

SAINSBURY'S RETIREMENT SAVINGS PLAN COP26 POTENTIAL Q&A

Questions	Responses
<p>How are Sainsburys aligning our Net Zero commitment with our DC scheme?</p>	<ul style="list-style-type: none"> ➤ Our DC schemes are provided by Legal & General, who have an active Climate Impact Pledge to address climate change by engaging directly with the largest companies in the world who they believe hold the key to meeting the below 2 degree Paris climate change target (COP 21). The companies are assessed by LGIM for the robustness of their strategies, governance and transparency. ➤ This approach by L&G is directly aligned to our commitment to Net Zero and our Governance Committee will monitor their progress towards this target.
<p>How should a DC scheme approach a net-zero target?</p>	<ul style="list-style-type: none"> ➤ For all investors, including DC, net zero is a journey which, like any other goal, requires a considerable amount of planning. ➤ Setting investment beliefs at the beginning is the first key stage. ➤ The next step is to look at what can be done immediately within the asset classes already invested in and then consider how to align them with your net-zero target. ➤ This can be quickly achieved through asset allocation, tilts and exclusions. Then in the medium term, you can look at adding other classes, such as impact investments, to actually fund the changes to a low carbon economy.
<p>How are the views of Sainsburys members taken into account when investing their pension savings?</p>	<ul style="list-style-type: none"> ➤ Working with Legal & General and Tumelo, we will shortly be helping members to apply their own principles and register how they would vote on key issues at companies in which their pension savings are invested. Through the Tumelo platform, members can subsequently see the real time data on how LGIM have voted. ➤ The opinions expressed via Tumelo will influence what the Mastertrust Trustees, LGIM and Sainsburys know about our membership, what matters to them, allowing our members' voices to be heard in a far greater way than before. ➤ From the data Legal and general will provide, we can also look at our members' age profiles to ensure we address, in the best way possible, their particular concerns about climate change.
<p>Please detail any recent events taken to assist the pension scheme to Net Zero?</p>	<ul style="list-style-type: none"> ➤ Sainsbury's recently updated the default investment for over 220,000 current and former colleagues; the policy of the new default fund engages with and can exclude, if engagement fails, companies that fail to meet LGIM's minimum standards in low carbon transition and corporate governance standards. ➤ The default strategy incorporates short & medium term goals to meet the Net Zero target, aiming to reduce carbon emission in the portfolio by 65% by 2030.