

Biodiversity

From pollinating our crops to treating our waste and providing us with healthy soils, air and water, nature underpins our very existence.

Yet, the human population continues to over-exploit natural resources, destroy ecosystems and contribute to biodiversity loss: wildlife population sizes have declined by 68% on average since 1970.³⁵ The vital services that biodiversity provides to humankind are under severe threat.

Our Partnership is committed to protecting and restoring biodiversity and to reversing existing negative effects. This is at the heart of our Agriculture Plan, which aims to minimise the environmental impacts associated with our farming production methods at Waitrose. While protecting nature has always been in our DNA, we know that we must and will do more to meet the scale of the global challenge.

WWF BASKET

Waitrose signed WWF's Retailers' Commitment for Nature alongside four other UK supermarkets, requiring us to collaborate with the industry to halve the environmental footprint of a UK shopping basket by 2030.

35 WWF, 2020, Living Planet Report 2020 [online], 24.03.22, <https://fhubspotusercontent20.net/hubfs/4783129/LPR/PDFs/ENGLISH-FULL.pdf>

13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



Our progress

While biodiversity has always been important to our Partnership, all the way back to our naturalist founder, John Spedan Lewis, in 2021 we placed a greater emphasis on it than ever before, and this attentiveness will continue.



SCIENCE BASED TARGETS FOR NATURE

Our Partnership became an engagement partner to help test and feed back on the methods, guidance and tools for setting science-based targets for nature.

WWF Basket

Waitrose has become a signatory of WWF's Retailers' Commitment For Nature (WWF Basket), aiming to halve the environmental footprint of a UK shopping basket by 2030. Success will be measured annually by WWF against metrics linked to climate, deforestation, alternative protein, nature, packaging, food waste and more. For example, Waitrose will need to ensure that water resources in key fruit and vegetable sourcing regions are managed sustainably. We will report data annually to WWF on our progress and publicly report on actions we have taken.

Science Based Targets for Nature

Our Partnership has signed up as an engagement partner of the Science Based Targets Network to help test and feed back on the methods, guidance and tools for setting science-based targets for nature – an emerging, robust framework for businesses to tackle biodiversity loss.

Courtauld Commitment 2030 Water Ambition

Waitrose signed up to this initiative in 2021, aiming to help the UK food and drink sector improve the quality and availability of water across the 20 most important product and ingredient sourcing regions. The programme will design, test and demonstrate nature-based innovations for improving water security for fresh produce growers – reducing flooding impacts, improving water quality and enhancing biodiversity.

Through this commitment, we have already co-funded a programme to tackle water scarcity and quality in the UK's Medway catchment area, an important fresh-product sourcing region. We are also supporting the scoping of a WWF project that aims to tackle unsustainable water management in Spain, which is our second most important sourcing region for fresh produce, after the UK.

The Queen's Green Canopy

Our Partnership is a Platinum Supporter of The Queen's Green Canopy – a nationwide tree-planting initiative in celebration of Her Majesty The Queen's 70 years on the throne. As part of the celebrations, we are planting and landscaping an avenue of mature trees on our Leckford Estate which, together with over 1,000 additional trees of various species, will provide a valuable wildlife habitat.



Going peat free

Waitrose has now stopped selling bagged garden compost containing peat. Peatlands host precious habitats for rare species of flora and fauna. They also store significant amounts of carbon, and harvesting peat releases that carbon into the atmosphere, contributing to climate change.

Delisting harmful products

In 2021, John Lewis and Waitrose stopped selling several potentially harmful products, such as artificial grass for gardens and certain garden chemicals, including specific garden bug sprays and granules, weedkillers and slug pellets. We are committed to offering customers more environmentally friendly options to make their gardens wildlife havens.

Our challenges

Declining biodiversity

If biodiversity, including the abundance of pollinators, is neglected, it has the potential to disrupt our operations, increase costs through damage-control measures and heighten risks.

Measuring biodiversity

The abundance of life within ecosystems makes it tough to measure our impact on biodiversity, and there is much academic debate about how to assess biodiversity health. As a retailer, these issues are compounded by complex, multi-tier supply chains. We often have limited visibility of the production of raw materials used in our own-brand products, yet this is where much of the potential for biodiversity harm lies. Science-based targets for nature will help us establish a robust methodology to measure biodiversity in supply chains and deliver meaningful impact.

CASE STUDY

Leckford Estate



Leckford, which produces beef, mushrooms, rapeseed oil, apple juice, wine, flour and cider for Waitrose, has held LEAF Marque Certification since 2001. We embrace regenerative practices in our land management there in order to nurture the healthy soil that is fundamental to farming, food production and biodiversity.

This restorative approach to farming is based on principles which we have adopted in a new 12-year crop rotation covering all 1,200 acres of cropped land. The rotation includes herbal leys to integrate our beef herd into this regenerative method, as well as a mix of autumn- and spring-sown combinable crops, such as winter wheat and oilseed rape.



We are also responsible for maintaining 3.5 miles of the bank of the River Test that flows through the estate. In 2021, we worked with the Environment Agency and Wessex Rivers Trust to narrow three over-wide sections of the river, improving flows to benefit biodiversity. Our monthly sampling shows that water is in better quality when it leaves us, with reduced phosphate levels.

Through the estate's role as a LEAF Demonstration Farm and in line with our ambitions for regenerative agriculture, we will share our good practice with other landowners, helping improve biodiversity beyond our farm's boundaries.



CASE STUDY

John Spedan Lewis Foundation

The John Spedan Lewis Foundation (JSLF) is a national nature charity supported by our Partnership. Established with an endowment in 1964, the Foundation focuses on the personal interests of our founder, John Spedan Lewis (1885–1963), who was a keen naturalist. The Foundation has several charitable objectives, including grant-giving to UK nature charities.

In 2021, the JSLF became a funding champion of the inaugural Green Match Fund, launched on Earth Day (22 April). Through a crowdfunding platform managed by The Big Give, the JSLF's £25,000 pledge helped raise an additional £38,000 in public donations. The projects funded included community-driven work to enhance wildlife habitats in urban areas, rewilding across 20 small estates,

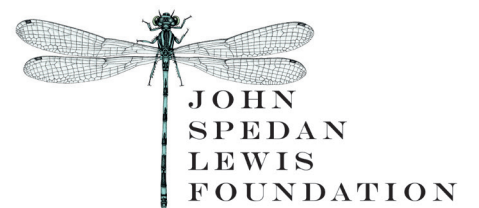
farms and community lands in Scotland, a participatory programme co-developed with communities underserved by UK National Parks, whale and dolphin monitoring in the Hebrides, and improved communications systems to recover ghost fishing gear from UK waters.

The JSLF also worked to improve its governance and inclusivity in 2021. Collaborating with external financial advisors, the Foundation revised its investment strategy and developed a new policy, divesting its endowment fund from fossil fuels. Additionally, in response to the Black Lives Matter human rights movement, it created a new PhD studentship and career medal with the aim of widening participation. Both the new studentship and medal are due to be launched this year.



I have always thought that, if my own work for the Partnership has in the end some real importance, it will be because to the problems that it is an attempt to solve, I have brought the mind of a naturalist.”

JOHN SPEDAN LEWIS,
The Gazette of the John Lewis Partnership, 2nd Feb, 1935, page 4





Looking forward

In 2022, we will create a Biodiversity Plan which, for the first time, will bring together our various initiatives supporting biodiversity into a single set of actions. The plan will outline how we intend to protect and restore nature through better understanding of risks and opportunities.

We will support the launch of the Science Based Targets Network (SBTN) and, once the appropriate guidance and approval bodies have been formalised, aim to set a science-based target for nature. This will ensure we appreciate our impact on biodiversity and that our actions to tackle biodiversity loss are proportionate to the scale of the global challenge.

In the meantime, in alignment with the principles of the SBTN, we will greatly increase our work to protect and restore nature. This activity will include:

- Entering into a strategic partnership with a high-impact, conservation NGO to support their work protecting and restoring nature and to guide our own efforts.
- Incorporating biodiversity into a strengthened sourcing policy, ensuring our farmers and fishers are held to high standards.
- Embedding nature restoration into our work with communities. For example, by promoting Partner volunteering opportunities in the UK and encouraging sustainable livelihoods internationally.
- Seeking to support the development of the Taskforce on Nature-related Financial Disclosures.

COURTAULD COMMITMENT 2030:

Waitrose signed the Commitment's Water Ambition, aiming to improve the quality and availability of water in the 20 most important product and ingredient sourcing regions.

Climate action

The human-induced climate crisis is changing the world we live in right now, with negative consequences for people and nature.

As the clock ticks on this critical decade of action, we must face up to our responsibilities. Our Partnership sells over 200,000 own-brand products, sourced from more than 90 countries. The lifecycle of these products takes its toll on the natural environment.

While we have long invested in reducing the carbon footprint of our physical estate and transportation – which is why we have an existing pledge to reach net zero within our operations by 2035 – with most of our carbon footprint expected to come from our supply chain, we know we need to do more. That's why, in 2021, we committed to setting science-based targets and developing a roadmap to rapidly reduce our entire carbon footprint within both our own business and our global supply chains.

For the Streamlined Energy and Carbon Reporting disclosure for the Partnership's 2021/22 financial year, please view the John Lewis Partnership PLC Annual Report and Accounts 2022.

36 Performance figures in the table are based on the calendar year (ie '2021/22' refers to calendar year 2021). The exception to this is 'All heavy trucks to be converted to biomethane fuel by 2028', which is based on the financial year.

37 Performance figures in the table show the absolute market-based reduction in global greenhouse gas emissions (scope 1 & 2), compared to a 2018 baseline of 175,381 tCO₂e. Performance for the financial year ending January 2022 is 134,653 tCO₂e, which compared to the baseline is -23.22%*.

38 100% of electricity consumption across our physical estate is backed by Renewable Energy Guarantees of Origin (REGO) certified renewable energy sources.

39 The Partnership's transport fleet is comprised of vans, trucks and refrigerated trailers

40 Performance figures in the table show progress in 2021 towards ending the use of fossil fuels across the Partnership's transport fleet, measured as the percentage of diesel displaced by alternative fuels. The move to alternative fuels measured as a reduction in litres of fossil fuels for the calendar year is 18.7% (28,328,818* litres vs the 2018 baseline 34,855,311 litres)



Target³⁶

2021/22

Performance

2020/21

Performance

Net zero carbon emissions across our entire operations by 2035 (Scope 1 & 2)³⁷

-22.18%*

-16.25%

Scope 1 (tCO₂e)

Combustion of gas and fuel for transport purposes and refrigeration

– Location-based

138,080*

141,078

– Market-based

135,704*

141,078

Scope 2 (tCO₂e)

Electricity purchased, heat and steam generated for own use

– Location-based

117,694*

130,352

– Market-based

772*

5,817

All electricity procured by our Partnership to be 100% renewable certified by 2028

100%³⁸

97.4%

An absolute energy reduction within our Partnership's physical estate of 25% by 2028 from a 2018 baseline*

-11.20%*

-13.5%

All Waitrose core store refrigeration to be hydrofluorocarbon (HFC) free by 2028

62% HFC free

57% HFC free

Waitrose to stay under a 7% refrigerant gas leakage rate

4.02%

4.7%

All heavy trucks to be converted to biomethane fuel by 2028

43.37% biomethane

38% biomethane

We will end the use of fossil fuels across the Partnership's transport fleet³⁹ by 2030

28.40%*⁴⁰

N/A
(new external target for 2021/22)

* 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.



Our progress

Science-based targets

In October 2021, we committed to setting science-based targets for our operations and global supply chains in line with avoiding the worst effects of climate change. These targets ensure we follow a credible and scientifically verified carbon-reduction pathway.



The world of finance has a critical role to play in enabling businesses to reduce their climate change impact. I am delighted that in establishing this credit facility, the Partnership took an important new step to align our financial strategy with our sustainability goals. I look forward to seeing this relationship strengthen, ensuring we truly live up to our purpose ‘Working in Partnership for a Happier World’.”

BÉRANGÈRE MICHEL

Executive Director for Finance

Decarbonising our transport fleet

Our Partnership has a detailed plan to decarbonise our vehicle fleet, aiming to become fossil-fuel free by 2030 and net zero by 2035. At the end of the 2021/22 financial year, 43.37% of our heavy trucks in the fleet ran on biomethane. Since then we have made further progress and as of April 2022, 59% (345 out of 581) now run on biomethane. We are also trialling a smart charging system to prioritise charging when the carbon intensity and price of electricity are lowest.

We anticipate saving over 500,000 tonnes of CO₂ equivalent through electrification and biomethane use. There are benefits for drivers too, who can enjoy the ride in quieter, smoother gas trucks.

Helping customers use electric vehicles

In July 2021, we announced we would work with Shell to install up to 800⁴¹ electric vehicle charging points in as many as 100 Waitrose car parks by 2025, supporting the UK's transition to electric vehicles and offering convenience to our customers. The first of these were installed at Waitrose, Cirencester, with two rapid (50kW) and six fast (22kW) charging points now available for customer use.



Reducing the climate impact of our property portfolio

Our Partnership continues to deliver initiatives that improve energy efficiency and reduce greenhouse gas emissions across our physical estate. In 2021/22, we upgraded refrigeration in 18 Waitrose stores to an innovative water-cooled alternative. This uses refrigerants with significantly lower global warming potential (GWP) than conventional refrigerant gases.

We have also committed to moving away from gas heating in our properties, and, in 2021/22, piloted heat pump technology to replace gas at our Chesham Waitrose branch. The results of our trial are encouraging.

Climate risk and sustainable finance

In 2021, we became an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD) and conducted scenario analyses to better understand some of our key climate risks and opportunities. Find out more about our TCFD programme in the Partnership's 2021/22 Annual Report and Accounts (pages 19-23).

We also entered into a £420 million, five-year credit facility with interest payments linked to our environmental targets on carbon emissions and food waste.

⁴¹ Of the 800 new charging points to be installed in collaboration with Shell, 69 are replacements for existing points operated by BP.

Our challenges

Scope 3 emissions

Measuring the carbon footprint of our supply chain is extremely complex. For example, we are currently allocating carbon emissions for the products we sell. This means working with millions of rows of data and, at times, making assumptions when detailed data is unavailable. Measuring progress against our science-based target annually will allow us to continually improve our data quality. We are working with climate change consultancy South Pole to support us in this programme of activity and have expanded our in-house climate change team.

Green infrastructure

Whilst we are making strong progress converting heavy goods vehicles to biomethane, we believe this is a bridging fuel, with catenary power the goal. We expect to trial electric catenary vehicles as part of a £400 million Department for Transport-funded project. Electricity is delivered to trucks as they move down trunk roads, with vehicles hosting a relatively small battery to make deliveries away from major routes. The trial will inform plans for mass adoption of this technology. However, such adoption will require significant investment in public infrastructure, which is largely outside our control.

CASE STUDY

Our Partnership in support of COP26



Credit: Tina Norris

The UK hosted the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow in November 2021 with the stated aim of driving forward the urgently needed climate action laid out in Paris six years earlier.

In 2021, we became the first retail business to sign the Terra Carta – part of The Prince of Wales's Sustainable Markets Initiative. Our Chairman was invited by His Royal Highness The Prince of Wales to host a business-leader roundtable event in Glasgow during COP26 to discuss how businesses can help customers make more sustainable choices.

To support COP26, we led a wide-ranging customer engagement programme, Partners Against Waste. Estimated to have reached over 10 million people, it called on customers to avoid waste and showcased the impact of resource waste and loss along the supply chain.

In addition, we sponsored the inaugural World Biodiversity Summit, organised by World Climate Foundation, which began in summer 2021 and featured an event in Kunming, China, before culminating at Glasgow during COP26. The World Biodiversity Summit aims to place greater focus on the global biodiversity crisis in the context of its significant contribution to climate change. Members of our Ethics and Sustainability team were present at the Glasgow event, and Ethics and Sustainability Director Marija Rompani delivered a virtual speech at the Kunming plenary session.



UN CLIMATE
CHANGE
CONFERENCE
UK 2021

IN PARTNERSHIP WITH ITALY



CASE STUDY

Waitrose St Katharine Docks

In November 2021, Waitrose made a significant investment in electric vehicles as part of its programme to replace diesel vehicles. The St Katharine Docks branch in central London became the first supermarket in the UK to trial Vauxhall Vivaro-e electric delivery vehicles featuring cutting-edge wireless-charging technology. By April 2022, all home deliveries serviced by the branch will be made using electric vans.

The trial is testing a technology which we believe has considerable potential to bring operational benefits. For example, the extra speed of wireless charging makes it possible to charge a van from 20% to 80% in around an hour, saving Partners time and increasing vehicle availability.

Vans are fitted with a slim charging pad on the underside and top up by parking above an electric plate. They can also be plugged in to charge overnight. The technology links to a cloud-based smart-charging system specifically designed for home-delivery operations.

This trial will inform our wider electrification strategy by expanding our experience of:

- Variation in electric-vehicle range and driver attitudes in an operational environment.
- The effectiveness of energy load management techniques, such as smart charging, and how they impact store energy demand.
- How electric vehicle charge scheduling and management can be integrated into our existing transport planning systems.
- The practical aspects of deploying electric vehicle support infrastructure into stores and fulfilment centres.
- The merits of overnight wired charging relative to rapid, high-power wireless charging.

A further 18 electric vans will be delivered to John Lewis along with two to our estate in Leckford, Hampshire.

Looking forward

We expect that most of our carbon footprint is generated within our supply chain. To facilitate reducing these emissions, in 2022/23, our priority will be to establish science-based targets and a roadmap detailing how we will achieve them.

We will also explore other ways in which we might reduce this scope 3 footprint. One such proposal is to cover the slurry lagoon at Leckford Estate farm to harvest biomethane. Methane, a potent greenhouse gas, is emitted from manure, but we plan to capture it and convert it into fuel to power farm vehicles.

In our own operations, we have already pledged to reach net zero by 2035 and will continue to deliver more projects that limit our carbon footprint.

For example, we will continue to upgrade our physical estate with investment in next-generation refrigeration and energy efficiency measures. We will conduct further heat pump trials, and, if our success criteria are met, these trials will facilitate a wider rollout that moves us away from gas heating.

TARGET

We will end the use of fossil fuels across the Partnership's transport fleet by

2030



We are assessing the feasibility of installing solar photovoltaic panels on some of our larger distribution centres, which will have the added incentive of protecting our Partnership from energy price fluctuations.

We are also keen to ensure our Partners can contribute to reducing their and our impact on the planet's resources. In 2021/22, we worked with the Energy Institute to prepare energy awareness training for Partners. We will roll this out during 2022/23 to encourage behaviour change that minimises energy and water consumption.

In July 2021, we announced our ambition to build around 10,000 residential properties as part of our diversification strategy. Our work to ensure that we design and construct sustainably, so that the buildings contribute positively to our net zero ambition, is ongoing. One of the key sustainability challenges is embodied carbon – emissions associated with the materials used, such as concrete. Ensuring the use of low-carbon, long-lasting materials is critical to minimising the lifetime carbon footprint of these buildings. As such, we joined the UK Green Building Council in 2021 to collaborate and innovate within the built-environment sector.