,148,000 in our stores.

In support of our commitment to make healthy and sustainable food accessible to everyone, we launched an innovative meal production project with FareShare Midlands, the region's largest food redistribution charity and our long standing partner. They will cook and distribute meals to a number of not-for-profit organisations including community groups, social eating spaces, community groceries and homeless shelters. In full production, the kitchen will prepare and cook enough surplus food to provide 3,900 meals each month.

Alongside our community investment, we make positive economic contributions through our responsible approach to tax. We contributed approximately £24 billion in cash taxes borne and collected this year.

Turkey and Syria earthquake relief

Millions of people were severely affected by the earthquakes that struck Turkey and Syria in February. We donated a total of £500,000 through Comic Relief and the British Red Cross to help with vital on-the-ground rescue and aid efforts such as search and rescue, fuel for medical vehicles and the distribution of blankets, heaters, medical supplies, food, water and temporary shelters.

CASE STUDY

Supporting The Bread and Butter Thing through Comic Relief

The Bread and Butter Thing is a mobile volunteer run food club making life more affordable for people on low incomes, building stronger communities and reducing food waste.

Through our partnership with Comic Relief, Nourish the Nation funding has helped The Bread and Butter Thing to open 8 new food hubs across the UK.

This has supported 2,689 households to access over 200,000 meals (with a high proportion of fruit and veg). Collectively, these new hubs have created over 1,000 volunteering opportunities for local residents. Our funding helped to provide 12 holistic support sessions across the hubs covering a range of topics such as improving mental health, skills support, help around energy bills and income maximisation guidance.

**COMIC
RELIEF**



The bread and butter thing.



Better for everyone

Animal health and welfare



Improve animal health and welfare and practice responsible antibiotic stewardship

We know that animal welfare is a top priority for our customers and also increases farm productivity. We stock the largest volume of RSPCA Assured product of any supermarket and we have developed key performance metrics to allow us to promote continuous improvement in our key supply chains. Our ambition is to be industry leading in our level of transparency and show the progress we are making in these areas.

Better Welfare Standards

We understand the importance of achieving high welfare standards for our animals without impacting quality or value. We have a long history of providing our customers with higher welfare animal products, such as RSPCA Assured meat and cage free eggs. All our shell eggs are sourced from RSPCA assured, free-range farms where the birds are free to roam in outdoor ranges. Using the code printed on all our eggs, customers can use the Egg Tracker on our corporate website to find out where their eggs came from.

This year, we partnered with Moy Park to rear all by Sainsbury's fresh and frozen chicken birds and since March 2023 all birds have access to 20% more space than the Red Tractor UK industry standard which allows them to display more natural and healthy behaviours, providing our customer with improved welfare chicken at a competitive price.

We have a number of other products where suppliers work to higher welfare standards, such as our dairy farmers, who must comply with our bespoke higher welfare scheme. In the future, we will report on the proportion of products which are farmed to better welfare standards above the UK industry baseline (e.g. Red Tractor), to demonstrate the progress we're making to raise animal welfare standards in our key supply chains.

In October 2022 we launched the latest version of our Sainsbury's Dairy Development Group (SDDG) Code of Practice. The standards contained in the Code are holistic, focused on both input and output measures and are independently audited by external veterinary experts. We established the SDDG over 15 years ago and have always worked to achieve high welfare standards on farms which also have a major impact on their carbon footprint. Some key achievements this year are:

- All SDDG farms are signed up to the AHDB QuarterPro Mastitis Tool, helping farmers to predict the pattern of mastitis on their farm, react with resources and optimise ongoing mastitis control.

- All SDDG farms now follow the European Medicines Authority protocols when administering antibiotic treatments on farm.
- All SDDG farms complete a quarterly whole-herd mobility score, carried out by an independent scorer who is on the Register of Mobility Scorers (RoMS) using the AHDB mobility scoring system.
- 54 per cent of farms provided environmental enrichment in the form of cow brushes within the cattle housing.

Continuous Improvement of Outcome KPIs

Our approach to animal health and welfare focuses on monitoring animal health and welfare outcome KPIs. We first pioneered this outcome based approach within the Sainsbury's Dairy Development Group, and it is now widely regarded as an industry leading approach which is integral to supply chain management across all farm animal species. The next step in our journey is to report our outcome KPI performance, to demonstrate continuous improvement. We have been collecting outcome KPIs for many years and have built databases for each species, that have enabled us to establish performance thresholds for each KPI we monitor. We have now set "Good" or "Excellent" performance targets for our suppliers for each outcome KPI.

Using antibiotics responsibly

We are working with industry bodies and the veterinary community to promote the responsible use of antibiotics, helping our farmers understand how reducing antibiotic use on farms can alleviate global antibiotic resistance. We strictly prohibit the routine use of antibiotics to increase growth and production, ensuring they are only used to keep animals healthy. Our farmers also adhere to strict rules which ensure there are no traces of antibiotics in the meat, milk and eggs sold in Sainsbury's. In addition, we are working to reduce the use of antibiotics which are considered critically important to human health (as defined by the European Medicines Agency). We minimise the

use of these critically important antibiotics (CIAs) within our supply chains, instead promoting the responsible use of the most appropriate antibiotics.

Total Antibiotic Use:

- Our aim is to ensure responsible antibiotic use in our supply chains, evidenced by whether supply chains meet the Responsible Use of Medicines in Agriculture Alliance (RUMA) target for each species.

- Our aim is not to eliminate antibiotics completely, or sell "antibiotic free" products, as antibiotics are vital to maintain high animal health and welfare standards, and aiming for total elimination is an irresponsible and unsustainable approach to tackling antibiotic resistance.

Highest Priority Critically Important Antibiotics (CIAs):

- Our aim is to minimise the use of CIAs in our supply chains, and where suppliers have already eliminated the need for these, to maintain this approach.

Transparency

Transparency is important to building trust. We work closely with our Sainsbury's Development Group farmers to share best practice on animal health and welfare across our supply chain. We have a data-led outcomes approach and collect data across all livestock areas. We utilise data dashboards to give us the best insights and engage our suppliers to drive improvements. We continue to report annually on our progress with dedicated Animal Health and Welfare reports and Antibiotic Stewardship reports and provide our suppliers with responsible sourcing manuals, to ensure they adhere to our strict input standards, as well as reporting on outcomes. This year we were recognised by the Business Benchmark on Farm Animal Welfare (BBFAW), the most comprehensive global account of corporate commitment and disclosure on farm animal welfare, as a Tier 2 company. We are proud to have been recognised as having made farm animal welfare an integral part of our strategy.





Better for everyone

Metric		Baseline	Target
		2022/23 FY	2030
Better Welfare Standards (Feather & Down)	Sales volume from an independently audited farm assurance standard (%)	95%	100%
Better Welfare Standards (Food)	Sales volume from welfare standards above the UK industry baseline (%)	48%	No overall target. Ongoing focus for each species to maintain/increase sales of better welfare
Metric		2021 CY	2030
Continuous Improvement of Outcome KPIs	Animal health and welfare outcome KPIs achieving Sainsburys KPI performance targets: All species (%)	66%	100%
Responsible Antibiotic use	Key animal supply chains achieving Sainsbury's responsible use targets for total antibiotic use: All species (%)	82%	100%
Critically important Antibiotic use	Key animal supply chains achieving Sainsbury's responsible use targets for antibiotic deemed critically important for human health (CIAs): All species (%)	55%	>90%





Governance and performance





Corporate Responsibility and Sustainability Committee Report



Dear Shareholder,

We are committed to delivering against our sustainability agenda, and this year we made good progress against our Plan for Better targets, further integrating environmental and social sustainability into the core of our business.

I was delighted to become Chair of the Corporate Responsibility and Sustainability Committee and I am dedicated to progressing the important work it has delivered over the past few years. I want to thank Jo Harlow for her contributions and commitment during her tenure as Chair and I look forward to continuing to work together in this group. I'm also very pleased to have welcomed Jo Bertram to the Committee.

The Committee oversees the governance of our sustainability plan, focusing on environmental and social strategy, as well as stakeholder engagement including our customers, colleagues, suppliers, shareholders, the community and government. We remain committed to listening and engaging with our stakeholders.

I am pleased to see the significant progress that has been made against Plan for Better. The plan is now fully integrated into our business strategy and governance processes, with on-going collaboration between our Operating Board and Management teams to deliver.

This year we were awarded an A rating for our Climate Change CDP submission for the ninth consecutive year, making us the only UK food retailer to have achieved this. We also know that the scale of change required can only be achieved through collaboration and I am particularly proud of the

'Retailers' Commitment for Nature', which saw us come together with other retailers and WWF to address the impact the food system has on the environment. Through this retailer group, we set out plans for a new Climate Action Programme and all aligned to a 1.5-degree climate commitment.

We also launched our new Community and Partnership strategy, which focuses on supporting our Better for Everyone pillar, helping improve access to food and tackling food poverty, with a total of over £970,000 committed across our stores and store support centres to support projects in their local communities. Programme launched in November and we have donated £7.2 million to Comic Relief, FareShare and other key redistribution partners to support local community food projects. We continue to work in partnership with Neighbourly to ensure no good food goes to waste, which has supported the redistribution of over 10

million meals to those in need so far.

We announced changes to date labels on packaging for 276 own brand products in a bid to help reduce food waste in homes. In our efforts to help everyone eat better, we also ensured that at least 70 per cent of our products which were price matched to Aldi were Healthy or Better for you as well as great value.

To reduce plastic, we launched refill handwash pouches, which are estimated to save a total of 28 tonnes of plastic every year and removed plastic bags from our five pack of Fairtrade banana range. We are also partnered with UK charity Newlife in all our supermarkets, where Tu clothing not sold in-store will be recycled or resold to support disabled and terminally ill children.

I am confident in the progress we've made on Plan for Better, however, acknowledge fully the scale of the challenge that lies ahead.

We are committed to delivering against our plan and our stretching targets because not only is it critical to the success of our strategy, it is critical to protecting and preserving the planet for future generations. We look forward to sharing more on our progress in the coming year.

Keith Weed,
Chair, Corporate Responsibility and Sustainability Committee



Principle role and responsibilities

The Committee's principle role is to review the sustainability strategy, ensuring it is aligned with the Company's purpose, strategy, culture, vision and values.

The committee also plays a part in monitoring the business's engagement with stakeholders including customers, colleagues, suppliers, the community, shareholders and government on sustainability and corporate responsibility matters.

Principal activities in the year

The Committee met four times during the year for scheduled meetings. The meetings focused on our Plan for Better strategy, horizon scanning and stakeholder engagement – customers, colleagues, the community, suppliers, shareholders and government. The Committee plays an active role in ensuring that Plan for Better is fully integrated into every aspect of our business and oversees updates and progress against our targets and commitments.

At each Committee meeting, members discussed our engagement across our stakeholder groups, with deep dives of individual groups at each meeting. The Committee made the decision to align our targets to WWF's Retailers' Commitment for Nature, to have Net Zero targets aligned with a 1-5 degree pathway across all scopes. As this new commitment will require steeper

reductions across our emissions footprint, the Committee reviewed a detailed plan which set out the actions we would take in our own business, with suppliers and with industry. Embedding Plan for Better outcomes in how we do business is a priority for us and, with steer from the CR&S Committee, our Food Commercial division set out individual category level targets across our priority areas: Plastic, Health, Food Waste and Carbon Scope 3. This is to ensure full accountability for delivery of our commitments and enable accelerated action. The Committee also discussed and agreed to reset our Biodiversity pillar and approved a refreshed set of Human Rights commitments.

The legislative landscape was discussed at the Committee, ensuring we have the right plans in place to meet regulations such as HFSS (high in fat, salt and sugar) and the Deposit Return Scheme. The Committee also reviewed our reporting and disclosure

approach to ensure our methodology was robust and can meet evolving stakeholder expectations.

The Committee reviewed our engagement with suppliers and the feedback we received from them via the Advantage Suppliers Survey and Groceries Code Adjudicator report helped set out our future direction. Our TCFD insight and disclosure was reviewed at the Committee.

The Committee discussed the business's approach to Net Zero Transition Plan (NZTP) requirements and agreed its publication timeline. The Committee discussed future ESG upskilling sessions for the Board, but also more broadly across other teams in the business. The Committee also considered the Plan for Better remuneration approach and advised the metric and weighting should be chosen to drive the right behaviours, in line with ESG ambitions.

Attendance at scheduled Committee meetings:

Keith Weed	4(4)	Martin Scicluna	4(4)
Simon Roberts	4(4)	Jo Harlow	4(4)
Jo Bertram	2(2)		

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



J Sainsbury's plc Board

Oversight of the sustainability strategy.

Chair: Martin Scicluna, Chair

Remuneration Committee

Reviews remuneration targets aligned to the sustainability strategy¹.

Chair: Jo Harlow
Non-Executive Director

Corporate Responsibility and Sustainability Committee

Reviews the sustainability strategy, ensuring it is aligned with the Company's purpose, strategy, culture, vision and values. It also monitors the business's engagement with stakeholders including customers, colleagues, suppliers, the community, shareholders and government on sustainability and corporate responsibility matters.

Chair: Keith Weed, Non-Executive Director

Audit Committee

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

Chair: Adrian Hennah
Non-Executive Director

Operating Board

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

Chair: Simon Roberts, CEO

Plan for Better Steering Committee²

Leads operational execution of our sustainability strategy, Plan for Better, by overseeing activity, ensuring delivery of performance³.

Chair: Mark Given, Chief Marketing Officer

¹ Remit of Committee in relation to the sustainability strategy. For full details on the Committees please read the Remuneration Committee Report on page 90 and the Audit Committee Report on page 84 of our annual report.

² Membership consists of Directors from across the business, with additional Director representation from Audit, Finance and Strategy attending the Committee twice a year to review Corporate Risk Updates including TCFD recommendations.

³ Previous working group structure was reviewed and replaced with workstream-specific forums, to support more efficient ways of working.

Reporting frameworks, benchmarks and indices



Sustainability Accounting Standards Board

The Sustainability Accounting Standards Board (SASB) is an independent nonprofit organisation that sets standards to guide the disclosure of financially material sustainability information by companies to their investors. SASB Standards identify the subset of environmental, social, and governance (ESG) issues most relevant to financial performance in each of 77 industries. In 2023, we published our third SASB disclosure.



UN Sustainable Development Goals

In 2015, the United Nations published the UN Sustainable Development Goals (SDGs); 17 ambitious goals which aim to end poverty, protect our planet and increase prosperity and peace for all. We continue to fully support and contribute to these goals, whether it's investment into our local communities or reducing emissions to tackle climate.



Taskforce on Climate-related Financial Disclosures

The TCFD developed a framework to help public companies and other organisations more effectively disclose climate-related risks and opportunities through their existing reporting processes. Sainsbury's became a signatory of TCFD in January 2020. We committed to implementing the recommendations of Taskforce on Climate-related Financial Disclosures (TCFD) and have been making progress towards embedding climate considerations into our reporting and decision-making as well as putting targets in place to measure progress and incentivise performance. For our TCFD disclosure, please see our Annual Report and Financial Statements 2023.



CDP

CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Sainsbury's participate in the CDP surveys relating to climate change, water scarcity and forests annually. We have been awarded an 'A' rating for our climate change disclosure for nine consecutive years, the only UK retailer to have done so. We have achieved a 'B' rating for our water disclosure, whilst our forests disclosures are rated 'B'.



Fashion Transparency Index

From Fashion Revolution, analyses and ranks 250 of the world's largest fashion brands and retailers based on their public disclosure of human rights and environmental policies, practices, and impacts in their operations and supply chains. We scored 45 per cent in the 2022 Fashion Transparency Index above the 24 per cent average score.



Business Benchmark on Farm Animal Welfare

BBFAW is the most comprehensive global account of corporate commitment and disclosure on farm animal welfare. The initiative's annual benchmarking report assesses the farm animal welfare performance of 150 global food companies. We have successfully maintained our Tier 2 position.

For more information on our disclosures
 please visit www.about.sainsburys.co.uk/sustainability

Reporting frameworks, benchmarks and indices



Access to Nutrition Initiative

This Supermarket Spotlight Report aims to encourage the UK's largest supermarket chains to take concerted action to tackle the country's diet-related health challenges. The report provides a snapshot of 11 UK companies' disclosure on their approach to addressing the UK's diet-related health challenges. In the 2022 ATNI report, we were ranked 2nd of the retailers.

World Benchmarking Alliance

Food and Agriculture Benchmark measures and ranks 350 keystone companies on key issues underpinning the food systems transformation agenda. The benchmark's aim is to stimulate the most influential food and agriculture companies to apply sustainable business practices throughout their operations as well as use their influence to encourage value chain partners to do the same. We are currently ranked 17th in the total 350 most influential food companies with leading practice in nutrition and improving the availability of healthy foods, and our overall rank is 3rd amongst food retailers.

Workforce Disclosure Initiative

WDI aim to improve corporate transparency and accountability on workforce issues. In 2022, 167 global companies took part in the Initiative, demonstrating their commitment to transparency. Sainsbury's is leading the sector and industry with our overall Disclosure with a score of 97%. Sainsbury's was proud to receive special mentions for our Supply Chain Data and Workforce Action and were a runner up in the WDI awards.

Morgan Stanley Capital International

ESG Rating is designed to measure a company's resilience to long-term industry material environmental, social and governance (ESG) risks. MSCI use a rules-based methodology to identify industry leaders and laggards, and their ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). We ranked AAA as an industry leader in 2022 and for the last five years since records began.

Sustainalytics

ESG Rating measures how well companies proactively manage the environmental, social and governance issues that are the most material to their business, with a focus on a companies' ability to mitigate risks and capitalize on opportunities. We scored 174 in their ESG risk rating which is a low-risk.

For more information on our disclosures
please visit www.about.sainsburys.co.uk/sustainability



Performance Scorecard

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

Key

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





Healthy & Sustainable Diets

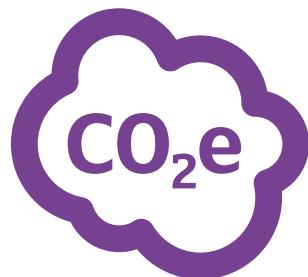
Commitment

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

Metric	Methodology	Baseline	Results		Target
		2021/22 FY	2021/22 FY	2022/23 FY	2025/26 FY
Healthy and Better for you sales tonnage as a proportion of total sales tonnage (%)	<p>Food sales tonnage of Healthy and Better for you products as a percentage of total food sales tonnage in the financial year (exclusive of beers, wines, spirits and baby food).</p> <p>Weight assumptions within the tonnage calculation have been applied for SKUs reported in units. Healthy and Better for you options are defined using the Sainsbury's nutrition criteria which is based on external guidelines and targets including: whether the product is part of the Eatwell guide, Government reformulation targets, the traffic light status of the product, and the ability to make relevant nutrition or health claims. More detail on the criteria is published here: https://www.about.sainsburys.co.uk/sustainability/plan-for-better/our-stories/2021/health-categorisation</p>	82.0%	82.0%	81.2%	85.0%

Commentary

A slight decline year-on-year, despite significant investments in price on healthier centre of plate categories.



Carbon

Commitment

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

Metric	Methodology	Baseline	Results		Target
		2018/19 FY	2021/22 FY	2022/23 FY	2035/36 FY
Absolute GHG emissions within our own operations (tCO₂e)	Absolute, market based, Scope 1 and 2 GHG emissions in the financial year for Sainsbury's Group, calculated by third party CBRE and verified by third party ERM. Follows the GHG protocol. <small>*Carbon absolute greenhouse gas emissions within our own operations in 2021/22 restated from 762,119 tCO₂e to 746,681 tCO₂e.</small>	949,744 tCO ₂ e	746,681* tCO ₂ e	461,692 tCO ₂ e	Net Zero
Electricity which comes from renewable sources (%)	The amount of renewable energy used by Sainsbury's Group as a proportion of the total electricity consumption in the financial year, supported by third party CBRE. Combination of energy sourced directly from solar and wind farms as well as certificate-backed renewable electricity from the UK.	2019/20 FY	2021/22 FY	2022/23 FY	

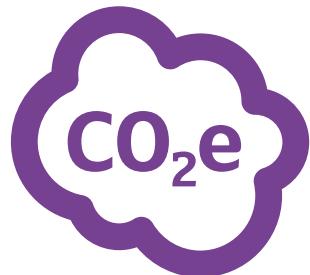
Commentary

Absolute GHG emissions within our own operations

Year-on-year greenhouse gas emissions within our own operations have reduced by 38.2 per cent - mainly driven by our transition to 100% renewable electricity as well as installing LED lights across all remaining stores, optimising and installing new and existing solar PV arrays, investing in engineering innovation, removing HFC refrigerant gas and installing Refrigerated Integrated Heating and Cooling.

Electricity which comes from renewable sources

100 per cent of electricity is 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).



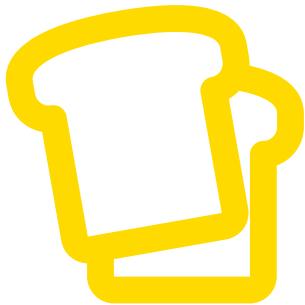
Carbon

Metric	Methodology	Baseline 2018/19 FY	Results		Target 2050/51 FY
			2021/22 FY	2022/23 FY	
Absolute Scope 3 GHG emissions (tCO₂e)	Includes emissions from purchased goods, upstream transport and distribution, services sold and our customers' use and consumption of the products we sell. Data is verified by the Carbon Trust. Follows the GHG protocol.	26,663,081 tCO ₂ e	N/A	N/A	Net Zero
Suppliers disclosing through M2030 or HIGG (number)	Suppliers disclosing through either Manufacture 2030 or HIGG, which are environmental impact disclosure systems.	N/A	N/A	395	80% of emission
Suppliers disclosing through CDP (number)	Suppliers disclosing through CDP, which is an environmental impact disclosure system. <small>*Number of suppliers disclosing on CDP in 2021/22 restated from 183 food suppliers to 197 suppliers.</small>	N/A	197	188	80% of emission
Suppliers with SBTi 1.5 degree Net Zero target approved (number)	Suppliers with approved SBTi 1.5-degree aligned Net Zero targets recorded on the SBTi platform. This is considered the gold standard for GHG emission targets. Result only takes into account supplier names which match exactly to our internal database.	8 suppliers <small>(less than 2% emissions)</small>	N/A	8 suppliers <small>(less than 2% emissions)</small>	80% of emission
Food suppliers who have signed up to the UK soy manifesto (%)	Suppliers who have signed up to the UK Soy Manifesto. The manifesto is an industry commitment to sourcing deforestation and conversion free soy by 2025. Suppliers disclosed their information through 3Keel.	FY22/23	N/A	86%	100%

Commentary

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. However, in the absence of a universally recognised approach, we are engaging with our strategically important suppliers to carry out life cycle analyses of the products they sell us and continuing to request suppliers to disclose emissions data through the following environmental impact disclosure systems: CDP, Manufacture 2030 and HIGG.

We also have targets on suppliers with SBTi 1.5 degree Net Zero target approved and those signed up to the UK Soy Manifesto.



Food Waste

Commitment

Reduce food waste by 50 per cent by 2030

Metric	Methodology	Baseline	Results		Target
		2019/20 FY	2021/22 FY	2022/23 FY	2030/31 FY
Food waste to anaerobic digestion (tonnes)	Total food waste tonnage sent to anaerobic digestion (AD) in the financial year calculated as total operational food surplus i.e. food that is not sold to customers, less any food surplus redistributed to both humans and animals. Calculation includes assumption that 2% of all food waste sent to animals is packaging and therefore deducted from the redistributed tonnes.	31,615 tonnes	25,483 tonnes	23,443 tonnes	15,808 tonnes
Food waste sent to anaerobic digestion as a percentage of total tonnes handled (%)	Tonnes of food waste sent to anaerobic digestion (AD) divided by total tonnes of food product handled (i.e. tonnes of food product sold + tonnes of surplus sent to other destinations i.e. humans and animals + tonnes of food waste sent to AD). Tonnes of food products sold contains some judgements in the data around weights of SKUs that are reported in units.	0.666%	0.512%	0.498%	N/A

Commentary

Food waste to anaerobic digestion

Reduction to anaerobic digestion year-on-year mainly driven by a reduction in operational food tonnage, partly offset by a reduction in overall food waste redistributed to animal feed and humans.

Please see page 14 for further breakdown.

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

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



Plastic Packaging

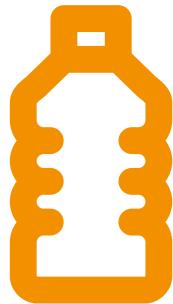
Commitment

Reduce our own brand plastic packaging by 50 per cent by 2025
increase recycled content and recyclability

Metric	Methodology	Baseline		Results		Target
		Food - 2018 CY GM - 2020 CY	2021 CY	2022 CY		
Own brand plastic packaging (tonnes)	<p>Total own brand primary plastic packaging tonnage for the calendar year calculated as the sum of Sainsbury's Food & GM plus Argos.</p> <p>Sainsbury's Food & GM tonnage is calculated by multiplying the primary plastic packaging weight of each own brand SKU by the sales volumes of that SKU. SKU data is collated and updated by third party Valpak. Some of this data uses industry averages where specific SKU data is not available. The calculation applies the packaging weight at the end of the calendar year to the full year of sales.</p> <p>Argos GM tonnage is calculated by multiplying the primary plastic packaging weight of each own brand GM SKU by the purchase volumes (for imported products) and sales volumes (for domestic products) of that SKU. 92% of the data is collated from suppliers using our own systems, whilst 8% is based on category averages where the data is not available. The calculation applies the packaging weight at the end of the calendar year to the full year of sales/purchases.</p>	69,839 tonnes	64,021 tonnes	57,624 tonnes	34,920 tonnes	

Commentary

Own-brand primary plastic packaging saw an absolute reduction of 10.0 per cent and a relative reduction (removing volume impact) of 5.5 per cent year-on-year. Plastic packaging has reduced across both Food and GM.



Plastic Packaging

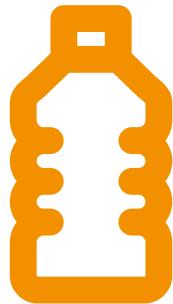
Commitment

30% average recycled content across all Food own brand plastic packaging by 2022
50% average recycled content across all Food & GM own brand plastic packaging by 2027

Metric	Methodology	Baseline		Results		Target
		Food - 2018 CY GM - 2020 CY	2021 CY	2022 CY	2027 CY	
Average recycled content across own brand products (%)	<p>Sainsbury's Food own brand recycled primary plastic packaging tonnes divided by Sainsbury's Food own brand total primary plastic packaging tonnes (calculated as above) for the calendar year.</p> <p>Recycled primary plastic packaging tonnes calculated as taking the recycled % content for a SKUs component and multiplying by the component's total primary plastic tonnes. Total recycled tonnes is calculated as the sum of all components recycled tonnes.</p> <p>SKU data is collated and updated by third party Valpak. Some of this data uses industry averages where specific SKU data is not available. The calculation applies the SKU components recycled % at the end of the calendar year to the full years' worth of plastic tonnes.</p>	N/A	31.5%	32.3%	50%	

Commentary

Year-on-year increase of 0.8 percentage points as a result of continuous improvements in the accuracy of our packaging data.



Plastic Packaging

Commitment

100% of Food plastic packaging to be reusable, recyclable or compostable by 2023

Metric	Methodology	Baseline	Results		Target
		Food - 2018 CY GM - 2020 CY	2021 CY	2022 CY	2023 CY
Own brand products that are fully recyclable (%)	<p>Sainsbury's Food own brand fully recyclable plastic tonnes divided by Sainsbury's Food own brand total primary plastic packaging tonnes (calculated as above) for the calendar year.</p> <p>Sainsbury's Food own brand fully recyclable plastic tonnes calculated by summing up the tonnes all of SKU components that are listed as either Recycle, Recycle At Recycling Point or Recycle With Bags At Large Supermarkets.</p> <p>SKU data is collated and updated by third party Valpak. Some of this data is incomplete. Sainsbury's Goods Not for Resale (GNFR) plastic tonnes is assumed to be fully recyclable.</p>	N/A	84%	90.6%	100%

Commentary

Year-on-year increase mainly due to a change in OPRL industry labelling guidance for PP film moving from 'do not recycle' to 'in-store recycling'.



Water

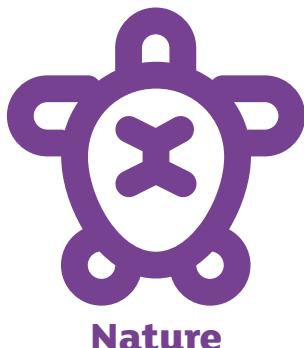
Commitment

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

Metric	Methodology	Baseline 2018/19 FY	Results		Target 2040/41 FY
			2021/22 FY	2022/23 FY	
Absolute water usage within our own operations (m³)	Absolute water usage in the financial year for both Sainsbury's and Argos, supported by third party WaterScan and verified by third party ERM (limited assurance post publication of Annual Report).	3,224,000 m ³	2,797,699 m ³	2,655,817 m ³	Water neutral

Commentary

Year-on-year water consumption due to better leak processes, changes to our estate size (as a result of closures) and continuation with rainwater harvesting trials.



Commitment

Nature Positive: Committed to protecting and regenerating nature

Metric	Methodology	Baseline	Results		Target
		2019 CY	2021 CY	2022 CY	2025 CY
Timber sourced to an independent sustainability standard (%)	Cubic metre volume of assessed sustainably sourced timber products sold as a percentage of total cubic metre volume of all assessed timber products sold during 2022 calendar year. Sustainability assessments are carried out by third party Track Record Global Ltd. However, the most recent SKU assessment as at 31st December is used as representative of the whole calendar year. Data may include estimates for gaps in supplier information.	60%	77%	92.1%	100%
Palm oil sourced to an independent standard - Mass-Balance / Segregated / IP (%)	Sustainably sourced palm oil tonnage as a percentage of total palm oil tonnage footprint, as calculated by the third party 3Keel. Includes palm oil sourced through Mass-Balance, Segregated, or Identity Preserved (IP) chain of custody systems. Data may include estimates for any gaps in supplier information.	99.1%	100%	100%	100%
Soy independently certified - Credits / Mass-Balance / Segregated (%)	Sustainably sourced soy tonnage as a percentage of total soy tonnage footprint, as calculated by the third party 3Keel. Soy sourced through credits, mass-balance, or segregated chain of custody systems. Tonnage data in relation to animal feed makes use of an applied conversion factor to derive the relevant figures. Data may include estimates for any gaps in supplier information.	6%	58%	45%	100%
		2019 CY	2021/22 FY	2022 CY	2025 CY
Cotton sourced to an independent sustainability standard (%)	Cotton tonnage sustainably sourced and certified by third party Better Cotton Initiative (BCI) as a percentage of total cotton tonnage sourced during 2022 calendar year. Some of this data uses industry averages where specific SKU weight data is not available.	76%	94%	97.5%	100%

Commentary

Timber sourced to an independent sustainability standard

Year-on-year increase driven by (i) greater number of products put forward for sustainability assessment this year and (ii) Continued improvement driven by investment in sourcing sustainable timber.

Palm oil sourced to an independent standard - Mass-Balance / Segregated / IP (%)

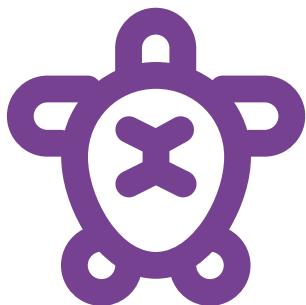
We have maintained our 100% certification.

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

Soy certification has decreased year-on-year due to fewer additional credits being purchased. We are reviewing our strategy to help drive verified Deforestation and Conversion Free (vDCF) across our supply chains. The underlying volumes of certified soy tonnage (excluding our purchase of credits) has improved from 22% in 2021/22 to 30% in 2022/23.

Cotton sourced to an independent sustainability standard

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



Nature

Continued					
Metric	Methodology	Baseline	Results		Target
		2019/20 FY	2021/22 FY	2022/23 FY	
Wild caught seafood sales which is independently certified as sustainable (%)	Sales of wild seafood which is independently certified as sustainable as a percentage of total sales volume of wild seafood for the financial year. SKU MSC status as at reporting date is used as representative of the entire reporting period.	82.3%	74.5%	80.3%	100%
Farmed seafood sales which is independently certified as sustainable (%)	Sales volume of farmed seafood which is independently certified as sustainable as a percentage of total sales volume of farmed seafood for the financial year.	100%	100%	100%	100% ongoing
Woodland trees planted (number)	Total number of trees planted in the financial year through partnership with the Woodland Trust.	493,750	398,333	310,000	Cumulative 1.1m trees Cumulative 1.5m trees 2025/26 FY

Commentary

Wild caught seafood sales which is independently certified as sustainable

Mainly driven by a rise of MSC Tuna sales, improved supply chain transparency and data validation.

Farmed seafood sales which is independently certified as sustainable

Our farmed seafood remains 100 per cent sustainably certified.

Woodland trees planted

This year we have funded the planting of 310,000 native trees. Since 2004 we have planted over 4.9 million native trees, which have the potential to mitigate over 1.2 million tonnes of CO2. During this time we have raised £12.8m for the Woodland Trust.



Diversity & Inclusion

Commitment

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

Metric	Methodology	Baseline	Results		Target
		2021/22 FY	2021/22 FY	2022/23 FY	2023/24 FY
Colleagues who say they can be themselves at work (%)	The percentage of colleagues who feel comfortable being themselves at work per the annual colleague survey "We're Listening". The Survey ran between 26th September and 15th October 2022 and was open to all colleagues throughout the group.	78%	78%	77%	75%

Commentary

The % of colleagues who feel able to be themselves at work remains ahead of target for the 2nd consecutive year.

Commitment

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

		2020/21 FY	2021/22 FY	2022/23 FY	2023/24 FY
Senior leadership positions (top 230 leaders) held by females/ethnically diverse/black colleagues (%)	The number of senior leaders who are female/ethnically diverse/black (excluding leavers or any contracted agency staff) from the top 230 overall number of senior leaders, at the end of the financial year.	Females	37.67%	40.1%	44.2%
		Ethnically diverse	8.07%	8.2%	9.3%
		Black	1.35%	2.4%	2.8%
Senior management positions (top 1,200 leaders beneath the top 230 senior leadership positions) held by females/ethnically diverse/black colleagues (%)	The number of senior managers who are female/ethnically diverse/black (excluding leavers or any contracted agency staff) from the top 1,200 leaders beneath the top 230 senior leadership positions, at the end of the financial year.	Females	35.45%	35.7%	39.7%
		Ethnically diverse	7.17%	8.8%	9.1%
		Black	0.73%	1.0%	1.0%

Commentary

At both senior leadership and senior management level, ethnically diverse and women representation continues to improve. Black representation in senior leadership has also moved forward and is on course to deliver the 2024 target. However, the absolute number of Black colleagues at senior management level has remained flat YoY. For all representation targets a continued focus on inclusive recruitment and Accelerated Leadership Development schemes is in place to continue to move towards the delivery of the 2024 targets.



Skills & Opportunities

Commitment

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

Metric	Methodology	Baseline 2019/20 FY	Results		Target 2023/24 FY
			2021/22 FY	2022/23 FY	
Colleagues on an apprenticeship that will successfully complete their programme (%)	Number of colleagues who passed the end-point assessment first time, per notification from the third party contracted awarding body, as a percentage of the total number of colleagues who completed the apprenticeship programme during the financial year.	70%	94%	92.9%	75%

Commentary

Result remains ahead of both our own target and the national apprenticeship completion target to be 67% by 2024/25.

*Source for National apprenticeship completion target https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1153223/Halfon_apprenticeships_letter_2023.pdf

Commitment

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

Metric	Methodology	Baseline 2019/20 FY	Results		Target 2023/24 FY
			2021/22 FY	2022/23 FY	
Colleagues who are on our Leading@Sainsbury's development cohorts, that have been promoted within 9 months of completion of their programme (%)	Number of Colleagues who are promoted within 9 months (latest by year-end FY 2022/23) of completing their Leading@Sainsbury's development programme, as a percentage of the total number of colleagues who completed the programme.	N/A	N/A	58.7%	70%

Commentary

First time reporting this result and we are on track to deliver the target.



Community and Partnerships

Commitment

To leave a measurable positive impact on the communities we serve and source from and address food poverty by Helping Everyone Eat Better

Metric	Methodology	Baseline	Results		Target
			2021/22 FY	2022/23 FY	
Amount generated for good causes (£m)	Total amount generated for good causes across all programmes including commercial initiatives, customer fundraising and colleague fundraising for the financial year.	N/A	£38.4m	£34.5m	N/A
Meals donated (number)	Total number of meals donated are exported from our food donation partner Neighbourly's portal for our financial year. Metric result uses an Industry aligned estimate, from WRAP, for converting food donations into the number of meals. 1 meal = 420g of food products.	N/A	2,567,803	7,620,734	N/A

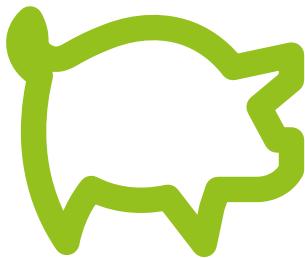
Commentary

Amount generated for good causes (£m)

Year-on-year reduction driven by moving away from Comic Relief's Red Nose campaign. Instead, aligning to our strategy to Help Everyone Eat Better, new donations were made to food charity partners to help with the cost of living crisis and we launched our Nourish the Nation partnership, which helped raise over £7m during the financial year.

Meals donated (number)

Through our partnership with Neighbourly we have been able to donate 7.6 million meals this year. Since the launch of our partnership in 2021 we have donated over 10 million meals to local partners who redistribute food to those that need it most.



Animal Health & Welfare

Commitment

Improve animal health and welfare and practice responsible antibiotic stewardship

Metric	Methodology	Baseline	Results		Target
		2022/23 FY	2021/22 FY	2022/23 FY	2030 CY
Better Welfare Standards (Feather & Down):	Volume of feather and down used in own brand GM products certified as Responsible Down Standard (RDS) or Downpass, as a percentage of total volume of feather and down used in own brand GM&C products for the financial year. SKU RDS/Downpass status as at reporting date is used as representative of the entire reporting period.	95%	N/A	95%	100%
Sales volume from an independently audited farm assurance standard (%)					
Better Welfare Standards (Food):	Volume (units sold) of own brand fresh/frozen meat, farmed seafood, milk and eggs certified as RSPCA Assured, Organic or sourced from the Sainsbury's Dairy Development Group higher welfare scheme, as a percentage of total volume of units sold across these areas during the financial year. SKU certification status as at reporting date is used as representative of the entire reporting period.	48%	N/A	48%	No overall target
Sales volume from welfare standards above the UK industry baseline (%)					Ongoing focus for each species to maintain/increase sales of better welfare

Commentary

Better Welfare Standards (Feather & Down)

We currently are ahead of our planned trajectory to deliver our commitment to be 100% by 2030.

Better Welfare Standards (Food)

Our baseline performance is broken down:

Dairy:

- 100% eggs RSPCA Assured/Organic
- 100% milk Sainsbury's Dairy Development Group or Organic

Meat, Fish and Poultry (RSPCA Assured or Organic):

- 25% pork, 5% chicken, 4% lamb, 3% beef, 1% turkey, 0% duck

Additional metrics performance relating to Animal Health and Welfare and usage of antibiotics can be found in our standalone Animal Health and Welfare Report and Antibiotic Stewardship Report located on our corporate website <https://www.about.sainsburys.co.uk/sustainability/plan-for-better/reports-policies-and-standards#2023>