Sainsbury’s 20 by 20 Sustainability Plan
The planet is under strain and the choices we make about the products we buy have never been more important. The global population is rising at a time when natural resources are decreasing. As such, there is increasing pressure on the global food system. The earth’s capacity to provide food is threatened by climate change, water scarcity and unsustainable farming practices. We need to find ways to make land more productive and to protect the biodiversity on which all food production ultimately depends. That means building resilient supply chains to ensure long term security of sustainable supply.

Anna Ford
Chair of the Corporate Responsibility Committee

I am delighted to introduce ‘20 by 20’ – a new cornerstone of our business strategy designed to accelerate Sainsbury’s commitment to social and environmental responsibility and excellence.

With around 21 million customer transactions every week, 150,000 colleagues and over 2000 suppliers, Sainsbury’s is ideally placed to make a positive impact on the economy, the environment and society. We have always worked, throughout our history, to be a leader in sustainability and ethics. We are proud of the contribution we have made over the past decade, for example to grow the market for Fairtrade products, sustainable seafood, to improve animal husbandry and provide healthier choices for our customers. We have championed community investment, not least through our support for Comic Relief and the Paralympic Games. Across our business, be it in our supermarkets, our convenience stores or bank, we strive for higher standards of corporate citizenship.

Families’ budgets are under more and more pressure and people are working harder to make their money go further. But while disposable income may have fallen, people’s aspirations have not. Our customers still want products and services that they can trust, without compromising on standards or quality. We are responding by helping customers Live Well, with better quality, more nutritious and sustainable products, For Less - less money than they expect and with less impact on the environment.

Over the coming years, it’s clear that our shopping habits, and therefore our business practices need to change further. We need to provide jobs and skills for people in a tough economic climate. We need to continue to treat suppliers fairly, both here and in the developing world. We need to help our customers make more environmentally sustainable and healthier choices. There is much more we can achieve together.

Anna Ford
Chair of the Corporate Responsibility Committee

Justin King
Chief Executive

It is not enough to simply reduce our environmental impact each year. We must actively restore biodiversity, natural resources and the habitats on which we all depend. Through our 20 commitments we want to change the retail industry so that it can sustain the natural world, meet our customers’ demands and promote health and wellbeing. On a planet with limited resources, a retail business must be resilient enough to build supply chains that are fit for purpose in the longer term. That means putting sustainability at the heart of every single business decision. Our vision is to build our business in a way that is sustainable for the long term.

We believe that by taking fundamental, long-term business decisions now, we can play our part in averting the serious downward spiral that some economists, environmentalists and social commentators predict. It is businesses like Sainsbury’s that have the potential to effect real and lasting change.

20 by 20 is our roadmap towards making this vision a reality, and through our scale and these commitments, we can make a positive difference throughout the value chain.

We look forward to working with our customers, colleagues, suppliers and many stakeholders to transform the way in which we do business. For good.

Justin King
Chief Executive
By 2020...

**Sourcing with Integrity**
1. We’ll source all of our key raw materials and commodities sustainably to an independent standard.
2. Our own brand products won’t contribute to global deforestation.
3. All the fish we sell will be independently certified as sustainable and we’ll strengthen our position as the leading retailer for sustainable seafood.
4. Our sales of fairly traded products will hit £1 billion.
5. We’ll double the sales of lighter alcohol wine and reduce the average alcohol content (ABV) of own brand wine and beer.
6. All our meat, poultry, eggs, game and dairy products will be sourced from suppliers who adhere to independent higher welfare standards.

**Best for food and health**
7. Our suppliers will also be leaders in meeting or exceeding our social and environmental standards.
8. We’ll continue to reduce salt, saturated fat, fat and sugar in our own brand products and we will lead on providing clear nutritional information, enabling our customers to make informed choices.
9. We’ll double the amount of British food we sell.
10. We’ll put all waste to positive use.

**Respect for our environment**
11. We’ll make sure that our own packaging has been reduced by a half compared to 2005.
12. We’ll have reduced our operational carbon emissions by 30 per cent absolute and 65 per cent relative, compared with 2005.
13. Through robust water stewardship, we’ll ensure that our supply chain approach is sustainable in areas of water vulnerability.
14. We’ll have worked with our own brand suppliers to reduce carbon emissions across all of our own brand products by 50 per cent relative.
15. We’ll have encouraged over 20 million children to enjoy physical activity in the decade.
16. We’ll have donated over £400 million to charitable causes in the decade.
17. We’ll create 50,000 new job opportunities in the UK and at least half of our colleagues will have received externally accredited training.
18. 20,000 of our colleagues will have reached 20 years of service at Sainsbury’s.
19. We’ll increase the number of colleagues with shares in our business by 25 per cent.
20. We’ll have provided 30,000 people from disadvantaged groups with work opportunities.

**A great place to work**
21. We’ll have worked with our own brand suppliers to reduce carbon emissions across all of our own brand products by 50 per cent relative.
22. We’ll have encouraged over 20 million children to enjoy physical activity in the decade.
23. We’ll have provided 30,000 people from disadvantaged groups with work opportunities.
1. By 2020, we’ll source all of our key raw materials and commodities sustainably to an independent standard

Challenges
Deforestation, overfishing, poor land management and increased energy use have all contributed to increasing stress on the global food system. Issues such as climate change, water scarcity and population growth have all had a significant impact on the long-term security of supply. In a resource-stretched world, our challenge is to ensure that all the social and environmental impacts along the supply chain are identified and addressed in order to ensure that everything we sell is sustainable in the long run. By working with independent bodies, we can be held to account and use the highest standards that are available.

Our progress to date
— First British supermarket to stock a food product (our Basics Fishfingers) using palm oil from certified Roundtable on Sustainable Palm Oil (RSPO) sources.
— In 2010, 93 per cent of the wood used for Sainsbury’s products was made from Forest Stewardship Council (FSC) or recycled sources.
— Already over 12 per cent of our own brand products are from independently certified sources, such as the Marine Stewardship Council, Fairtrade and Freedom Foods.

Delivery goals
— We define our key raw materials as the top 30 raw materials and commodities from a commercial and sustainability perspective used in our own brand products. These raw materials account for most of our volume and include our own brand meat, seafood, fruit, vegetables, timber, palm oil, soya, cotton, sugar, tea and coffee.
— We have already made progress on sourcing a number of these raw materials to independent standards including sustainable palm oil (all palm oil will be certified sustainable by the end of 2014), FSC timber and Fairtrade tea, coffee and sugar.
— Other key raw materials and commodities such as soya will be achieved well before 2020. However, others will take the full decade and will require a large amount of collaborative work.
— We will have 100 per cent traceability of key raw materials within our supply chains.
— We will establish a sustainable sourcing code for raw materials which draws on existing independent standards and, where they don’t exist, create our own Sainsbury’s specific standard.
— We will play an active role in shaping existing independent standards and developing new standards that currently don’t exist.
— We will actively work with farmers on biodiversity and land management.

What stakeholders tell us
“It’s good to see these bold ambitions from Sainsbury’s, particularly the restorative aims around having positive social and environmental impacts, rather than aiming just at reducing damage. We’d also urge Sainsbury’s and others in the sector to promote sustainable diets as this is a critical element in improving the food system.”

David Nussbaum
Chief Executive, WWF-UK

2. By 2020, our own brand products won’t contribute to global deforestation

Challenges
Deforestation is responsible for around 20 per cent of global greenhouse gas emissions (UNEP). It causes irreversible damage to the natural habitat of many species vital for sustaining life on earth. Unsustainable logging practices and the destruction of forests for farming threaten to remove the earth’s natural breathing system. The challenge is not only to stop this damage but also help to restore forest cover.

Our progress to date
— Founding member of the WWF Global Forest and Trade Network (GFTN).
— Partnership with Woodland Trust – the UK’s leading woodland conservation charity – we donate two pence from every Woodland chicken we sell, and one penny from every dozen Woodland eggs. This partnership has led to more than 500,000 trees being planted.
— Sector leader in the Forest Footprint Disclosure.

Delivery goals
— We will source all commodities which can cause deforestation (timber, palm, soya, beef, leather, biofuels) from the most sustainable sources.
— We will be the leading ‘tree friendly’ retailer – planting new trees, both at home and abroad, and protecting and preserving existing forests.
— We will set up a research and development programme with the objective of reducing our dependence on commodities sourced from regions at risk of deforestation.

What stakeholders tell us
“Rainforests are vital habitats for rare and threatened species. And they also help in the fight against climate change. That’s why this move from Sainsbury’s is very welcome.”

John Sauven
Executive Director of Greenpeace UK
3. By 2020, all the fish we sell will be independently certified as sustainable and we’ll strengthen our position as the leading retailer for sustainable seafood

Challenges
Healthy oceans are vital for the health of our planet and millions of livelihoods around the world. Sustainable fisheries are essential if the world is to retain its primary renewable source of protein. Protecting marine ecosystems is one of the major challenges facing our planet.

Our progress to date
- Britain’s biggest retailer of sustainable fish.
- All of our own brand canned tuna is pole and line caught.
- Greenpeace has rated us as number one in its "Tinned tuna league table" for two years in a row.
- We have developed our sustainability rating system for wild caught fish with input from our supply base, environmental organisations and fisheries scientists.
- All of our wild salmon sold is MSC-certified, including canned wild salmon.
- All our own brand farmed salmon is sourced to RSPCA Freedom Food welfare standards and from Scottish salmon farms.

Delivery goals
- By 2020, all the wild-caught fish we sell will be independently certified as sustainable. The vast majority will be certified long before this time and we’ll communicate our progress along the way.
- All farmed fish will be certified as sustainable.
- We will diversify our offer and drive sales and consumption beyond the big five (cod, haddock, salmon, tuna and prawns).
- Our fish counter colleagues will be trained to an accredited standard.
- We will support the designation, establishment and management of Marine Protected Areas (MPAs) – an important instrument to safeguard biodiversity and the integrity of ecological processes in the coastal and marine environment.

What stakeholders tell us
"By committing to certified sustainable fish by 2020, Sainsbury’s is helping to drive change in the seafood market, helping to transform the seafood industry to a sustainable basis. Sainsbury’s is the UK’s leading retailer of Marine Stewardship Council (MSC) certified fish and I am delighted that this target underlines their long-held commitment to sustainable seafood sourcing."

Toby Middleton
UK Country Manager, Marine Stewardship Council

4. By 2020, our sales of fairly traded products will hit £1 billion

Challenges
We know first hand how fair trade initiatives can help address many of the challenges producers in the developing world face, ensuring they have fair working conditions, a sustainable price for their produce and the tools and skills to manage their farms in harmony with nature. The challenge is to ensure that these suppliers adapt to the impacts caused by climate change and build long-term sustainable businesses that can help create resilient supply chains.

Our progress to date
- World’s largest retailer of Fairtrade by value – £1 in every £4 spent on Fairtrade products in the UK is spent at one of our stores.
- In 2010, our Fairtrade sales totalled £280 million.
- £1 million funding of the Fair Development Fund has enabled thousands of farmers across Africa and Central America to strengthen their businesses and build more secure futures for themselves and their families.
- In 2010, we helped to fund the development of new Fairtrade standards for pulses and green vegetables, allowing these products to become Fairtrade-certified and exported around the world for the first time.

Delivery goals
- We will work towards converting 100 per cent of our instant coffee, rice, pineapples, chocolate, avocados, preserves, beans and pulses to Fairtrade.
- We will continue to work with our branded suppliers to encourage them to switch to more fairly traded products.
- We will continue to support farmers and growers through our Fair Development Fund.
- We will continue to support producers in order to build sustainable businesses and secure futures for themselves and their families.

What stakeholders tell us
“This bold commitment will drive significant change for farmers and workers in developing countries. Sainsbury’s level of ambition to play their part in tackling poverty will set the pace - enabling the public to make Fairtrade an integral part of people’s everyday shopping, opening more doors for more farmers and workers. Critically Sainsbury’s is building on an already impressive track record, from switching all their bananas to Fairtrade five years ago, driving opportunities for new producers to access Fairtrade through the Sainsbury’s Fair Development Fund, and leading groundbreaking relationship-building initiatives such as annual conferences for Fairtrade suppliers in Africa.”

Harriet Lamb
Executive Director, The Fairtrade Foundation
5. By 2020, we’ll double the amount of British food we sell

Challenges
British farmers are under pressure from rising costs, the impacts of climate change and water scarcity and competition from around the world. The challenge is to work more closely with British farmers to provide high-quality, seasonal and local food. This will support a vital industry that we have always championed and match our customers’ expectations to be able to buy high-quality fresh British food.

Our progress to date
— First retailer to use 100 per cent British flour in our own-label sliced bread, matching our commitment for our in-store bakeries.
— Many own brand products are already 100 per cent British all year round including – fresh chicken, eggs, milk and sausages.
— Largest retailer of British apples and pears in the UK, a third of all British pears bought in the UK are sold through our stores.
— Developed Concept Orchards to increase British varieties, yields and to extend the fruit seasons.
— Worked with over 3,000 British farmers through our Development Groups and Crop Sustainability Groups to promote best practice, including around carbon footprint, and to raise environmental and welfare standards.

What stakeholders tell us
“...We’re delighted to see Sainsbury’s commitment to double its sourcing of British food. It recognises the high quality and standards of production that British farmers meet and that consumers increasingly expect in the food that they buy. This additional demand will send a really positive signal to the industry at a time when farmers are facing massive investment pressures.”

Peter Kendall
President, National Farmers Union

Delivery goals
— We will look to increase the share of British produce throughout the store.
— We will continue to drive the sales of fresh and seasonal British produce.
— We will continue to work with our Development Groups to help them increase yields, whilst reducing their environmental impact.
— We will continue to actively focus on research, development and innovation to test the impact of new growing systems on different varieties and to increase yields and season length through new growing practices.

Sourcing with Integrity

6 By 2020, all our meat, poultry, eggs, game and dairy products will be sourced from suppliers who adhere to independent higher welfare standards

Challenges
Global demand for meat has grown dramatically in recent years and it is expected to double again by 2050. We share the concerns of many of our customers and stakeholders that some operations have poor animal welfare standards. Animal welfare is important first and foremost for the animal, but better management and care for livestock can improve productivity and food quality.

Our progress to date
— First major retailer to stop selling eggs from caged hens.
— Only retailer to offer higher welfare Woodland eggs and chickens.
— UK’s leading retailer, with almost 60 per cent market share, of Freedom Food selling over 300 lines that meet the strict welfare standards devised and monitored by the RSPCA.

Delivery goals
— We will ensure that all of our chicken is sourced from suppliers that are committed to independent higher welfare standards by 2015.
— We will ensure that all of our pork is sourced from suppliers that are committed to independent higher welfare standards by 2018.
— We will ensure that all of the eggs used as an ingredient in our own brand products are sourced from suppliers that are committed to independent higher welfare standards by 2030.
— We will work with our Development Groups of farmers who supply us to ensure best practice on higher welfare is shared across the business.
— We will continue to support our Concept Farms, which are long-term projects to trial breeding, feeding and husbandry techniques and to pilot new and alternative ways of working to continually improve the welfare of animals.
7. By 2020, our suppliers will also be leaders in meeting or exceeding our social and environmental standards

Challenges
Developing a more sustainable business is a long term journey that requires the full participation of all our suppliers. We expect strong social and environmental standards from suppliers, but we recognise that many need practical help and support in implementing more sustainable practices. Our challenge is to build supply chains that are resilient to the social and environmental challenges facing the industry, working closely with farmers, producers and processors to champion and embed excellence in sustainability.

Our progress to date
- Launched a supplier environmental scorecard to track and measure supplier environmental footprints.
- Launched our Carbon Academy to train 20000 suppliers, contractors and colleagues to reduce our carbon footprint by 2020.
- Since 2006, we have invested over £30 million in developing our relationships with farmers and growers, initially with our Dairy Development Group and more recently broadening out to cover our main agricultural supply chains.
- Founding member of the Ethical Trading Initiative.

Delivery goals
- We will work with our branded and goods not for resale suppliers to meet or exceed our social and environmental standards.
- All Sainsbury’s suppliers must be engaged in good human resource management in order to comply with our Code of Conduct.
- We will put in place a research and development programme to drive best practice in social and environmental standards in our supply base.
- We will ensure that all of our purchasing decisions are informed by our Code of Conduct and evidence of supplier best practice.
- We will roll out sustainability scorecards across the business, enabling buyers and technical teams to make informed decisions.
- If over the long term, suppliers do not meet our social and environmental standards, we will cease to do business with them.
- We will actively look to support brands being launched with higher ethical standards.

What stakeholders tell us
“We applaud Sainsbury’s groundbreaking new commitment to include branded as well as own brand products within the scope of its ethical trade activities, so that more poor and vulnerable workers around the world can be reached. We encourage Sainsbury’s to share information on progress as it puts this plan into effect.”

Peter McAllister
Director of the Ethical Trading Initiative

8. Between now and 2020, we’ll continue to reduce salt, saturated fat, fat and sugar in our own brand products and we will lead on providing clear nutritional information, enabling our customers to make informed choices

Challenges
Life expectancy in the UK is longer than ever, but the number of people with chronic illnesses looks set to rise and many of those illnesses - are linked to bad diet. Nearly one in four adults and over one in ten children aged 10 are obese (Health Survey for England 2011). The reasons why people become overweight are complex, but we believe the solution lies in a balanced diet and active lifestyle. To achieve this, we will require several complementary approaches involving the cooperation of the food industry with health and nutrition groups, as well as our customers, colleagues and suppliers.

Our progress to date
- First retailer to launch a front of pack multiple traffic light labelling and we now offer at a glance nutrition labelling on over 8000 of our own brand products.
- First major retailer to develop a Freefrom category.
- Donated over £115 million worth of equipment and experiences to over 8000 of our own brand products.
- Launched our Carbon Academy to train 20000 suppliers, contractors and colleagues to reduce our carbon footprint by 2020.
- Since 2006, we have invested over £30 million in developing our relationships with farmers and growers, initially with our Dairy Development Group and more recently broadening out to cover our main agricultural supply chains.
- Founding member of the Ethical Trading Initiative.

Delivery goals
- We will decrease the proportion of red ratings on our own brand products.
- We will ensure that at least a third of our food and drink product promotions are on healthier choices.
- We will be the number one retailer for customers with allergies and intolerances.
- We will be the leading provider of health services - building on our current work through pharmacy, health eating advisors, Sainsbury’s diets and our work with PruHealth.
- We will improve our colleagues’ health and wellbeing by, amongst other things, increasing the amount of healthier choices available in our colleague restaurants.
9. By 2020, we’ll double the sales of lighter alcohol wine and reduce the average alcohol content (ABV) of own brand wine and beer

**Challenges**
There is clear medical evidence that moderate consumption of alcohol can be part of a healthy, balanced diet. Our role as a supermarket is to provide the widest choice possible for our customers, but we should play our part in marketing alcoholic products responsibly, with clear guidance to customers about alcohol units and the need for moderate alcohol consumption. We believe that offering lighter alcohol alternatives is a key part of meeting this challenge.

**Delivery goals**
- We will double the sales of lighter alcohol wine (under 10.5 per cent ABV).
- We will reduce the average alcohol content (ABV) of own brand beer and wine.
- We will provide the most open, honest and transparent alcohol labelling and will increase customer awareness of and education about responsible drinking.
- We will play an active role in the Public Health Responsibility Deal and will meet all alcohol pledges that we sign up to.
- We will take the lead in establishing Community Alcohol Partnerships in local communities.

**Our progress to date**
- First retailer to adopt the Department of Health’s guidelines on alcohol labelling, incorporating the ‘Know Your Limits’ alcohol unit measure with government health guidelines.
- Active partners in the Community Alcohol Partnerships (CAP) model since 2007, including the first CAP in St Neots.

10. By 2020, we’ll put all waste to positive use

**Challenges**
According to WRAP* 18.4 million tonnes of waste, costing £17 billion, is produced by the UK food and drink industry and UK households each year. Landfill space is becoming ever more scarce and expensive. At the same time the concept of waste as a valuable resource to be reused is causing businesses to think differently about how to move beyond waste reduction to actively eliminating waste from the supply chain.

**Delivery goals**
- We will work with our colleagues, suppliers and customers to rethink waste, reducing it and designing it out from our business.
- We will embed our waste prevention plan throughout our business.
- We will send no waste at all to landfill.
- We will use anaerobic digestion as the preferred disposal route for food waste from our stores that is not suitable for charitable donation.
- We will continue to develop customer campaigns to help them reduce their waste and use their waste, e.g. ‘Love your leftovers’.
- All stores will take part in a customer food donation programme.
- We will endeavour to collect more waste through our recycling facilities than the waste we generate from our operations.
- We will provide the most comprehensive recycling facilities, making it easy for our customers to recycle.

**What stakeholders tell us**
"WRAP has worked hard to help grocery retailers tackle the issue of food waste, particularly through the Courtauld Commitment. Sainsbury’s, as a signatory to this agreement, has already done much to address a range of resource efficiency and recycling targets, and we’re delighted to learn of their latest ambitious plans. We wish Sainsbury’s every success with their initiative, and we’re looking forward to working with them in the future."

*Liz Goodwin
Chief Executive, WRAP (Waste & Resources Action Programme)
Respect for our environment

II. By 2020, we’ll make sure that our own packaging has been reduced by a half compared to 2005

Challenges
It is vital to continue to minimise packaging to help reduce carbon emissions whilst maintaining the benefits of freshness and safety. Packaging does not only have to be environmentally friendly, but needs to be multi-functional by meeting design and storage requirements. The challenge is to reduce packaging for our own brand products without sacrificing its effectiveness at promoting food safety and preventing food waste. At the same time, we want to help our customers to recycle through on pack information and via our extensive recycling facilities.

Our progress to date
— We have cut packaging levels by 12 million kilos over the last year (2010/11) - including introducing heat seal lids on soft fruit lines, cutting packaging by 440,000 kilos each year.
— An 11 per cent reduction of packaging has been removed from Sainsbury’s own brand products through new packaging design in the last two years.
— First major UK retailer to offer milk in bags, reducing packaging by 75 per cent.
— First UK retailer to replace glass used in our peanut butter jars with plastic, cutting packaging by 83 per cent or 882,000 kilos.
— We have reduced our Easter egg packaging by 57 per cent since 2008.
— We helped to design the On Pack Recycling Label (OPRL) with WRAP and the British Retail Consortium. This labelling has now been adopted by many other retailers and manufacturers.
— Customers are offered a Nectar point each time they reuse a bag. Last year, we gave out around 18 per cent more Nectar points in this way than the year before - a total of over 563 million.

Delivery goals
— Where possible we will use recycled materials or ensure that the material is recyclable.
— We will continue to take the lead in packaging innovation e.g. milk bags.
— We will campaign to make recycling easier in the UK for consumers.
— We will continue to promote our ‘bag for life’ range and work with customers to encourage them to buy and reuse those instead of single use bags.
— We are committed to the Courtauld Commitment phase I and II, a voluntary agreement with WRAP to improve resource efficiency and reduce the carbon and wider environmental impact of grocery retail. We are currently working with WRAP towards Courtauld III.

12. By 2020, we’ll have reduced our operational carbon emissions by 30 per cent absolute and 65 per cent relative, compared with 2005* (this is part of our broader target of an absolute carbon reduction of 50 per cent by 2030)

Challenges
Climate change is real, is happening now, and the overwhelming body of scientific evidence points to increased volatility in weather patterns in the coming years. The challenge is not just to comply with increased regulation of greenhouse gas emissions, but also to decarbonise the economy and adapt our business practices accordingly. Coupled with this are increased energy prices. It is essential to seek to build greater resilience through a gradual shift away from reliance on the national grid, towards greater use of on-site and decentralised approaches, including community energy schemes. This will secure energy needs for the long term.

What stakeholders tell us
“If we are to avoid the worst impacts of climate change then it is vital that private sector companies step up with actions that are commensurate with the task at hand. Delivering targets like this is not easy but will offer business and environmental benefits. For example in reduced costs and enhanced reputation. I hope that other major retailers will follow Sainsbury’s lead and embark on the kind of carbon cutting programmes that the world so desperately needs to see.”

Tony Juniper
former Executive Director, Friends of the Earth
and Founder of The Robertsbridge Group

Our progress to date
— World first use of award winning geothermal technology, enabling our Crayford store to supply 30 per cent of its energy from on-site renewable sources.
— Opened the first supermarket in the world to use a Smart Grid system, which monitors the National Grid and activates a biofuel generator when there is an increased demand for electricity.
— Installed a total of 20 biomass boilers since 2008, which use wood chips or pellets - a renewable resource - to heat the store rather than fossil fuel based gas.
— In 2010/11 we achieved an absolute reduction in direct carbon emissions of 18,933 tonnes compared to last year.
— We were the first UK supermarket to commit to switching our entire refrigeration network to natural refrigerants by 2030 (i.e. CO2).

Delivery goals
— We will build new stores that produce zero carbon.
— We will continue to introduce proven and next-generation renewable technologies in our new and existing stores (including biomass, solar, natural light, heat pumps, geothermal, biofuels and wind).
— We will use renewable heat in the majority of our supermarket stores by 2030.
— We will have converted our refrigeration systems to natural refrigerants (i.e. CO2) in all stores by 2030.

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* Absolute emissions reduction targets are defined by the GHG Protocol as goals to ‘reduce absolute emissions over time’. Relative emissions reduction targets are defined as goals to reduce the ratio of emissions relative to a business metric over time. In the case of supermarkets, the relative is defined in relation to square footage of stores.
13. By 2020, through robust water stewardship we’ll ensure that our supply chain approach is sustainable in areas of water vulnerability

**Challenges**
Fresh water is the most precious natural resource in the world. As population increases, the pressure to source water for our homes, farming and industry intensifies. Addressing water scarcity requires action at local and national levels. The challenge is to understand the true water footprint of everyday products better, and put in place measures that reduce water stress especially in areas of water vulnerability.

**Our progress to date**
- 30 per cent relative reduction in water use in our existing store operations compared with 2005/06.
- 50 per cent relative reduction in water use in new stores and extensions compared with 2005/06.
- All new supermarkets fitted with rain water harvesting, water-efficient taps, low-flush toilets and waterless urinals as standard.

**Delivery goals**
- We will improve the efficiency of water use in our operations and supply chain.
- We will endeavour to have a positive impact in areas of water vulnerability.
- We will work collaboratively with other water users and local authorities to protect river basins and promote integrated water management.
- We will share information and best practice through grower groups and collaborative forums.
- We will map water use for our top 30 commodities and introduce supply risk management where necessary.
- We will develop plans to monitor water use in the most sensitive sourcing zones in collaboration with other stakeholders.
- We will introduce rainwater harvesting in all new supermarket stores.

14. By 2020, we’ll have worked with our own brand suppliers to reduce carbon emissions across all of our own brand products by 50 per cent relative

**Challenges**
Tackling carbon in our own operations is a good start, but this will only impact a small part of our overall carbon footprint. The challenge is to understand emissions throughout our supply chains, looking at the full life-cycle impact of our products. This means working hard with suppliers to help them to reduce emissions, as well as helping our colleagues and customers reduce their own impacts.

**Our progress to date**
- Developed a carbon footprinting tool specially designed for our farmers, which has the potential to reduce their energy costs and their carbon footprint by 10 per cent annually.
- We are actively working with suppliers to develop products with a reduced environmental footprint.
- Sainsbury’s Energy is helping our customers to reduce their environmental footprint.

**Delivery goals**
- We will have engaged our customers and colleagues to reduce carbon in their own homes and lives.
- We will continue to measure and assess carbon emissions from our own brand products and use this knowledge to advise our suppliers about future reductions.
- We will roll out our supplier carbon efficiency programme.
- We will establish supplier forums to enable collaborative working and to share best practice.
- We will improve the carbon footprint of our primary agricultural supply chains by working with grower and agricultural groups.
- We will continue to help customers reduce their domestic carbon emissions through Sainsbury’s Energy.
15. By 2020, we’ll have encouraged over 20 million children to enjoy physical activity in the decade

Challenges
It’s a fact that physical activity is vital for a healthy, well-balanced lifestyle. Healthy children become healthy adults. A healthy community brings social and economic benefits. The challenge to increasing participation is to promote activity as fun, to remove cost barriers and to make it accessible to all.

Our progress to date
- We have more than 46,000 schools, nurseries, sports clubs, and Scout and Guide groups registered with Active Kids.
- We are proud to support the London 2012 Paralympics
- We are proud to support the UK Schools Games.

Delivery goals
- Through our Paralympics legacy we will ensure that over 200,000 disabled children have taken part in activities through the funding of our ‘Inclusive’ teacher training courses.
- Our Active Kids scheme will exceed the £200 million mark for donating sports equipment to over 50,000 schools and clubs.
- Over 1 million children will participate in a Paralympics sport in the run up to 2012.
- We will have encouraged at least 2 million children to take part in Sainsbury’s Sport Relief miles.

16. By 2020, we’ll have donated over £400 million to charitable causes in the decade

Challenges
We believe that business can make a positive difference to local communities through support for charitable causes. But it’s about much more than cash donations. Our stores are at the very centre of their communities and play a vital and positive role. The challenge is to bring business and the voluntary sector closer together, allowing our combined knowledge, skills and expertise to be put to good use for the benefit of all.

Our progress to date
- As the largest sponsor of Comic Relief, we have raised almost £60 million to date, including our single largest donation of £11.4 million for Red Nose Day 2011.
- Every store supports a local charity and over the past year we raised over £15 million. Our colleagues also volunteered over 6,500 days to support local causes.
- We are a founder member and the largest supporter of Fareshare, a national charity set up to relieve food poverty.
- Donated over £15 million worth of equipment and experiences to schools and clubs through our Active Kids scheme since it started in 2005.
- In 2010, with the support of our customers, we donated over £3.3 million to the Royal British Legion.

What stakeholders tell us
“We value our partnership with Sainsbury’s because it’s built on them taking a long-term, hands-on approach. This has allowed us to both understand our different agendas and come up with ways of helping feed those in need with impact, scale, innovation and sustainability. Yes, their financial support is critical but we really value the engagement with their staff and being able to tap into their expertise.”

Lindsay Boswell
CEO, Fareshare
17. By 2020, we’ll create 50,000 new job opportunities in the UK and at least half of our colleagues will have received externally accredited training.

**Challenges**
In tough economic times, the creation of new jobs and opportunities is a practical and necessary way in which businesses can have a positive impact on communities. We fully intend to play our part. We know what an impact it can have for individuals to benefit from first-rate training, and when it leads to externally recognised qualifications, it’s even better.

**Our progress to date**
- First food retailer to be awarded a gold accreditation from ‘Investors in People’ for our commitment to improving our business by investing in our colleagues.
- First company to offer all of our colleagues the opportunity to gain a nationally recognised qualification under our ‘You Can’ programme.
- Over 6000 new jobs created over the last financial year (2010/11).
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**Delivery goals**
- We will provide training opportunities and skills development for all our colleagues.
- We will work with our colleagues to understand their aspirations and help them progress in their careers.
- We will reward our colleagues for good performance.
- We will provide benefits for long-term service.
- We aspire to create fulfilling jobs and careers.

18. By 2020, 20,000 of our colleagues will have reached 20 years of service at Sainsbury’s.

**Challenges**
Skills shortages and the cost of training new staff mean that retaining existing employees makes sound financial sense. Our approach is about much more than that and investing in people is one of the key pillars of our success. In an age in which job security is more prized than ever, it is our responsibility to create long-term opportunities and build the nation’s skills base.

**Our progress to date**
- We ensure that everyone at Sainsbury’s can ask for flexible working, as we believe a good work/life balance creates a better, more enjoyable and more productive workplace.
- Developed a new policy for our colleagues who are carers with an innovative partnership with Carers UK.

**Delivery goals**
- We will provide training opportunities and skills development for all our colleagues.
- We will work with our colleagues to understand their aspirations and help them progress in their careers.
- We will reward our colleagues for good performance.
- We will provide benefits for long-term service.
- We aspire to create fulfilling jobs and careers.
19. By 2020, we’ll increase the number of colleagues with shares in our business by 25 per cent

Challenges
Job satisfaction is not just about an income, but about colleagues feeling that they have a true stake in the success of the business. Sharing success leads to a more motivated workforce and long-term loyalty. We believe in giving our colleagues a real stake in our business, benefitting them and their families, and contributing to a vibrant and strong workforce.

Our progress to date
– Over the past five years we have paid out over £350 million in bonuses to our eligible colleagues in stores, depots and offices.
– More than 124,000 eligible colleagues shared a bonus of around £60 million in 2011.
– We currently have over 40,000 colleagues with shares in the business. Many of these are through the Sainsbury’s Sharesave scheme or through the Sainsbury’s Share Purchase Plan.

Delivery goals
– We will actively promote Sharesave to our colleagues.
– We will actively promote Sainsbury’s Share Purchase Plan to our colleagues.
– We will increase the number of our colleagues who can share in the rewards.

20. By 2020, we’ll have provided 30,000 people from disadvantaged groups with work opportunities

Challenges
Finding employment in a tough economic climate is particularly challenging for some people. Diversity and inclusion have been central to Sainsbury’s working culture ever since the company began. Everyone should have the opportunity to be able to come and work with us and everyone is treated fairly and equally when they do. As one of the largest UK employers, with a range of jobs available, we recognise that employing a diverse range of people is beneficial to the communities we serve and delivers real social and economic value for our business.

Our progress to date
– One of the first employers to sign up to Local Employment Partnerships in April 2007 to help ex-offenders and the long-term unemployed back into the workplace.
– Last year alone we recruited over 3,286 people through Job Centre Plus and another 262 through the London Employer Accord. ‘You Can’ is our scheme to open Sainsbury’s up to a wider range of new recruits and help people we already have to develop new skills.

Delivery goals
– We will continue to encourage our colleagues to participate in our ‘You Can’ programme.
– We will continue to work closely with our partners – Remploy, Mencap, Shaw Trust, Job Centre plus – to match the right people to the right job. We will also open up this opportunity to further partners.
– We will set regional targets for employment.

What stakeholders tell us
“Remploy’s partnership with Sainsbury’s is crucial in helping us support people who are furthest from the jobs market into sustainable work. Since we signed the partnership in April 2009 we have supported more than 1,000 candidates into work with Sainsbury’s, a fantastic achievement against the backdrop of difficult economic times. We are now looking forward to a step change in our partnership, which will see the development of exciting new programmes designed to significantly increase the number of disabled and disadvantaged into work with Sainsbury’s. I’m delighted that our partnership with Sainsbury’s You Can is so successful in supporting people back into work.”

Beth Carruthers
Director, Remploy Employment Services
Governance

Our values are part of the way we do business at Sainsbury’s. This is reflected in our corporate responsibility governance structure shown below. As you can see, members of our Operating Board are responsible for each of our five values and also sit on our Corporate Responsibility Steering Group. The new ‘20 by 20’ framework will be incorporated into the existing reporting structure. This Group will be responsible for ensuring we are making progress and achieve our ‘20 by 20’ commitments.

Governance structure

J Sainsbury plc Board
David Tyler
Chairman

CR Committee
Anna Ford
Chair, Non-Executive Director

CR Steering Group
Justin King
Chair, Chief Executive

Health steering group
Brand governance steering group
Climate change steering group
Community steering group
A great place to work steering group

Best for food and health
Sourcing with Integrity
Respect for our environment
Making a positive difference to our community
A great place to work

Helen Buck
Convenience Director
Mike Coupe
Group Commercial Director
Neil Sachdev
Property Director
Roger Burnley
Retail and Logistics Director
Gwyn Burr
Customer Service & Colleague Director

Targets

8. Healthiest baskets
9. No.1 for lighter alcohol wines & beers
10. Positive waste usage
11. Sustainable and Innovative packaging
12. Operational carbon emissions reduction
13. Water stewardship
14. Supplier carbon emissions reduction
15. Active youth
16. Charitable causes
17. New jobs and skills
18. Long service
19. Sharing in success
20. Work opportunities for disadvantaged groups

Reporting

We will produce an integrated annual and CR report on our progress towards achieving the ‘20 by 20’ targets. This report will be based on our new ‘20 by 20’ targets framework. In addition to the main targets, we are developing additional milestones for our delivery plans and to ensure we can track progress on key activities.

We believe in transparency, so we will also continue to produce online quarterly updates on progress and update our website.

On-going engagement with stakeholders

We will continue to engage stakeholders through our regular dinners, stakeholder breakfasts, debates, regular one-to-one meetings and partnerships to listen, learn and get feedback on our progress and ensure that we are on track.