

J Sainsbury Corporate Responsibility Report 2010

## Values-led reporting

By Aleksandra Dobkowski-Joy

**Sainsbury's latest report demonstrates commitment to developing responsible business**

As amply illustrated in its 2010 corporate responsibility report, sustainability efforts at J Sainsbury, otherwise known as the company behind UK supermarket brand Sainsbury's, have made the leap from a specialised function to day-to-day operating reality.

In large part, this integration is due to the clear framework established by the company's five core values and the attention paid to corporate responsibility at the highest levels of the organisation. Direct lines of accountability stretch to a board-level committee that receives twice-yearly updates. The chief executive himself chairs the company's internal corporate responsibility steering group.

Sainsbury seems to grasp intuitively the multiple variables that define an action or programme as sustainable. For example, Sainsbury has as its mission the provision of healthy, safe, fresh, and tasty food in its supermarkets at a fair price. The company has considered how to achieve this mission in line with its values, providing sustainable food options that are both attractive and accessible.

Sainsbury points out ways that it is lowering accessibility barriers by including foods such as Fairtrade bananas and RSPCA Freedom Food accredited salmon in its stores' "basics" food range. This range encompasses lower-price food and grocery items that meet Sainsbury's quality standards and core values.

Sainsbury is also blending economic aspects of corporate responsibility with ecological and social values by sourcing local British products. Through this practice, Sainsbury's is assured of the integrity of its supply chain and can achieve lower transportation costs, while also supporting local economies and promoting biodiversity.

Underpinning Sainsbury's approach is a culture of accountability. The commitment to transparency is evident in the presentation of progress against goals and targets. In addition to tracking targets from its 2009 corporate responsibility report, Sainsbury presents performance against older targets, many of which were only partially achieved, or abandoned altogether. Given the practice in some companies of ignoring older goals, it is refreshing to see Sainsbury's forthright discussion of all its commitments, successful or not.

To round off this performance disclosure, Sainsbury should create a one-page factsheet or dashboard of key metrics – such as energy efficiency of supermarkets, number of jobs created, safety statistics, etc – showing trends over time. As Sainsbury begins to pursue integrated corporate

responsibility and financial reporting, such a dashboard could help it meet its stated objective of being timely, transparent and accountable.

Sainsbury maintains an emphasis on stakeholder engagement throughout the report. In addition to describing outcomes of more traditional methods of outreach such as roundtables or surveys, the company provides an online FAQs section (presumably based on common stakeholder issues). Topics correspond to the core values and cover issues such as healthy eating, provisions for disabled customers and policies on using seasonal workers.

### Regular updates

Sainsbury has also started providing quarterly corporate responsibility updates and invites immediate comment to online case studies. The company has already received – and responded to – unvarnished criticism on a number of its sourcing case studies. By opening itself up to direct and immediate input, the company has stepped into a less-comfortable space, but one in which real concerns can be aired and addressed.

Some of these concerns are echoed in Sainsbury's "hot topics": explorations of priority issues associated with the company's core values. These issues include food intolerances and allergies, low-carbon farming, and the challenges of an ageing workforce. For each, Sainsbury provides context and background, an external perspective and the company's own "position".

Although the concept of hot topics works in theory, Sainsbury could improve the execution. First, although the company refers to a materiality analysis as a foundation for reporting, no actual details of process or outcome are revealed. The reader is thus left to muse whether the chosen hot topics are indeed the highest priorities.

Second, Sainsbury's position statements related to each hot topic are disappointing. Rather than provide a sophisticated analysis of the company's stance, Sainsbury instead restates current activities and intentions for future performance. This cursory review misses an opportunity to provide greater transparency into corporate decision-making.

But overall, Sainsbury's reporting reveals hard-won insights gleaned over years of fine-tuning corporate responsibility performance and communication. By acknowledging the complexity of tough issues and working hard at transparency and accountability, Sainsbury has created a space to succeed – or learn from failure – while maintaining the credibility it has built with stakeholders. ■



### Snapshot

**Follows GRI?** No  
**Assured?** No, but includes external statement from Forum for the Future.  
**Materiality analysis?** Yes, but process and specific outcomes are not reported.  
**Goals?** Yes  
**Targets?** Yes  
**Stakeholder input?** Yes  
**Seeks feedback?** Yes  
**Key strength:** Clear sense of structure as defined by five core values.  
**Chief weakness:** No presentation of consolidated performance data.  
**Pleasant surprise:** Full accountability for commitments set in past reports; openness to stakeholder comments on website.

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