



Sustainability | Leadership | Innovation



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Sainsbury's Supermarkets LTD: Making sustainable fishing profitable

Finalist: Innovative project award

What

Sainsbury's is a major UK retailer with over 170,000 colleagues. In 2016, Sainsbury's launched a project to make its tuna sourcing demonstrably more sustainable, starting with a value chain analysis of tuna sourcing. The goal was to meet the commitments of the company's sustainable sourcing policy in a cost-effective way.

Collaborating with OceanMind, Sainsbury's developed a way to independently verify the legality and method of capture for its tuna. The new approach uses satellite-derived data and other data sources to build a picture of the routes of fishing vessels. With this data, Sainsbury's was able to show that its tuna is sourced responsibly.

Finance played a leading role in three areas: conducting the value chain analysis for tuna products, selecting suppliers and analysing the cost of compliance with Sainsbury's sourcing policy. The project has delivered commercial benefits and helped the company to mitigate the supply and reputational risks associated with illegal fishing.

Sainsbury's innovative project has enhanced its supply chain and enabled the company to reduce its environmental impact whilst delivering cost efficiencies. The project also delivered a social benefit by providing sustained income to communities that are dependent on fishing.

'By encouraging, embracing and ensuring sustainable fishing practices in our supply chain, we are helping to reduce illegal, unreported and unregulated fishing. In doing so, we have also increased the resilience of our supply chain.'

Ally Dingwall,
Aquaculture and Fisheries Manager at Sainsbury's

Why

Canned tuna is a significant part of Sainsbury's fish sales. The retailer's sourcing policy commits it to sourcing raw materials in a sustainable way and ensuring that its own-brand fish are independently certified as sustainable.

The company had previously sourced pole and line-caught tuna, which is in line with policy but which can be costly due to inefficiencies in the supply chain. Sainsbury's saw a commercial opportunity to improve its business model with net-caught tuna – so long as this could be done responsibly. This meant finding a way to fish with nets but without fishing aggregation devices (FADs). FADs attract fish indiscriminately, catching fish quickly but at a cost of catching juvenile tuna or non-target species, including endangered, threatened or protected marine animals.

A challenge for Sainsbury's was the lack of data that would allow it to verify how fish had been caught: this data was not publicly available. Buyers had historically found it difficult to independently verify how fish were caught or that they were caught legally. Sainsbury's had to innovate to address this data gap.



'This pioneering initiative offers tremendous potential for retailers globally to embrace sustainable fishing practices. Sainsbury's can-do attitude in finding a solution to verify legal tuna fishing ... is to be commended.'

Finance for the Future Awards judges

How

Sainsbury's project used sophisticated technology and insights into its value chain to develop an innovative new way to ensure that its tuna was cost-effective and sustainable:

- > Finance conducted a value-chain analysis, evaluating the end-to-end supply chain processes needed to bring canned tuna to market. To do this, finance worked cross-functionally to gather key inputs to feed into its modelling from across the business.
- > The value chain analysis examined cost drivers and commercial opportunities to identify feasible options. Finance then financially modelled these options, analysing the impact they would have on volume, sales, profit and non-financial benefits such as compliance. Once it had the results, finance presented both financial and non-financial benefits of feasible options to the steering group.
- > When the steering group had approved the recommended option, Sainsbury's started a supplier bidding process. Finance evaluated the commercial value of the supplier proposals.
- > Sainsbury's collaborated with the Satellite Applications Catapult to discover how it could use satellite-derived data about the behaviour of fishing vessels. The company engaged with OceanMind, an offshoot of the Satellite Applications Catapult, to analyse the activity of tuna fishing vessels.
- > Through its work with OceanMind, Sainsbury's identified novel sources of data and gained access to key datasets. These included satellite data, vessel logbooks, fishing authorisations and oceanographic and geospatial data.
- > The project used specially designed algorithms to compare the information from tuna suppliers against Sainsbury's datasets. This enabled Sainsbury's to verify the legality of the catch and the fishing method used at the point of capture.
- > Sainsbury's vision is to independently verify that all the wild-caught fish in its shops has been caught legally. The tuna project supplied the proof of concept that this could be done. Now the company is investigating how it can apply the approach both to other fish products, such as cod, mackerel and haddock, and in terrestrial systems for example in verification relating to commitments on deforestation.
- > Sainsbury's is also playing a role in influencing other organisations on seafood traceability – they are a Steering Committee member of the Global Dialogue on Seafood Traceability.

www.about.sainsburys.co.uk



DISCLAIMER

This case study presents **Sainsbury's Supermarkets LTD** entry for the Finance for the Future Awards 2019. The case study only includes information that was part of the organisation's 2019 entry. Some of this information may now be out of date. For a current view of the organisation's work, please visit their website at the link given above.



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