

Agriculture, aquaculture & fisheries

We recognise that we must play a bigger role in transforming the food system for the better. In 2021, as part of its engagement in developing the National Food Strategy, Waitrose expressed its support for increased transparency in the food sector. Waitrose also signalled its intention for the Leckford Estate farm to be a test bed for farming innovation over the next 15 years.

It has been a difficult year for farmers and fishers across the world. In the UK, the shift to funding contingent on sustainable farming practices and environmental outcomes is already a significant change but added to the combined pressures of Covid-19, Brexit, the climate crisis and cost volatility, the agricultural sector faces upheaval on a seismic scale. We endeavour to take a collaborative approach with our suppliers.

Target	2021/22 Performance	2020/21 Performance
100% of our own-brand fish and shellfish will come from third-party verified responsible sources by December 2025	90.27%*	90.7%
Greenhouse gas emissions from our UK farms supply base to be net zero by 2035 ⁶	— ⁷	N/A

* This year, KPMG LLP has issued an unqualified opinion over the selected data highlighted in this table with an asterisk (*) using the assurance standards ISAE (UK) 3000 and ISAE 3410, see page 7 for more detail.



⁶ This target will be achieved collectively by UK farms providing own-brand protein and fresh produce for Waitrose.
⁷ It has taken our Partnership longer than we anticipated to establish a baseline by which to measure our performance and, subsequently, identify the actions required to meet this target. The baseline is dependent on both our progress towards setting science-based targets and carbon-accounting guidance on forestry, land use and agriculture from the Science Based Targets initiative. Setting a clear roadmap to reach this target, and sharing it with our suppliers, is a priority over the coming year.

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LIFE ON LAND



Our progress

Good Life animal welfare project

In February 2021, our Good Life app for measuring the emotional wellbeing of farmed animals was launched in several of our supply chains, enabling us to drive improvements and share best practice among producers. One example of this work being used to generate improvements is in our farmed salmon supply chain.

In 2021, a Good Life project was set up by our dedicated salmon and loch trout supplier, Aquascot, in collaboration with one of our farming partners, The Scottish Salmon Company. The project developed a suite of operational welfare indicators recorded regularly by farm staff and compared against a traffic light system to provide an early warning of any challenges the salmon may be experiencing. The first phase of the project focused on aspects of good feeding, housing and health and embedded the indicators into the farm management routine. For the second phase of the project, initiated in late 2021, leading academic Professor Francoise Wemelsfelder, from Scotland's Rural College, joined the team to help develop a mechanism that enables us to assess the emotional wellbeing of salmon. This world-leading work, acknowledging that fish are sentient beings who are capable of emotional expression, will continue in 2022.

Working to avert a UK pig farming crisis

Over the last year, British pig producers have faced unprecedented challenges, including unprofitable market prices, processing backlogs and rising input costs. We are supporting pig farmers supplying Waitrose pork products with additional payments, sharing the burden of the increased cost of production and ensuring they receive a fair price for their products. We're proud of our longstanding supply base, which remains dedicated to our shared values and can continue to supply us with quality pork for years to come.

Progressing third-party fish certification for wild species

Our fish counters rely on a wide choice to meet customer demand and include several species from small and mixed fisheries which could take many years of industry collaboration to certify. Of the few own-brand fish products we sell which are responsibly sourced but uncertified, several species, such as monkfish, ray wings and brill, are sourced from UK waters. Through our participation in and financial support for Project UK, a collaboration between the fishing industry, scientists, non-governmental organisations and seafood supply chains, we are helping fisheries across the UK work towards an environmentally sustainable future. We also support Fisheries Improvement Projects (FIPs), both in the UK and worldwide, including the development of a North Sea monkfish FIP. Further afield, our ongoing advocacy work and financial support has resulted in the Maldivian yellowfin tuna handline fishery starting a FIP, which, along with Sri Lankan yellowfin tuna, means all the yellowfin tuna we source from the Indian Ocean are now covered by a FIP.

Our Good Life animal welfare project picked up the Farming for the Future award at the BBC Food & Farming Awards 2021. This recognises our collaboration with Scotland's Rural College to develop a novel approach to measuring the emotional wellbeing of animals on farms supplying Waitrose.

Our challenges

Loss of MSC certification for mackerel and herring

We are proud that Waitrose won MSC UK Fish Counter of the Year for a fourth year in a row. Our counters had the highest number of MSC-certified labelled fish products and species on sale in the year preceding 31 March 2021.

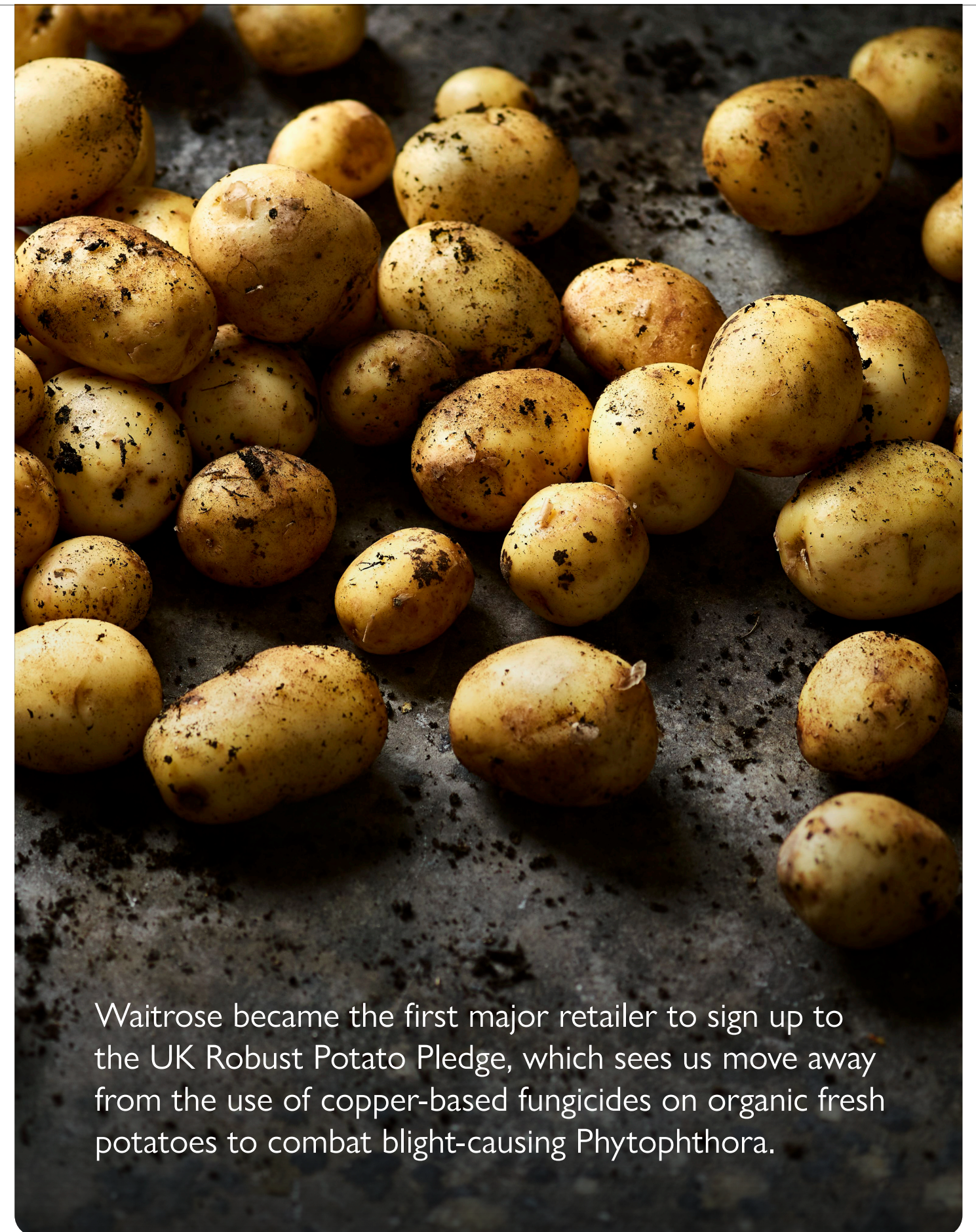
However, Waitrose own-brand mackerel lost its MSC certification in 2019, contributing to a small decrease in our performance against our target this year. These species require co-management across several countries which have repeatedly failed to agree quotas that are in line with scientific advice. As a result, significantly more of these fish are being caught which resulted in declining stock levels and the loss of MSC certification. As Waitrose believes in an ongoing premise of responsible behaviour, even when not actually purchasing the products, we helped initiate conversations with other key retail stakeholders, resulting in becoming a founding steering group member of the North Atlantic Pelagic Advocacy group, a market-led initiative to improve the region's fisheries management. Alongside our suppliers, we continue to work collaboratively with stakeholders to conserve stocks, protect fisheries and regain MSC certification.

Encouraging adoption of the Responsible Fishing Vessel Standard (RFVS) for UK vessels

Launched in 2020, the RFVS enables fishing operations to assure decent working conditions and operational best practice in line with internationally agreed protocols and guidelines. In Scotland, vessels supplying Waitrose have started to adopt the RFVS, but adoption is limited elsewhere, largely due to already strong sales demand and stakeholders not wishing to incur additional costs. Working with the Global Seafood Alliance (GSA) and our main supplier of UK wild-caught fish, Flatfish, we have held roadshows encouraging RFVS adoption. As the challenge continues, we will maintain our dialogue with the GSA, fishers, suppliers and other relevant organisations.

A volatile dairy market

UK dairy farmers are experiencing significant issues at present, such as unprofitable market prices and large increases in the costs of feed, fuel and labour. Waitrose strives to pay its dairy farmers a fair price for their milk. Throughout 2021, Waitrose reviewed its milk prices against the market and set prices commensurate with the cost of production. In 2022, we expect these challenges to continue and are committed to continue ensuring our dairy producers receive a fair price.



Waitrose became the first major retailer to sign up to the UK Robust Potato Pledge, which sees us move away from the use of copper-based fungicides on organic fresh potatoes to combat blight-causing Phytophthora.

Farming with nature

We continue to challenge ourselves and our supply base to produce the highest-quality products that respect our natural world. Biodiversity, both on land and in water, is critical to maintaining the ecosystems that safeguard food security worldwide. The Waitrose Agriculture Plan sets out our pledge to enhance biodiversity and regenerate the natural resources upon which we rely.

Waitrose was the first major retailer to require all its non-organic UK fresh fruit and vegetables to be grown to Linking Environment And Farming (LEAF) standards.

Since the LEAF Marque's inception in 2006, we have worked closely with LEAF and UK farmers supplying Waitrose own-brand fresh fruit and vegetables to implement Integrated Farm Management. This holistic approach allows the farmers to farm more sustainably, benefiting themselves, the environment, their local community and our customers.

Livestock farmers working with us continue to make space for nature on their farms. Dairy farmers supplying Waitrose set aside 10% of their land for biodiversity and habitat management. Farmers supplying Waitrose free-range and organic chicken have planted over 70,000 trees for the birds to run between, benefiting both the birds' wellbeing and the environment. We will continue to drive initiatives such as these across our Partnership to ensure that our business always places nature at the heart of its operations.

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Waitrose Agriculture Plan



Pay our farmers and fishers a fair price to protect them from volatility, doing all we can to help prepare them for a world without subsidies.



Champion and campaign on key issues facing our farmers and fishers.



Give more than we take from the communities we source from, delivering industry-leading worker welfare.



Make greenhouse gas emissions from our UK farms net zero by 2035.



Eliminate avoidable on-farm food waste and single use plastics.



Source our animal feed responsibly, in ways that conserve forests and fisheries.



Ensure that everything we source from the sea is responsibly fished or farmed.



Ensure our animals have good lives and humane and dignified deaths.



Embrace radical transparency and shine a light on our supply chains.



Harness the network of our farmers and fishers to share knowledge and develop industry leading best practice.



Support farmers to farm with nature, by enhancing biodiversity and playing our part in regenerating the natural resources we all rely on.



Lead by example on our own farm, the Leckford Estate, innovating, learning and sharing new ways of farming.

Agriculture Plan update: Examples of our progress

The Waitrose Agriculture Plan was launched in 2020 and sets out our ten-year ambition. We believe that farming partnerships and more sustainable and regenerative farming practices will be key to our future success, and the plan details the 12 points we have identified to realise that ambition.

PROGRESS UPDATE 1: Eliminating avoidable on-farm food waste

In 2020, we committed to halving the food waste in our supply chains by 2030, and we have implemented a whole-chain approach to pursue this goal. Waitrose was among the first UK supermarkets to adopt the Food Waste Reduction Roadmap devised by the Waste Resources Action Programme (WRAP). We published the first case study of our progress against the roadmap in September, having collaborated with Worldwide Fruit to explore food loss and waste across our apple supply chain.

Alongside our salmon and trout supplier, Aquascot, we have also made progress against the roadmap on our pre-packed and service-counter trout. This momentum will continue in 2022 and reach additional key product categories.

PROGRESS UPDATE 2: Sourcing animal feed responsibly, in ways that conserve forests and fisheries

One of the greatest challenges to the rapid growth of aquaculture is a sustainable supply of feed: in particular, fishmeal and fish oil (FMFO). FMFO is often sourced from forage fish, which are specifically targeted for animal feed and form a vital part of marine food webs. With ever-growing demand for this resource, it must be utilised sustainably and efficiently, ensuring prioritisation for direct human consumption, conserving stock levels and protecting marine food web stability. In an effort to source more sustainably, Waitrose is investigating increased sourcing of FMFO from fish by-products, such as unwanted trimmings from the processing of fish caught for direct human consumption. In 2021, Waitrose match-funded a grant from the Centre for Innovation Excellence in Livestock to finance research by the Institute of Aquaculture⁸ assessing the potential of a fish trimmings by-product feed for Scottish salmon and trout. It found that by-products generate lower environmental footprints than current feed formulations, an important finding that will inform our policy on sustainable aquaculture feed sourcing.



In December 2021, Waitrose announced that over the next 15 years the Leckford Estate farm will be a test bed for practices that prioritise farming with nature. This initiative supports our approach to tackling climate change. Leckford has been a LEAF Demonstration Farm since 2004 and, in 2021, became a LEAF Beacon of Excellence in Regenerative Agriculture. The Beacons of Excellence programme provides a deep dive into particular issues occurring on farms and will highlight the benefits and successes of more sustainable farming methods.

NARROWING OF THE RIVER TEST TO IMPROVE FLOW AND BIODIVERSITY

INCREASED
SIZE OF
HEDGEROWS
TO CREATE
WILDLIFE
CORRIDORS

IMPLEMENTED
A NEW 12-
YEAR CROP
ROTATION
COVERING ALL
1,200 ACRES OF
CROPPED LAND

THE ADDITION
OF AN AVENUE
OF MATURE
TREES ON OUR
LECKFORD
ESTATE AS PART
OF THE QUEEN'S
GREEN CANOPY

8 With the support in-kind of our dedicated salmon and loch trout supplier, Aquascot, and leading global feed manufacturer, Cargill Animal Nutrition and Health.



Looking forward

The urgent, human-induced crises of rapid climate change and biodiversity loss are already having tangible consequences. As part of the solution, we believe that farming in harmony with nature and employing regenerative agriculture techniques are vital.

Through our Agriculture Plan, we pledged to play our part in regenerating the natural resources on which we all rely and make our UK farm-supplier network net zero by 2035. We believe we can accelerate this transition and inspire others through our own farm.

Leckford Estate is a unique asset – Waitrose is the only UK supermarket with its own farm – and, over the coming years, we will channel our resources into testing initiatives that embrace regenerative agriculture principles, aiming to prove their efficacy and encourage adoption across the industry in support of global net zero ambitions. We will not only focus on reducing carbon emissions but also on building resilience against risks, such as disease and pests, and soil degradation.

We will combine research and practical application to identify the farming techniques that manage land most effectively. We believe this work can help reduce reliance on chemicals, artificial inputs and fossil fuels at our own farm and on others, and we will work with experts to establish metrics that track progress towards our goals.

We intend to share all our findings with our farmers, suppliers and interested parties throughout the agriculture and retail industries, elevating regeneration and conservation from a nice-to-have to essential everyday farming practice. We believe investing in these initiatives and exchanging insights with farmers in our supply base will help us deliver our 2035 net zero commitment.

