



Sainsbury's food surplus and food waste:

How we are delivering a positive impact

Our vision is to be the most trusted retailer where people love to work and shop. That means living up to our values through the choices we make and the things we do. Helping to reduce food waste across the UK is central to this and today, we are releasing our corporate food surplus and food waste data as part of our ongoing commitment to reduce food waste overall in the UK.

As the UK's second largest grocery retailer, we are leading the way with the progress we've made over the last year in terms of food waste reduction and food surplus distribution. We are proud of how far we've come, but we also know we've still got a long way to go. The data we're publishing today is part of our journey to reduce food waste significantly within our own operations, as well as to help our customers reduce waste in their households.

In summary, our food surplus and food waste data in 2015/16 shows that we are making a positive impact. Our charitable food donation partnerships have increased dramatically in the last year and now stand at over 1,000, which means more food is getting to those who need it most, whilst the surplus food we convert to animal feed has seen a slight increase of 0.8%, the food waste that is converted to energy has gone down by 9.4% as we continue to improve operational efficiency throughout our supply chain. This builds on the work we have done since 2013, when we became the first retailer to send zero waste to landfill.

Mike Coupe, CEO, Sainsbury's commented:

"Our values have been at the core of what we do at Sainsbury's since 1869 and they remain central to us today.

"Food waste is an issue where Sainsbury's wants to continue to make an impact. We have been working hard over the past few years to tackle food waste in our business and ensure as much food as possible is redistributed to those who need it – we are proud of the development of more than 1,000 Food Donation Partnerships with local charities. As well as looking at our own business, at the start of this year, we also launched our £10 million *Waste less, Save more* campaign to help households waste less and save more in their homes.

"Over the last year we have reduced total levels of unsold food, which has been achieved through a number of measures including sourcing more of our produce direct from growers and farmers and using improvements in technology. This is on the back of us being the first grocery retailer to achieve zero operational waste to landfill.

"Our focus is to continue to look at food waste in our own business – as well as ensure as much food as possible is redistributed to charity via Food Donation Partnerships. We know we can't do it on our own – so we seek to work in partnership with others in the grocery, food and hospitality industries to have the impact that we all want to see."



Improving how we operate

Making these improvements to our levels of food waste has been driven by a number of factors. These include greater collaboration with our growers and farmers, working ever more closely together to ensure what they grow matches as precisely as possible the quantities our customers buy. This is crucial to the future success of growers' businesses. For example, we are working hard to develop a model with a salad supplier, with the end goal of providing a precise crop schedule which changes according to climate plus other factors. And, through a separate project we are closely monitoring the growth stages of potatoes to then predict yield. This allows us to plan availability much better and reduce food waste.

Increasingly, we are also sourcing directly from producers which means we can get the product into store quicker and ensure it has a longer shelf-life. This is particularly true of citrus fruits and salads for example.

We continue to make significant improvements in how we forecast and plan what needs to be in-store on a daily and weekly basis. Improved technology enables us to predict better which products are going to fly off the shelves – particularly when it comes to seasonal foods such as BBQ items or celebratory foods for Christmas, Diwali or Eid.

As of July 2016, we were the first of the major grocery retailers to phase out multi-buy deals. Not only does this mean our customers are only purchasing what they need and reducing waste in their homes, it also helps us predict and manage our stock better so there is less wastage in our supply chain. We have also invested in specific 'technology' which helps us keep food fresher for longer. For example this includes increasing the amount of meat and fish that is vacuum-packed, thereby reducing the air around the product. This method of packaging is far more efficient at keeping food fresh and even, in the case of beef steaks, can help the meat mature better.

We have long established processes to ensure fruit and vegetables sometimes called '*wonky veg*' are put to good use. If the crop meets the Rural Payments Agency (RPA) marketing standards which sets the grading guidelines there is a place for it in our supply chain. In addition to using the produce in our basics ranges we work with our suppliers and growers to encourage them to use the crops in other beneficial ways. For example apple juice or ready-made mashed potato and our increasingly popular 'boodles' product - butternut squash noodles - are made from squash that would not meet the standards to be sold as whole. This is paramount to our mission to help growers to run sustainable and successful businesses.

Defining food surplus and food waste

Sainsbury's food waste and food surplus definitions

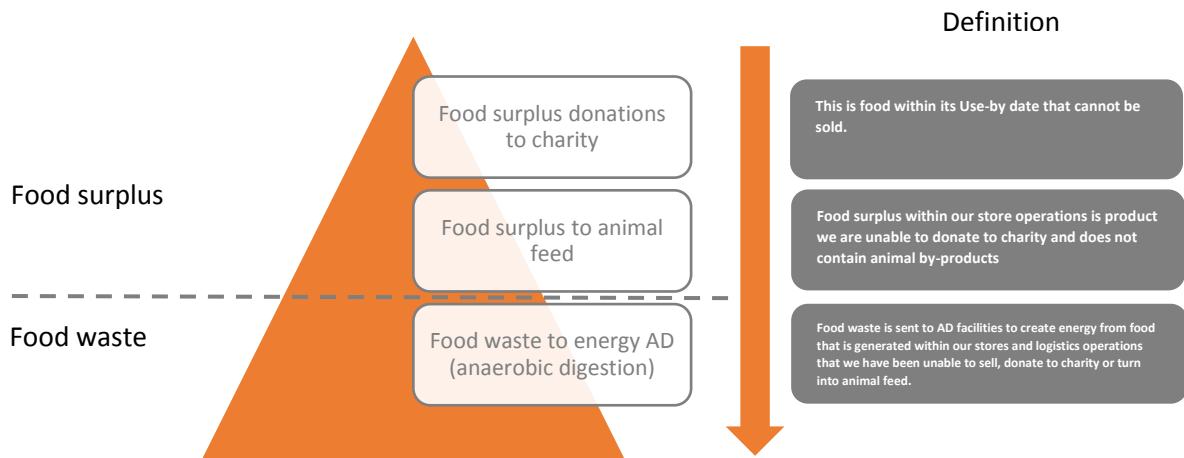
Sainsbury's definition of food waste and food surplus reflect those used by the EU-funded FUSIONS project as well as those used by WRAP as follows:

Food surplus either sent for redistribution to charity or for animal feed is not classed as waste as it remains within the human food supply chain.

Food waste is any food, and inedible parts of food, removed from the food supply chain to be recovered or disposed.

Sainsbury's 'Waste Hierarchy'

We have strict policies in place to manage food surplus and limit food waste within the business and we are also very clear on what we refer to as our 'waste hierarchy', as this provides us with a framework for prioritising food surplus and waste within our operations. This is as follows:





Food surplus donations to charity

There are times when unfortunately food surplus is unavoidable for a host of reasons such as unpredictable weather. In these instances, donating this surplus food to charity is our absolute priority, and we have been working hard to ensure we are continually increasing the number of local food charities we work with.

In the last year alone, the number of Sainsbury's stores with at least one Food Donation Partnership with a local charity increased by 145% from 215 in 2014/15 to 833 in 2015/16. Typically, food donated to charities is a range of fresh produce including bananas, carrots and apples plus dry packaged goods such as sugar and pasta as well as bakery items that have been baked in the store.

Each store works with one or a number of local food charities and the range of charities we support varies from small food banks, soup kitchens, homeless centres and community cafes to larger charities. The one thing they all have in common is that they are all local and relevant to the community the store is situated in. This is really important to us as we want to focus on making a positive difference in our local communities. Some of our larger Food Donation Partnerships include Trussell Trust who have over 400 food banks and FareShare who redistribute food to charities and community groups who then turn it into meals.

Food surplus to animal feed

As our priority is to ensure that surplus food stays within the human food chain, any food that does not contain animal by-products and cannot be donated to charity for human consumption (because it may have gone past its use-by-date for example) is converted into animal feed. By far, the food that is most often converted into animal feed in this way is bread.

Surplus food waste that is converted to animal feed has seen a marginal increase of 0.8% from 8,854 tons in 2014 / 15 to 8,922 tons in 2015 / 16.

Food waste to energy anaerobic digestion (AD)

We would always rather make sure food stays within the human food chain. However, there are times when this is not possible as food has gone beyond its use-by date or has been spoiled and cannot be donated to charity or converted into animal feed. At this point we put this unavoidable waste to good use by turning it into energy via anaerobic digestion (AD). AD is at the bottom of our 'waste hierarchy'.

In the past year we have reduced this by 9.4% in total. We have done this by improving our operational efficiencies as outlined previously, which means we are wasting less food throughout our supply chain.

We can also report that our Sainsbury's store in Cannock remains the world's first retail outlet to come entirely off grid and is powered by green gas from recycled food waste.

Data overview:

Food Surplus	2014/15	2015/16	% change
Back of store food surplus to charity			
Number of stores with a Food Donation Partnership	215	833	287%
Volume of food donated (tonnage)	1,200	2,935	145%
Food surplus to animal feed			
Food surplus to animal feed (tonnage)	8,854	8,922	0.8%

Food Waste	2014/15	2015/16	% change
Food waste to energy (anaerobic digestion)			
Total food waste to energy (tonnage)	29,700	26,910	(9.4%)
Food waste (kg) per square foot	1.30	1.16	(10.8%)

Paul Crewe, Head of Sustainability, Energy & Engineering, Sainsbury's, commented: "Today's announcement demonstrates the focus Sainsbury's has been placing on reducing food waste within the business over the last five years and it's pleasing to see we are making progress.

"Efficiencies within our own supply chain, plus a drive to increase our charity partnerships to ensure food surplus goes to those who need it most, have resulted in overall improvements in our food waste and food surplus reporting.

"However, we know we are only at the start of our food waste reduction journey and we have a long way to go as we work towards the Courtauld commitment of a 20% reduction in food waste by 2025.

"As part of our commitment to reducing the UK's food waste, not only are we focussing on our own food waste, but we are also supporting our customers with our *Waste less, Save more* campaign, a £10m commitment over five years to help customers reduce food waste in their homes as they've told us it's their number one priority."

Waste less, Save more: customers at the heart of our business

Waste less, Save more is a five year, £10 million investment, to help our consumers save money while tackling food waste. With the average UK household throwing away £700 of food each year according to WRAP, we know cutting food waste is one of our customers' biggest priorities, which is why we're on a mission to change the way we think about the food we buy, cook, eat and throw away. The programme started with £1 million being invested in Swadlincote, a market town in Derbyshire, where we created a test bed to trial initiatives to combat food waste. Although we're currently only half way through this year long trial, already we've got some key learnings which we're able to roll out more widely across the UK.



Richard Swannell, Director at WRAP said: “As a founding signatory to the Courtauld Commitment 2025, I welcome Sainsbury’s efforts to measure, redistribute surplus food and reduce food waste across their business operations. In addition their Waste Less Save More campaign is helping households to reduce waste at home, and I believe having this whole system approach is fundamental to making an impact on food waste in the UK.”

Methodology

Our methodology for measuring food surplus and food waste is as follows:

Food surplus donations to charity

We measure food surplus as follows:

- I. The number of stores which have at least one charity partner or more
- II. The volume of food donated (tonnage)

To identify an annualised view and clear comparison year-on-year, 15 July has been used as the data mid-point. The number of stores with Food Donation Partnerships has been calculated based on data received from the stores. The volume of food donated to charity is based on an average weekly donation of 53kg per store.

Non-store (depot) donations to FareShare, Betel and Community Shop are included. Supplier donations to FareShare are not included.

Food surplus to animal feed

Surplus food is measured through auditable weighbridges and excludes packaging. NB this is the same data that is supplied confidentially to the British Retail Consortium (BRC) Annual Food Waste Report. This data is based on J Sainsbury’s financial year dates.

Food waste to energy anaerobic digestion (AD)

Food waste is measured through auditable weighbridges and excludes packaging. NB this is the same data that is supplied confidentially to the British Retail Consortium (BRC) Annual Food Waste Report. This data is based on J Sainsbury’s financial year dates.

Measurement of food waste reduction in Swadlincote

We are working in partnership with WRAP to accurately measure the results in Swadlincote, and conducted a waste composition analysis there at the beginning of the year. We’ll repeat this exercise during the same period a year later to measure impact. We also carried out an attitudinal and behavioural survey with a shorter, interim survey at the half way point. In addition, each of the individual waste interventions are being measured for impact so we can establish what is making the biggest difference to our customers.

Overall auditing

There is no industry standard at present, so the other companies that reveal this data are doing so voluntarily and are likely to be doing so based on the way they manage and report on it within their own businesses. Our internal Group Finance team has audited the 2015/16 and 2014/15 food surplus to animal feed data and the food waste to energy (AD) data contained in this report.