OUR APPROACH TO ANIMAL SOURCED FOODS

We work closely with all our farmers to ensure that all the Waitrose animal products that we sell come from animals reared to higher welfare standards. We are hugely proud of this and will continue to champion the importance of animal welfare and fair relationships with farmers. We also recognise that we also need to support consumers to get more of their nutrition from plant sources, in line with our healthy sustainable diets targets and our new protein diversification target, below.

These targets include the proportion of own brand sales that meet our Good Health criteria (featuring many plant-based products), and the proportion of recipes appearing in our publications and online that are meat free. Activity to meet these targets sees us communicate to customers to enable and encourage them to improve the balance of their baskets: eat more veg, eat more whole grains and to diversify their protein sources. More information about our health-related targets and activity can be found <u>here</u>.

Waitrose was proud to be the first UK major supermarket to launch a dedicated vegan section, and we continue to invest in our award-winning own-brand PlantLiving range as well as stocking a diverse assortment of branded plant-based products. In 2022 we launched our EatFlexi range - a perfect mix of meat and plant proteins to inspire customers who want to eat more vegetables. In October 2022 we exclusively launched 'Plants by Deliciously Ella', a range aiming to inspire customers to discover and introduce more deliciously natural, plant-based food into their diets.

We are members of the WWF Retailers' Commitment for Nature ('WWF Basket'), which aims to reduce the environmental footprint of an average basket of UK groceries by 50% by 2030. Success criteria for the WWF Basket include a suggested 50/50 split in protein sourced from plants and animals, by 2030. We publicly disclose our plant protein percentage in our Ethics and Sustainability Report and on our website (12% for 2022/23).

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OUR APPROACH TO ANIMAL SOURCED FOODS

Our protein diversification target

Waitrose supports the goals stated in the National Food Strategy and it's clear that as a nation we need to eat more plants and less meat: for our health, for nature, and to tackle climate change. To support that, we will significantly increase the amount of fruits, vegetables and plant-based foods we sell (by 10% volume by 2030). We also believe passionately that the meat we eat needs to be better: high quality, the highest animal welfare standards, regeneratively farmed, and as low carbon as possible. Waitrose is the industry leading supermarket for better higher welfare meat and so as we increase the amount of plants we sell, we will also sell more of our better higher welfare meat: more customers, buying less and buying better.

This target affects all food products (both branded and own-brand) and includes all geographies and all business divisions. It is based on a 2022 baseline year.

Through customer insight it is clear that health is the primary driver for our customers when looking to diversify their protein consumption. For this reason it is pivotal that we promote the uptake of fruit and vegetables alongside plant protein if we are to drive change. Therefore, our protein diversification target includes fruit and vegetables within our plant-based foods definition.

Processes for implementation include the consideration of this target in category planning, ranging, own brand product reformulation, and customer messaging decisions, and regular reporting (internal and public) of progress against target.

Climate risk and transition

We reported in our 2022/23 Annual Report and Accounts that scenario analysis of material risks to the John Lewis Partnership (parent company of Waitrose) arising from climate change shows that the most significant medium-term financial impact from transition risk relates to supply chain emissions of animal protein (a 1.5° C-aligned carbon tax on animal products by 2030 could result in a potential £100-150m reduction in operating profit to the Partnership annually, if all else remained equal).

To mitigate this risk we set a science-based target to reduce our supply chain (scope 3) emissions - including specific targets relating to emissions from Forests, Land and Agriculture (FLAG), in a first for the sector and country (see

https://www.johnlewispartnership.media/news/johnlewis/29062023/net-zero-science-based-target-set-for-2050 -1).

In our 2023/24 Annual Report and Accounts we will publish our Transition Plan demonstrating how we will deliver and embed our science-based target.

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OUR APPROACH TO ANIMAL SOURCED FOODS

Governance and oversight

In 2021, the John Lewis Partnership Board established a board-level Ethics & Sustainability Committee, recognising the importance of our responsibility to our Partners, the environment and those with whom we build strong relationships, including suppliers, customers and communities. The Committee's Terms of Reference state that its remit is to *"assist the Board in fulfilling its responsibilities for setting the Ethics & Sustainability strategy in accordance with our Partnership's Purpose and Values and ensuring that this strategy is embedded into the Partnership's operations by reviewing and monitoring... the delivery of the Partnership's E&S commitments" (full Terms of Reference)*. The Committee is, accordingly, responsible for overseeing implementation of our protein diversification target, as well as related targets such as our science-based target.

On a day to day level, delivery of our protein diversification target is driven by the Commercial Director, Waitrose, supported by the Ethics and Sustainability Director.

The importance of customer engagement to promote healthy and sustainable diets

As a general stance, our customer messaging targeting protein diversification focuses on encouragement, facilitation and inspiration to eat more plant protein and vegetables.

As a general rule we avoid messaging which overtly focuses on encouragement to reduce animal protein consumption, because evidence from previous behaviour change campaigns suggests that this alienates the customer.

Instead we aim to make it easy and desirable to eat healthy and sustainable diets, through a number of channels, including

- on-pack messaging (e.g. our sub-brand EatFlexi targeting customers looking to reduce animal protein consumption, or other sub-brands GoVeggie and PlantLiving)
- provision of meal inspiration and recipes, online and in magazines and our weekly customer newspaper
- in-store point of sale messaging.

We're rated as being 'on the road to success' by the Food Foundation for our efforts to help our customers eat more veg which in turn will reduce their dependence on animal protein. The Food Foundation cites our decision to increase the amount of vegetables in our ready meals.

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