

Sainsbury’s scoops title of UK’s greenest supermarket

London, 07 August 2018: Sainsbury’s has been ranked as the least polluting of all UK supermarkets, according to a major new study into the carbon footprints of leading food retailers. The *2018 Top 10 Rankings for UK Supermarkets*, published today by Engaged Tracking, specialists in impact investing and carbon footprint analysis, details the carbon emissions of UK supermarkets for the first time.

Engaged Tracking’s research has revealed that:

- **Sainsbury’s has the lowest emission intensity among UK supermarkets**, making it the UK’s greenest supermarket, with an emissions intensity that is twelve times lower than Iceland
- The low-cost recent entrants to the UK supermarket scene, **Aldi and Lidl, are amongst the dirtiest polluters**
- **Iceland is the UK’s worst polluting supermarket**, producing an intensity of emissions which is 34% higher than the average intensity of the UK’s top 10 supermarkets

The research depicts Sainsbury’s as the UK’s leader among food retailers on climate change. This is supported by the company’s announcement that it achieved an 8.2% reduction in absolute operational carbon emissions in 2016/17. The supermarket has demonstrated a commitment to leading the battle against climate change as highlighted by their pledge to reduce their operational carbon emissions by 30 per cent absolute and 65 per cent relative (versus 2005) by 2020.

Meanwhile, Tesco has announced that it will run 100 per cent on renewable electricity in the UK and Ireland this year and worldwide by 2030. Sainsbury’s, Tesco and Asda have also all formed CO2-reduction partnerships with their suppliers, encouraging them to install LED lighting, heat recovery solutions and smart refrigeration systems.

Engaged Tracking has estimated each supermarkets’ emissions based on industry benchmarks. Its findings follow industry norms by using “emissions intensity” – the amount of carbon emitted by a company for every dollar of revenue it earns – as their fundamental unit of measure.

Engaged Tracking’s analysis across each category of emissions¹ is outlined in the table below:

| | | | Emissions (tCO2e) / \$m Revenue |
|--|--|--|---------------------------------|
|--|--|--|---------------------------------|

¹ Greenhouse gas emissions are categorised into three groups or “scopes” by the most widely-used international accounting tool, the Greenhouse Gas (GHG) Protocol. While Scopes 1 and 2 cover direct emissions sources (eg fuel used in company vehicles and purchased electricity), Scope 3 emissions cover all indirect emissions due to the activities of an organisation (eg waste disposal, purchased good and services, employee commuting).

| Rank | Supermarket | Revenue* (\$bn) | Directly Influenced Emissions Intensity (Scope 1+2) | Value chain Emissions Intensity (Scope 3) | Total Emissions Intensity (Scope 1+2+3) |
|------|-------------|--------------------|---|--|---|
| 1 | Sainsbury's | 34.6 | 32 | 1224 | 1256 |
| 2 | Tesco | 74.1 | 41 | 1224 | 1266 |
| 3 | Asda | 21.7 | 38 | 10713 | 10750 |
| 4 | Waitrose | 7.9 | 182 | 10722 | 10904 |
| 5 | Morrisons | 21.8 | 48 | 14609 | 14658 |
| 6 | Ocado | 1.8 | 182 | 14595 | 14776 |
| 7 | Co-op | 12.3 | 28 | 15123 | 15151 |
| 8 | Aldi | 11.4 | 129 | 15123 | 15252 |
| 9 | Lidl | 5.0 | 182 | 15123 | 15305 |
| 10 | Iceland | 3.5 | 182 | 15123 | 15305 |

*Revenue and emissions figures are for the year ended December 2016, as this is the most recent year for which we have comparable data for all companies.

The research paints a worrying picture for the UK's budget supermarket chains, with Iceland, Lidl and Aldi trailing behind Sainsbury's, Tesco and Asda when it comes to reducing their carbon footprint. It should therefore provide the impetus for these budget supermarkets to replicate the excellent work of a company like Sainsbury's.

Sam Gill, CEO of Engaged Tracking, commented: "In implementing eco-friendly policies - driven by a desire to attract customers and investors who increasingly appreciate and demand them - companies like Sainsbury's are changing the game.

"Sainsbury's has recognised that as a food retailer its supply chain depends on the health of the natural environment. But other supermarkets are not grasping this fast enough. Iceland, Aldi and Lidl make big claims about creating value for customers but they are not doing enough to protect their customers' environment."

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About Engaged Tracking

Engaged Tracking represents a new approach to sustainable and ESG investing. We are mission-driven specialists who believe impact investing is most effective when it is simple, transparent and measurable. We believe in creating a clear link between corporate sustainability performance and capital allocation through our indexes.

Our mission is to accelerate the transition to a lower carbon, more circular and sustainable economy. As investors align their strategies to the new realities of a low-carbon economy it will be crucial to remain vigilant in their efforts to understand and proactively manage emerging climate related issues.

We publicly rank the world's largest listed companies according to their Scope 1, 2 and 3 greenhouse gas emissions each year. Our public Engaged Tracking (ET) Carbon Rankings reward carbon efficiency

and penalise non-disclosure. The rankings provide a data-driven corporate engagement platform to enable investors to track corporate carbon disclosure and performance across their investments in a transparent way.