

2020 and Beyond

Sue Lockhart

Head of Agriculture

Sainsbury's Supermarket Ltd

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Sainsbury's Vital Statistics

1,150 Stores

23m Customers

>157,000 Colleagues

>12,000 Products



>770 Suppliers

2,000 Sites

>17,000 Farms

20x
20

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SO organic vital statistics



first retailer
to provide an
organic own
brand
offering

28.8% market
share

SO organic
brand is our
4th largest
brand worth
over £200m p/a

Biggest
selling lines

Meat, Fish
and Poultry,
Produce &
Dairy are key
categories.

Customers
choose for
taste, health
and “more
natural”.



20x
20

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Our 2020 Vision and Goal

Our Vision

To be the most trusted
retailer where people
Love to work
and shop.

We are Sainsbury's 

Our Goal

We will make all our
customers' lives easier
everyday by offering great
quality and service at
fair prices.

We are Sainsbury's 

Corporate Values

Best for
food and
health



Sourcing
with integrity



Respect
for our
environment



Making a positive
difference
to our
community



A great
place
to work



The Global Challenge

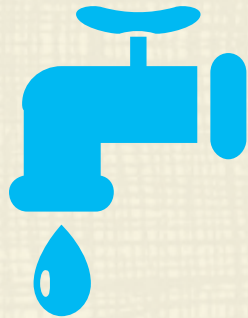
Global Population
will increase by

1.5Bn



Water demand
will increase by

>50%



Agriculture's carbon
mitigation could
make up as much
as **7.5%** of total
global emissions



10%

of today's
biodiversity will
be lost



Energy demand
will increase by
as much as

50%



20x
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Sustainable Intensification

Only part of
the solution

Not system
specific

Triple
bottom line
sustainability

20x
20

20 by 20 Sustainability Targets

By 2020, we'll source all of our key raw materials and commodities sustainably to an independent standard

By 2020, our own brand products won't contribute to global deforestation

By 2020, all the fish we sell will be independently certified as sustainable and we will strengthen our position as the leading retailer for sustainable seafood

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

By 2020, we'll double the amount of British food we sell

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

By 2020, our suppliers will also be leaders in meeting or exceeding our social and environmental standards

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

By 2020, we'll double the sales of lighter alcohol wine and reduce the average alcohol content (ABV) of own brand wine and beer

By 2020, we'll put all waste to positive use

By 2020, we'll make sure that our own packaging has reduced by a half compared to 2005

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)

By 2020, through robust water stewardship we'll ensure that our supply chain approach is sustainable in areas of water vulnerability

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



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Overarching Business Strategy through to 2020...

Commercial 2020



2020 we will
deliver £20
billion extra
sales

CR 2020

20x
20

2020 –
cornerstone of
our business
strategy giving us
competitive
advantage

20x
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Salt

Fat

Saturated Fat

Sugar

Nutrition Typical values (cooked as per instructions)	per 100g	per 1/4 pack	% adult GD*	GDA children (5-10 yrs)
Energy kJ	1007	2014		1800
Energy kcal	241	482		24g
Protein	8.4g	16.8g	24.1%	220g
Carbohydrate	20.6g	41.2g	37.3%	85g
of which sugars	1.8g	3.6g	17.9%	70g
of which starch	18.8g	3.6g	4.0%	20g
Fat	13.7g	27.4g		
of which saturates	5.9g	11.8g	39.1%	
mono-unsaturates	1.5g	3.0g	57.0%	
polyunsaturates	0.9g	1.8g		
Fibre	0.50g	1.00g		
Salt	0.20g	0.40g		
of which sodium			7.5%	

*GDAs = Adult Guideline Daily Amounts are based on a diet of 2500 kcal per day for a male, 2000 kcal per day for a female. GDAs are guidelines and personal requirements vary depending on age, gender, weight and activity.

Sourcing with Integrity

Sainsbury's
Sustainability Standard

Sustainability Score Card

Palm Oil

Timber



“By 2020, we’ll source all of our key raw materials and commodities sustainably to an independent standard”

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Sourcing with Integrity - Doubling British Sales

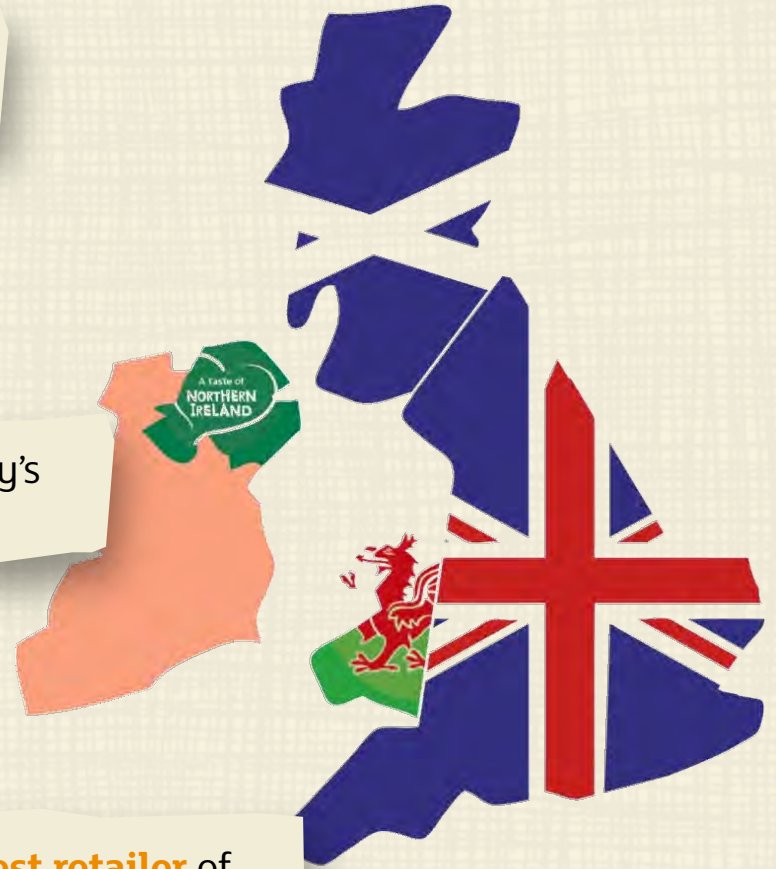
Sainsbury's ploughs **£1 million** investment into British farming

Sainsbury's steps up British sourcing with commitment to **100% British fresh pork**
July 2013

It's all British meat for Sainsbury's fresh ready meals & pies.

Sainsbury's supports potato growers through the wettest summer in the UK for 100 years

5th consecutive year as **largest retailer** of British Apples and Pears in the UK



Sourcing with Integrity

Higher Welfare



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Respect for the Environment

We'll have reduced our operational carbon emissions by **30% absolute** and **65% relative** compared to 2005

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Interdependencies Chicken

Target 1



We'll source all of our key raw materials and commodities sustainably to an independent standard.

All feed ingredients in the chicken diet need to be from a sustainable source. Chicken is also itself a key raw material.

Target 2



Our own brand products won't contribute to global deforestation.

Soya is a large proportion of the diet but is sometimes grown on deforested areas of the world, particularly South America.

Target 5



We'll double the amount of British food we sell.

Although all of our fresh chicken is British we have progress to make in further processed products.



Interdependencies Chicken

Target 6



All our meat, poultry, eggs, game and dairy products will be sourced from suppliers who adhere to independent higher welfare standards.

All chicken and products where chicken is a characterising ingredient must come from higher welfare systems. Currently 20% of fresh chicken is from a higher welfare system.

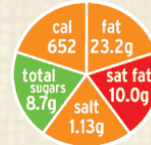
Target 7



Our suppliers will also be leaders in meeting or exceeding our social and environmental standards.

We need to work with farmers who have the highest social and environmental standards on their farm looking after the people that they employ and ensuring high ethical standards.

Target 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.

Our chicken needs to contribute to customer's health in a positive way. How can we ensure we have the healthiest chicken. The fat profile of chicken has changed drastically over the last 30 years.



Interdependencies Chicken

Target 11



We'll make sure that our own packaging has been reduced by a half compared to 2005.

How can we minimise packaging whilst maintaining freshness and safety on chicken?

Target 13



Through robust water stewardship, we'll ensure that our supply chain approach is sustainable in areas of water vulnerability.

Chicken production is a large user of water for drinking water, heating and washing down the sheds. Our farmers need to capture technologies such as rain water harvesting and look at ways to reduce use without compromising bird health.

Target 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.

Reducing our carbon emissions through our carbon footprint initiative.



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Challenges and Learnings

Conflicting demands

Can't optimise all the levers

Data is scarce

Science is evolving

Issues are complex

Many inter-dependencies

Imprecise and requires judgement calls



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Challenges and Learnings

New challenges

More of the
same won't
work

New networks

New
collaborations

Great data

New skills and
capabilities

New Ways of
Working



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Whole Chain Engagement



Build into Business Plans



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Governance Structures



Ensure our teams are fit for the future: Upskilling



Investment in
people

Skills and
capacity
building

Well
informed and
up-to-date
teams

The Value of Great Data

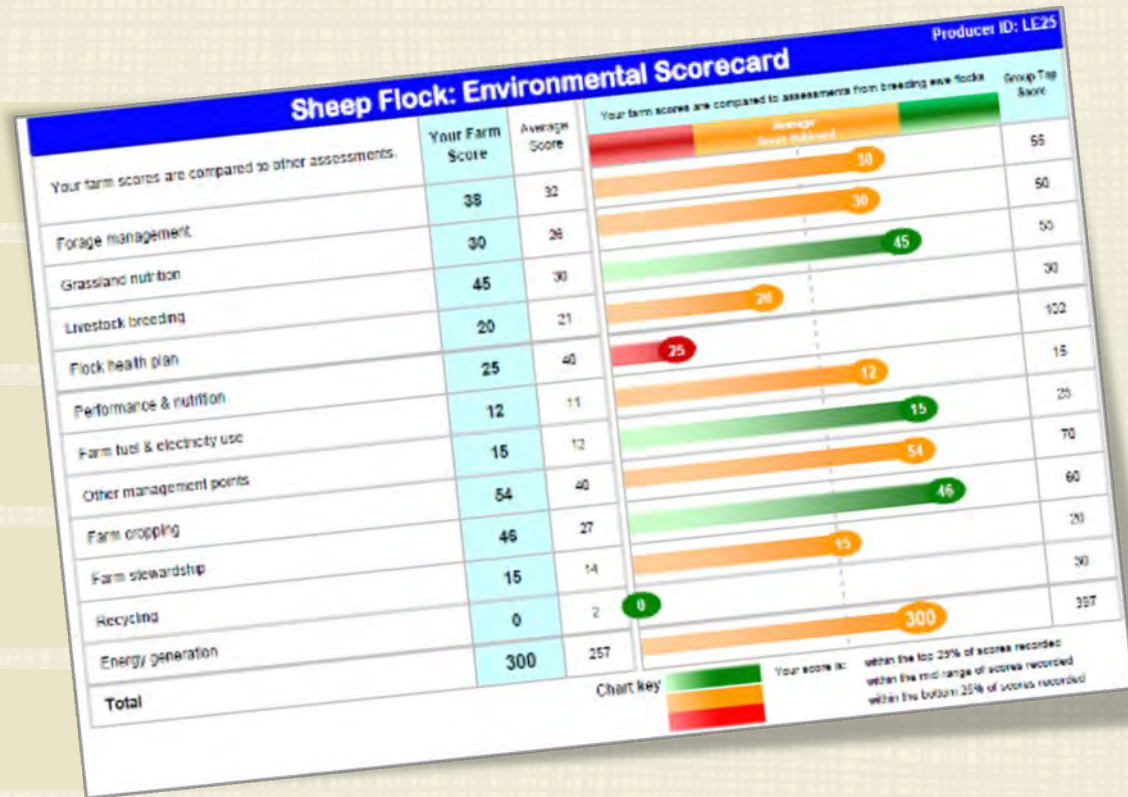
Sainsbury's is a 'facts' based business

Great data leads to great insights

Insights change our view of the world

2020 vision requires facts based insights to drive change

Measuring the right things to manage and deliver the targets



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A black and white portrait of Albert Einstein, showing his face and hands clasped together in a thoughtful pose. The image is the background for the entire advertisement.

WE CANNOT SOLVE OUR PROBLEMS
WITH THE SAME THINKING
WE USED WHEN WE
CREATED THEM

-Albert Einstein

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Research and Development

Sainsbury's Agriculture R&D grants

Improvement
in animal, fish
or plant health,
nutrition and
welfare

New products
or processes
that improve
safety, quality,
taste or
freshness

Solutions
that deliver
sustainable
intensification
and resilient
supply chains

**Sainsbury's ploughs £1 million
investment into British farming**



Sainsbury's is pledging £1 million to its British farmers and growers as part of an investment in the future of British farming. The Sainsbury's 2013 Research and Development Grant, launching today, calls for long term sustainable solutions to improve UK livestock, aquaculture, horticulture and agronomy practices and processes. The grants which are open to over 2,000 farmers and growers that the retailer works with across the UK, cover a range of growing conditions and sectors have become more...

Innovation

Sainsbury's Agricultural R&D Grant

1	Global sustainable impact of feeding poultry	1	Benchmark and understand efficiency in energy, water and fertiliser use in UK.
2	Determining the cost of poor fertility performance in modern dairy herds hence optimum calving interval.	2	Dynamic controlled atmosphere storage to optimise the delivery of high quality, home grown apples
3	Improve consistency and eating quality of prime Aberdeen Angus.	3	Planting a future in Peru
4	Pig Innovation Centre	4	More crop per drop for UK herb production
5	Freesow	5	Pest free organic brassicas
6	Impact of foot trimming of lame sheep	6	Improving supply continuity and product quality for leeks through improved frost protection and storage.
7	Improved flock health planning	7	Controlling weight variation through post weaning management methods.
8	In season protein prediction system for Sainsbury's grain supply chain.	8	Improving the yield of UK pears by optimising pollination.
9	Extending the British strawberry season through supplementary LED lighting.	9	Evaluation of the use of fec ebvs to reduce the use of anthelmintics in UK sheep production.
10	Improving soil and water management for sustainable intensification of potato production for 4 key Sainsbury's varieties.	10	Evaluation of new on line FEC diagnostics and decision support for management of internal parasites in livestock
11	Reducing the reliance of tomato, cucumber and sweet peppers on natural gas.	11	Development of best management strategies for the commercial deployment of cleaner fish in fish farms.
12	Alternative techniques for the control of potato cyst nematode in Jersey..		

Sainsbury's Agricultural R&D Grant Pest Free Organic Brassicas



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New partnerships and collaborations

Research & Development Providers



New partnerships and collaborations



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Progress

Best for food and health

Continued reformulation across key lines

First major retailer to implement the new Multiple Traffic Light nutritional labelling

275,000 Pharmacist consultations

Learnings

Importance,
but challenge of
collaboration

Address
consumer
understanding

Making
healthier
choices, easier

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Progress

Sourcing with integrity

Sourcing plans in development for top 35 raw materials

Achieved 100% British across fresh pork

Largest MSC, Fairtrade & Freedom Food retailer

Learnings

Act as our
customers'
agent

Responsibility
through the
chain

Independent
Supplier
Standards

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Progress

Respect for our environment

Achieved zero waste to landfill

2.4% absolute carbon reduction year on year
(7.8% over three years) despite growth

50% relative water reduction vs 2005/06,
saving 1bn litres each year

Learnings

Opportunity to help our
suppliers and farmers engage
in the wider debate

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Key Elements of Success

Interdependencies mean Trade offs may be inevitable

Engaged and informed people

Robust Data

Research and Development

Collaboration throughout and outside supply chain

All key to making the best judgement calls



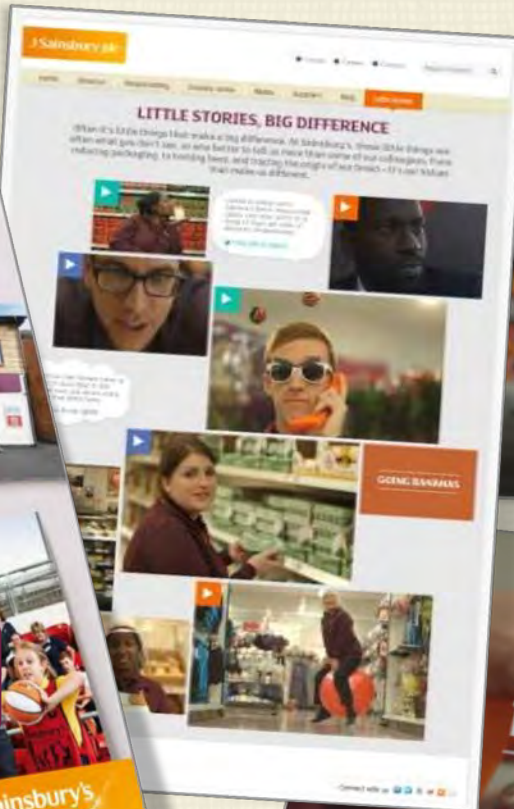
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To find out more



www.j-sainsbury.co.uk/responsibility/
[@SainsburysPR](https://twitter.com/SainsburysPR)
<http://www.j-sainsbury.co.uk/little-stories/>



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