



# Circularity & waste

As a retailer of diverse product ranges, including textiles, homewares, technology and food, we try to consume natural resources responsibly and more sustainably.

We want to help society move away from the ‘take - make - dispose’ economic model and embrace circular models where products are designed to last, be repaired, or get passed on to others before being recycled into new products when they finally wear out.

Our Partnership recognises that we have a responsibility to minimise waste and help customers do the same. This is most tangible with product packaging, particularly single-use plastics. We continue to work on reducing single-use plastic packaging and ensuring that wherever it is still used, as much as possible is sourced from recycled material.

The Covid-19 pandemic has slowed our progress as we have ensured continuity of supply in the face of severe operational challenges, but we have nevertheless made strong headway in several areas.

Target	2021/22 Performance	2020/21 Performance
85% of all operational waste across the Partnership will be recyclable by 2028 <sup>25</sup>	73.35%*	71.7%
All own-brand primary product packaging across our two brands will be widely recyclable, reusable, or home compostable by 2023	John Lewis: — <sup>26</sup> Waitrose: 88.45%*	John Lewis: 92% Waitrose: 88%
John Lewis: all product categories will have a buy back or take back solution by 2025	Four categories out of ten <sup>27</sup>	N/A
Waitrose: by 2030, reduce operational food waste by 50% against a 2018 baseline (6,969 tonnes) <sup>25</sup>	-20.84%* <sup>28</sup>	-20.7%
Waitrose: halve food waste in our supply chains by 2030	Not yet reported <sup>29</sup>	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.

25 Performance figure in the table is based on the calendar year.

26 Not reported due to changes to data collection methodology in 2021/22.

27 Current product categories: Fashion - Womenswear, Menswear, Childrenswear, Beauty; Home - Gifts, Cook, Dine & Seasonal, Home Furnishings, Home Accessories, Home Services; Tech - Electricals, Communication Technology.

28 Performance figures in the table show the reduction in Waitrose operational food waste, compared to a 2018 baseline of 6,969 tonnes. Performance for the financial year ended January 2022 is 5326 tonnes\*, which compared to the baseline is -23.58%\*.

29 We are in the process of quantifying supply chain food waste against a 2018 baseline which will enable us to report against this target.

# Circularity & waste:

## What is the circular economy?

Every year, humanity consumes more natural resources than the planet generates.<sup>30</sup> This fuels many of our starkest environmental challenges, from biodiversity loss to climate change.

There are three main actions we can take, as individuals and as a global society, to break this cycle:

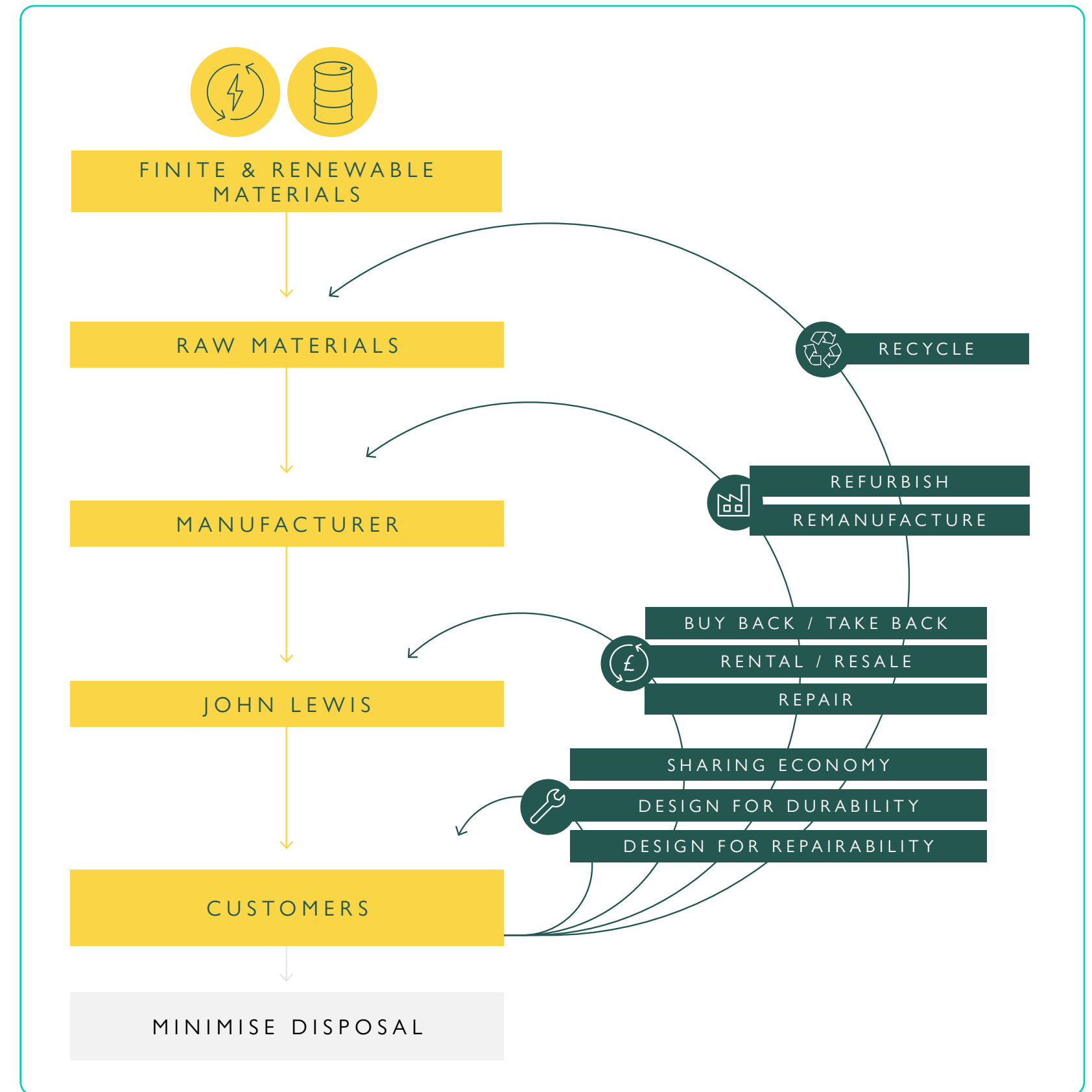
- Consume less.
- Consume more consciously, by choosing products with a lower resource footprint.
- Recirculate products and their components when they reach the end of their use, reducing demand for raw materials.

Together, these concepts define a circular economy.

In a circular economy, products are designed to last, be repaired and be recirculated at the end of their use. In this model, we view waste products as valuable resources.

A circular economy has the potential to shrink the raw material footprint of products, reduce demand for virgin raw materials and, if adopted on a sufficiently wide scale, bring our consumption back within the ability of our planet to cope.

**This diagram shows what the circular economy means for John Lewis.**



30 Earth Overshoot Day. Global Footprint Network, 2021, Earth Overshoot day calculations, 13.04.22 <https://www.overshootday.org/2021-calculation/>

# Our progress: John Lewis

## Sofa reuse scheme

In 2021, we celebrated a decade of our partnership with Reuse Network, a charity working to alleviate furniture poverty, reduce waste and tackle climate change. John Lewis donates unsold items to Reuse Network, and when a customer pays a fee for John Lewis to remove an old sofa, the charity processes the furniture, donating it to households in need. Since 2012, over 53,000 sofas have been donated or collected from John Lewis customers' homes, including 6,420 in 2021/22. In 2021, we offered this service to online customers for the first time.

We are also working with the Exeter Centre for Circular Economy (ECCE) at the University of Exeter to support our circular design programme to ensure our own-brand products are designed to meet durability, recyclability and repairability criteria, to support the reuse of resources when products reach the end of their lifecycle.

## BeautyCycle

Our BeautyCycle scheme provides customers with a convenient solution for hard-to-recycle beauty empties. Since its launch in 2019, over 170,000 My John Lewis customers have used BeautyCycle, saving over 800,000 beauty packaging empties from landfill, with over 550,000 in the last year alone. In 2021, in collaboration with our specialist recycling partner, we funded the installation of a playground made from recycled plastic at the Becton Centre for Children & Young People in Sheffield.



## The Circular Future Fund

In November 2021, alongside Hubbub, we launched a Circular Future Fund to search for trailblazing circular innovation across key product areas. The Fund attracted over 240 applications, and, after a thorough review process, we have selected the winners, which will be announced in May, 2022 and amongst which the £1 million fund will be awarded to help bring their innovations to fruition.

## Textiles 2030

The fashion industry is widely believed to be the second-most polluting industry in the world<sup>31</sup> and a significant contributor to greenhouse gas emissions and water consumption. In 2021, we became a founding signatory of WRAP's Textiles 2030 agreement which, in collaboration with our industry peers, sees us actively seeking to reduce the aggregate greenhouse gas and water footprint of our textile supply chains.<sup>32</sup>

# Our challenges: John Lewis

## Circular business models

To achieve our net zero ambition, we will need to scale and integrate circular business models into our customer journey. There has been significant innovation in this field, including buyback, rental and repair schemes, but customer uptake remains limited. In 2022, we aim to improve our circular business model offering and raise consumer awareness.



The growth of online shopping accelerated significantly as a result of the pandemic. In a consumer market that increasingly values fast convenience, our highly automated processing and distribution facilities make it challenging to reduce packaging on John Lewis own-brand products. Removing packaging can also result in product damage, which itself creates waste. In 2022, we will trial innovations to remove single-use packaging from online deliveries, testing and learning how we can effectively and rapidly reduce packaging from online sales. We are working with Waitrose own-brand suppliers to reduce packaging on fresh produce, balancing this with potential increases in food waste given the protection much fresh produce packaging provides.

<sup>31</sup> United Nations, 2019, UN launches drive to highlight environmental cost of staying fashionable, 24.03.22, <https://news.un.org/en/story/2019/03/1035161>

<sup>32</sup> Textiles 2030 targets:

- Reduce the aggregate greenhouse gas footprint of new products by 50%, sufficient to limit global warming to 1.5°C in line with the Paris Agreement on climate change and achieving net zero by 2050 at the latest.
- Reduce the aggregate water footprint of new products sold by 30%.



CASE STUDY

# From sheep to sleep



“The wool market has been tough for a long time and now, with exports to China halted because of the pandemic, it’s even tougher. My hope is this initiative will kickstart a resurgence in interest in British wool. We’ve been farming in Aberystwyth for 250 years and if I have anything to do about it, we’ll be farming here for another 250 years.”

PATRICK LOXDALE  
Farmer of Waitrose lamb and John Lewis wool

Being both a supermarket and a department store, our Partnership is uniquely positioned to develop opportunities for collaboration on new and more sustainable initiatives. One such example is the John Lewis Natural Mattress range, launched in August 2021.

All Waitrose own-label fresh and frozen lamb is sourced from UK farms, many of which have supplied Waitrose for generations. Once a highly valued commodity, wool, a by-product of sheep farming, has been underutilised for decades, and, in 2021, wool prices plummeted as markets closed due to the pandemic. Many farmers resorted to burying or burning wool.



Our Partners, working closely with two key suppliers, identified an opportunity to support lamb farmers supplying Waitrose by purchasing their high-quality fleece and using this (alongside additional, fully traceable wool purchased from Red Tractor-certified farms) in a new John Lewis mattress range. As well as supporting farmers in the Waitrose supply chain, it means that this wonderful, natural, biodegradable, temperature-regulating raw material is kept in use for longer.

# Our progress: Waitrose

Throughout 2021, Waitrose made further progress on the removal of single-use plastic and the recyclability and reduction of packaging across its own-brand product range. This included:

- Stopping the sale of magazines which give away single-use plastic toys.
- Reducing single-use plastics across own-brand Easter eggs and confectionery by 44%



In 2021, we reduced packaging across paper-based bathroom and kitchen products, saving 130 tonnes of board per year.

- Reducing made-to-order sandwich platter packaging by 65%, including introducing a recyclable cardboard base
- Reducing packaging across paper-based bathroom and kitchen products, saving 130 tonnes of board per year.
- Launching, in collaboration with suppliers Berry Gardens and Sharpak, a new Air-Light punnet, made from 80% recycled material, for Waitrose British strawberries, saving 17 tonnes of plastic over summer 2021.

## The end of bags for life

Despite our intention that Waitrose bags for life should be repeatedly reused, a minority of shoppers were still using them just once. In September 2021, Waitrose removed 10p bags from 287 core stores and its food home-delivery service. This is estimated to save up to 40 million bags from being produced annually.

Our supermarket launched a range of reusable 50p bags in case a customer forgets to bring their own, and Waitrose continues to explore how it can better encourage customers to transition to reusable carrier bags.

## Combating food waste

Global food waste is a major contributor to climate change, accounting for more global greenhouse gas emissions than all commercial flights.<sup>33</sup> Since 2017, we have been donating surplus food from our shops to FareShare, which redistributes it to those in need – and additionally, since 2019, food from our Distribution Centres. In 2021, we donated 1,841 tonnes of surplus food, equivalent to more than 4.3 million meals, to over 3,000 charities via FareShare.

In the UK, 70% of all food waste comes from homes.<sup>33</sup> To mark COP26 in November 2021, Waitrose launched its biggest-ever food-waste awareness campaign. Across online channels, social media, radio and printed press, it provided inspiration to help reduce food waste. Waitrose estimates the campaign reached over 10 million people.



# Our challenges: Waitrose



## Waitrose Unpacked

To eliminate single-use packaging, we need to remove it where viable and support refillable and reusable alternatives. Customer uptake, financial viability and supply chain capability all present challenges to scaling our Waitrose Unpacked test operating at four branches. To address a number of these challenges, in 2022/23, we will test the Unpacked model further in the four existing branches and apply the learnings with the aim of achieving scalable commerciality. We will also work with other retailers and supply chain partners to make refillable grocery packaging more easily available to shoppers in our stores.

## UK-based flexible plastics recycling

In 2021/22, we launched a trial enabling customers to recycle flexible plastics in 37 Waitrose stores. We do not wish to exacerbate the UK's export of packaging waste and are in the process of identifying a sustainable, UK-based recycling provider with a view to rolling out this initiative more widely across the Waitrose retail estate.

## Evaluating food waste campaigns

We are committed to helping customers halve food waste at home by 2030. Primarily, we do this via customer information campaigns, but we have no way to assess the extent to which they change behaviour. Therefore, we are discussing with WRAP how we might measure impact and thereby stimulate innovation in the sector.

<sup>33</sup> WRAP, 2021, Wasting Food Feeds Climate Change: Food Waste Action Week launches to help tackle climate emergency, 24.03.21, <https://wrap.org.uk/media-centre/press-releases/wasting-food-feeds-climate-change-food-waste-action-week-launches-help>

# Looking forward

The COP26 summit helped shine a much-needed spotlight on sustainability issues. Since then, we have noted heightened customer demand for retailers to provide sustainable solutions and avoid waste. We are operating a number of initiatives that attempt to meet that demand.

In 2022/23, John Lewis will continue to embed circular design thinking into business-as-usual practices. It will expand its takeback and buyback options and explore other circular models, such as rental and repair. And it will seek to identify further waste-to-resource initiatives, building on its Sheep to Sleep natural mattress project, because we believe there are more opportunities for John Lewis to provide high-quality end uses for secondary raw materials from Waitrose supply chains.

Within both Waitrose and John Lewis, we will continue to strip away single-use packaging and provide our customers with convenient reuse, refill and recycling solutions. We are on track to meet our 2023 Waitrose packaging target two years ahead of the industry-wide WRAP UK Plastic Pact.<sup>34</sup>

We will also continue to proactively engage with our key external stakeholders. As one of the only retailer members of the UK government's Circular Economy Working Group, we will continue to share insights and views to help inform future packaging legislation.

And Waitrose will keep tackling food waste in its own operations by finding ways to redistribute more surplus food, whether that's through human consumption (always our first preference) or as animal feed.

We will also expand our current work addressing food waste in our supply chain by working with larger suppliers to identify waste hotspots and prevent surplus food from becoming waste. Finally, following our largest customer-facing food waste campaign in 2021, we will launch two additional campaigns in 2022 as we continue to help customers halve their food waste by 2030.



34 WRAP targets:

- Eliminate problematic or unnecessary single-use packaging through redesign, innovation or alternative (reuse) delivery model.
- 100% of plastics packaging to be reusable, recyclable or compostable.
- 70% of plastics packaging is effectively recycled or composted.
- 30% average recycled content across all plastic packaging.