WHAT'S IN STORE FOR THE PLANET:

THE IMPACT OF UK SHOPPING BASKETS ON CLIMATE & NATURE - 2024

DECEMBER 2024

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FOREWORD

Tanya Steele
Chief Executive Officer, WWF-UK

When we shop the vast array of products conveniently placed on the shelves of our local supermarket, something remarkable is happening: we are tapping into a complex global food system, with access to products sourced from virtually every corner of the world.

But the global food system that we all rely on is causing shocking levels of environmental damage. The production and distribution of food (of which over a third goes to waste) is responsible for 70% of nature loss, and around a third of global greenhouse gas emissions. It is driving the destruction of precious habitats and deepening the climate crisis, putting our food security at risk.

Many people are deeply concerned by these impacts – over 80% of people in the UK would like to make more sustainable choices. While consumer awareness, and associated efforts to shop sustainably are welcome, individuals should not have to choose to put environmentally responsible products in their shopping baskets. All products should be responsibly produced.

It is the whole system – food retailers, manufacturers, producers, financial institutions, commodity traders, and government policy – itself that needs to change.

Never before has the need for a fundamental shift in how we produce and consume food been so urgent. To put the food system on a sustainable footing, the entire food sector, across all geographies, must play its part. Food retailers, who stand at the nexus of supply chains and consumers, are in a unique position to drive the systemic change required across climate, agriculture, deforestation, packaging, marine, food waste, and diets.

In 2021, five UK retailers, Co-op, M&S, Tesco, Sainsbury's and Waitrose, made ambitious commitments at COP26 to halve the environmental impact of UK shopping baskets by 2030. Since then, two more retailers, Aldi and Lidl, have also made this commitment. We have seen improvement in data collection, pilots in shifting agricultural practices, and supply chain innovation - but these individual actions alone are not enough, particularly if they are not scaled at pace. Isolated efforts will not deliver the changes needed, and insufficient progress is evident in the data set out in this report. Some retailers are leading the way in making necessary changes, but what we require now is collective, accelerated action on scope 3 emissions, diets, and deforestation and conversion. Given that earlier this year, new informal guidance from the Competition and Markets Authority sent a clear signal that there is scope for greater collective environmental action within the boundaries of competition law, there are no longer any excuses.

Transparency also remains a critical lever for change. We're encouraged that 10 out of 11 major UK food retailers, representing 90% of the grocery market, are sharing more data this year than ever before. This level of disclosure is vital for informed decision-making, building resilient supply chains, and tracking progress toward sustainability goals. But transparency alone is not enough – it must lead to concrete action, particularly on Scope 3 emissions.

We are just one year away from the first milestone in the WWF Basket initiative: ensuring that key forest-risk commodities are free from deforestation and land conversion by the end of 2025. Since the initiative launched, the world has lost over 7.9 million hectares of tree cover – an area almost the size of Austria. As many of the world's forests are nearing irreversible tipping points, this target is critical and urgent. Yet despite the deadline fast approaching, retailers are not on track to meet these commitments.

This year's report, the third *What's in Store for the Planet* report, shines a spotlight on this issue - not only because of its urgency but because it serves as a worrying example of retailers falling at the first hurdle.

We need systemic change: governments must implement robust DCF legislation, commodity traders must reform, and consumers must be supported to make healthy, sustainable choices. WWF is calling on the retail sector to stay the course, hold firm to their commitments, and to face the challenges ahead with renewed determination and collaboration, helping to accelerate change. The future of our food system - and our planet - depends on it.

Tanya Steele

Chief Executive Officer, WWF-UK

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EXECUTIVE SUMMARY

What's in Store for the Planet 2024 provides a comprehensive overview of the latest data showing progress towards meeting WWF's goal of halving the environmental impact of UK shopping baskets by 2030. This report outlines the distance to go for the sector, and emphasises the need for a full system transition across seven key impact areas: climate, deforestation and conversion, agriculture, marine, diets, food waste, and packaging.

Now in its third edition, the report features the highest level of data provision to date, with 10 out of 11 major UK food retailers – representing over 90% of the UK grocery market – sharing vital information. This unique data set is critical for a sector that is often largely opaque to the public when it comes to environmental impacts. However, challenges remain in monitoring progress, for example where retailers have neither visibility of the farms they are sourcing from, nor accurate assessments of their impacts. Despite some improvement in data provision this year, over the next year we expect innovations in data collection to address these gaps and enable more comprehensive reporting, for example of supply chain Greenhouse Gas (GHG) emissions and impacts on biodiversity, soil health, and water.

Overall, the data reveals a mixed picture across the sector, with leaders and laggards. For most retailers, good progress is being made in some areas, particularly on Scope 1 and 2 emissions targets, the sourcing of verified deforestation and conversion-free (DCF) palm oil, and the sourcing of seafood covered by certification schemes.

This mixed picture is also showing individual progress within a small number of retailers who have taken the necessary steps to improve their sourcing. Often these retailers have integrated the WWF Basket targets into their public commitments, and are beginning to reap the rewards of these actions, particularly on their sourcing of UK produce to a Robust Scheme for Soil Health and Biodiversity.

Across the board we see retailers consistently struggling to make progress on those outcomes for which systemic change is necessary. We see this particularly within the sourcing of verified DCF soy and cocoa, and shifting consumers towards a healthier, more sustainable diet, where collective action across government and industry is needed to move the needle.

The first major milestone for the WWF Basket is approaching: the deadline for 100% deforestation and conversion-free agricultural commodity supply chains by 2025. If immediate action isn't taken, this is unlikely to be met. Failure in this key area will have cascading effects across broader agriculture, marine, and climate goals. Shifting consumer demand away from meat fed on forest-risk soy will be key to turning the tide of success in these areas. As the UK awaits secondary legislation on due diligence to tackle the issue of deforestation and conversion in UK supply chains, industry leadership to deliver best practices within sourcing will be critical.

EVOLUTION OF WWF'S RETAILERS' COMMITMENT FOR NATURE

Since November 2021, WWF has convened a group of retailers – including Aldi, Co-op, Lidl, M&S, Sainsbury's, Tesco and Waitrose – representing over 70% of the UK grocery market. These retailers have signed WWF's Retailers' Commitment for Nature, publicly committing to halving the environmental impact of UK shopping baskets by 2030.

We are proud of our work with signatories to date but recognise that - to achieve the pace and scale of change required to meet key climate and nature goals - a whole-supply-chain approach is needed, alongside greater coordination between industry and the sustainability sectors. Therefore, WWF has taken steps this year to scale out commitment to a wider group, working with IGD and WRAP to support the development of a Food Systems Change Leaders Forum.

This forum will now be responsible for convening members on key action to support the overall commitment to halve the environmental impact of UK baskets by 2030. We expect this to ensure increased accountability for the sector as a whole. In an evolution of WWF's role, we remain a 'critical friend' to the Forum, and continue our work to track progress towards our overall 2030 target, and address the interconnected challenges of climate, biodiversity loss, and nutritional security. We urge all retailers to take advantage of new opportunities for collaboration within this Forum going forward, to ensure the sector delivers on its commitments.

EVOLUTION OF THE WWF BASKET

When launching the WWF Basket in November 2021, WWF committed to reviewing the metrics to align with the latest science and to account for emerging reporting frameworks. Therefore, following a consultation with a range of stakeholders – including food retailers, suppliers, industry bodies, environmental organisations and civil society – updates have been made to refine the WWF Basket metrics for 2024 onwards, to ensure the WWF Basket outcomes and measures continue to address relevant challenges, drive the most impactful outcomes, align with other reporting frameworks, and collect consistent, comparable data from retailers. This has resulted in a significant improvement in data quality and provision for 2024.

In addition to updating a number of outcomes and measures, the methodology for measuring performance has evolved since the 2023 report, in line with the adapted outcomes. This year the data is displayed to benchmark retailer performance more directly: data now shows the average of individual retailer performance regardless of retailer size, where data allows. Further information on the methodology used this year can be found in the WWF Basket methodology.

This report displays the average reported outcome against metrics within each of these areas, alongside the highest and lowest performance where possible, to show the range of retailer performance from those that have reported across the sector.

Overall, data quality has generally improved this year, with greater completeness and granularity of data.

RETAILER	% QUESTIONS ANSWERED 2024	% QUESTIONS ANSWERED 2023**
M&S*	84%	48%
Tesco*	77%	43%
Waitrose*	73%	41%
Lidl GB*	70%	46%
Ocado Retail	67%	32%
Sainsbury's*	57%	26%
Aldi*	55%	31%
Co-op*	51%	37%
Morrisons	44%	26%
Asda	25%	11%
Iceland	0%	0%

* WWF's Retailers' Commitment for Nature signatories at the time of data collection.

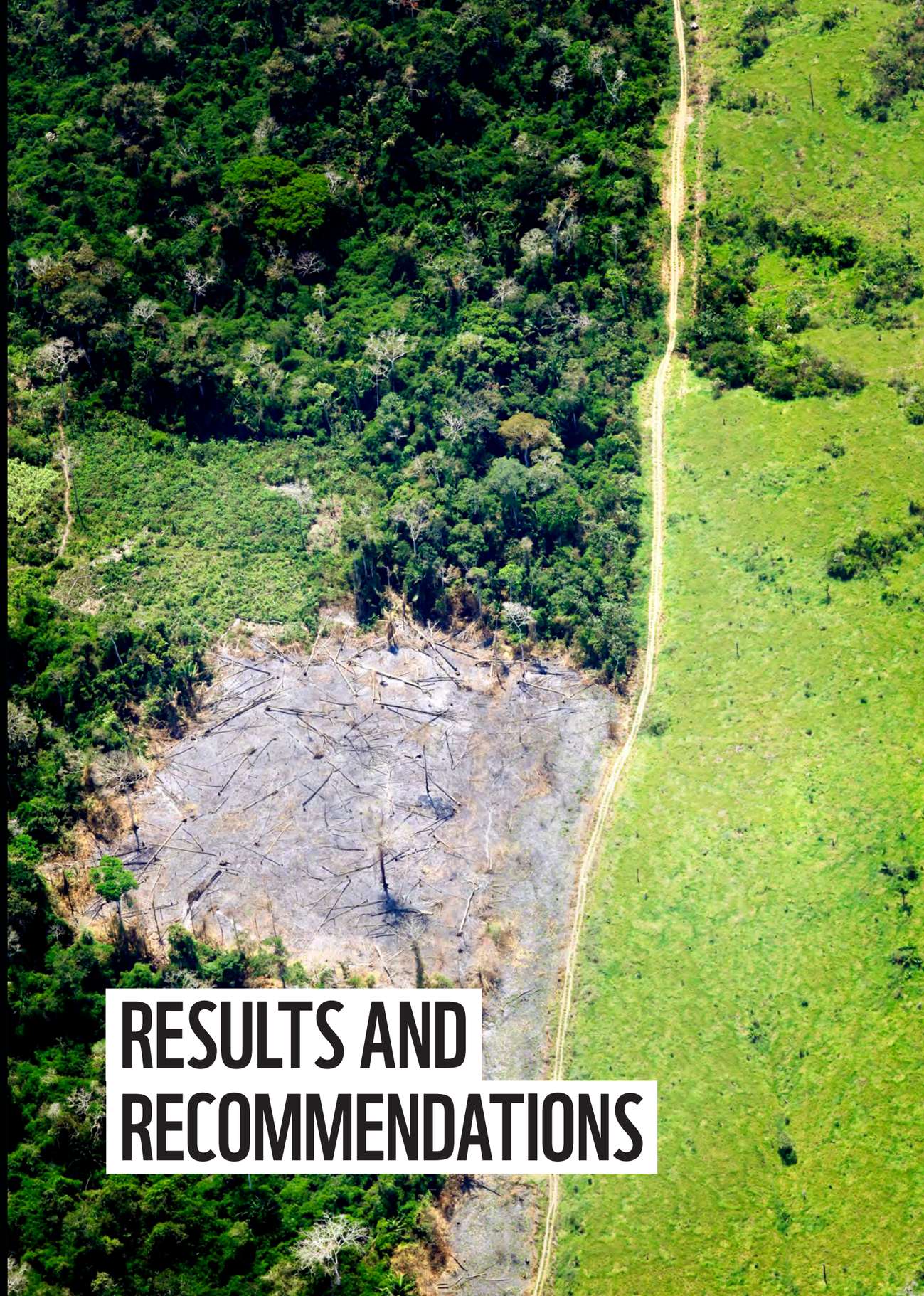
** We have updated our methodology for calculating the data reporting figures, and as such these figures do not match those in the 2023 report.

PROGRESS TO DATE TOWARDS 2030 TARGET

This figure gives a snapshot of the progress made towards each Outcome within the WWF Basket. It shows the aggregate figures across each Measure, showing the level of progress and distance to go for the retailers who have provided data, alongside what is currently unknown, where we have not received data from a subsection of the retailers.

HEADLINE MESSAGES FROM 2024 REPORTING

BASKET AREA	HEADLINE MESSAGES
DEFORESTATION & CONVERSION	Limited progress has been made since 2023 reporting against the target of achieving 100% verified DCF agricultural supply chains by 2025. While reporting rates have improved, the majority of reported volumes – for soy and cocoa especially – are not verified DCF. New data on the retailer-known importers demonstrates a restrictive lack of transparency in supply chains. Despite this, WWF has identified current known and potential importers with commitments and/or sourcing practices which could enable DCF supply and support DCF farmers across the globe.
CLIMATE	Most retailers have made progress towards achieving near-term Scope 1 and Scope 2 emissions reduction targets, with the exception of two who need to accelerate their efforts. We have seen seven more retailers develop 1.5°C-aligned Scope 3 targets in line with the Science Based Targets Initiative's (SBTi's) Forestry, Land-use, and Agriculture (FLAG) guidance, however accurate measurement of Scope 3 emissions remains a challenge. Critically, a lack of progress on diets, deforestation, and agriculture implies that retailers are far behind where they need to be.
DIETS	The number of retailers reporting on protein food diversification has increased from six to nine since 2023. However, the data reveals there is still a long way to go to reach WWF's 2030 Livewell target protein food sales splits, with the proportion of livestock-based protein food sales twice what it needs to be. The speed of change must accelerate to meet these healthy, sustainable diet recommendations.
MARINE	For the first time, we can present a limited level of retailer data on wild-caught seafood of selected species adhering to all aspects of the Seafood Jurisdictional Initiative (SJI). Despite retailers maintaining high levels of certification within wild fisheries and aquaculture sources, the shared SJI data demonstrates the need for a systemic holistic approach to minimise the environmental, climate and social impact of UK seafood supply chains.
AGRICULTURE	Progress varies widely between impact areas, product types and retailers. Overall, retailers have made progress on sourcing whole produce in the UK from land within robust soil health and biodiversity schemes, but there is still a way to go on sourcing animal products to better standards. Overall, there is more retailer data giving detailed insights on specific supply chains. However, retailers still have a way to go in fully mapping out their supply chains and understanding where their products come from. This is particularly true for branded, processed, and overseas products.
PACKAGING	Most of the material used by retailers is categorised as recyclable under the On-Pack Recycling Label scheme. Progress is needed within plastic packaging however, where the kerbside recycling rates are considerably lower than for other materials and flexible plastic packaging is not yet being collected from households.
FOOD WASTE	Food loss and waste within retail and manufacturing has increased overall, although a more varied picture is evident at the individual retailer level, where it increased for six retailers and decreased for four. New data provided by WRAP shows that retailers are doing well with some aspects of labelling guidance on products, including data labels and freezing and defrosting advice.



RESULTS AND RECOMMENDATIONS

DEFORESTATION & CONVERSION

WHY FOCUS ON DEFORESTATION & CONVERSION?

Our forests are home to 80% of global terrestrial biodiversity, and they cool our planet by more than 1°C[1]. Yet these forests – and the Indigenous Peoples and local communities that depend on them – are under great threat. Between 2020 and 2023, Global Forest Watch estimated 17.3 million hectares of permanent commodity driven deforestation - an area more than twice the size of Austria - with our food system being the primary driver[2]. Deforestation and habitat conversion contributes to climatic changes[3,4,5] increased droughts[6], wildfires, flooding[7], landslides[8] and soil degradation[9].

World leaders have set a target to halt and reverse deforestation and degradation by 2030. To achieve that goal, we must address the leading drivers of conversion in our commercial agricultural supply chains, which include cocoa, beef and palm oil that we consume directly, and soy used in animal feed. In light of this, and to align with ambitious initiatives for DCF supply, including Accountability Framework Initiative (AFi) and SBTi FLAG, the target dates within this WWF Basket area are for 2025, rather than for 2030 – leaving only one more year for retailers to achieve these targets.

WHAT IS THE TARGET?

2030 OUTCOME	RETAILER PROGRESS MEASURE
100% deforestation and conversion-free agricultural commodity supply chains by 2025, with a cut-off date of 2020 at the latest	% of conversion-risk commodity in own supply chain that is verified deforestation and conversion-free
Requirement for first importers to have deforestation and conversion-free supply chains by 2025, with a cut-off date of 2020 at the latest	% of conversion-risk commodity sourced from importers that have robust commitments and action plans to handle only deforestation and conversion-free material, across their entire operations, with a cut-off date no later than 2020

This year, WWF-UK have enhanced our monitoring of forest-risk commodities within the WWF Basket, expanding our data collection to include cocoa and beef in addition to soy and palm. Given the unique complexities of each commodity, we have chosen to highlight them separately.

For the first time, we are also reporting retailer progress against the performance of first importers – companies that bring goods into a country from foreign entities for trade. First importers and exporting trading companies are critical to bring into focus, as they control how a commodity is traded from a producing country and how data is shared to downstream customers in the UK, which directly influences retailers' ability to invest in interventions to achieve DCF supply.

To allow reporting against this measure, retailers have reported their sourcing quantities of soy, palm and cocoa for each of their known first importers. Alongside this, WWF has assessed the public commitments and action plans of the major trading companies for each of these commodities. Trading companies' commitments were assessed in relation to the 2025 target with a minimum 2020 cut-off date for conversion of natural ecosystems aligned with AFi and SBTi FLAG targets. Action plans were assessed based on traders' reported implementation for monitoring and managing risk of commercialising conversion. This assessment can be found within the WWF Basket: DCF Traders' Assessment.

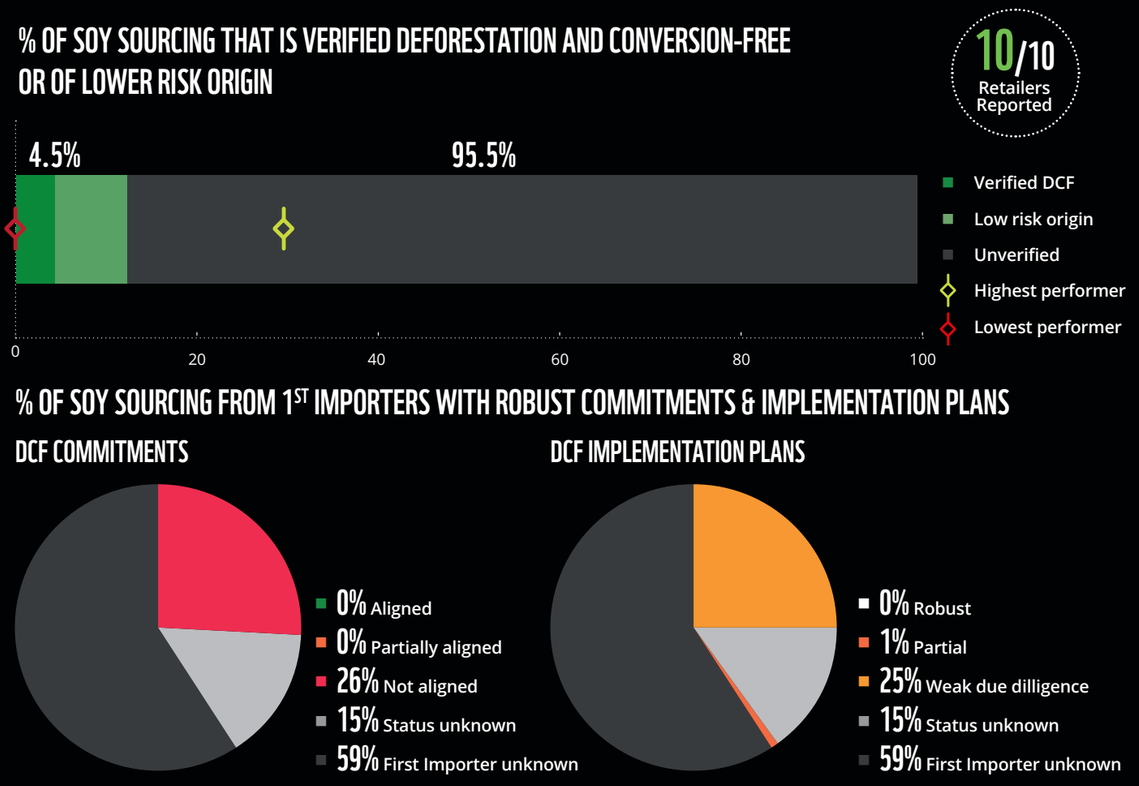
PERFORMANCE AND PROGRESS

SOY

What does the data show?

The overall proportion of verified DCF soy sourced remains very low, with an average of 4.5% across the 10 reporting retailers, leaving 95.5% to go to reach the 2025 target. Retailer performance was mixed, with one evidencing as much as 27% verified DCF soy within its own supply chains while the lowest reported was 0.2%. A large proportion of this verified DCF soy came from the USA, certified through farm-level traceability to assure no conversion. Access to verified supply is lower in higher-risk sourcing regions, demonstrating the need for more focused investment in traceability systems within these regions to protect forests. Despite the majority of retailers sourcing less than 1% of verified DCF soy, improved traceability has enabled retailers to report that, on average, 6.6% of their soy sourcing comes from countries that have a lower-risk for conversion. This improved traceability enables retailers to drive further investment into higher-risk regions, rather than divesting responsibility for the transition.

This year's data highlights that transparency remains a major problem, with retailers unable to identify the first importer for 59% of their soy supply, on average. Currently, data is not consistently shared between international importers, feed mills, farmers, and manufacturers. For the remaining 41% of soy for which the first importer is known, three of the assessed importers have a commitment to handle only DCF soy across their operations, but this represented less than 1% of retailers' known footprint. Six of the assessed soy importers were identified as partially covering the minimum criteria for DCF monitoring, of which five are known suppliers to the retailers, but the volumes traceable to these importers represented less than 1% of the footprint. This figure could be higher if there were greater transparency in supply chains.

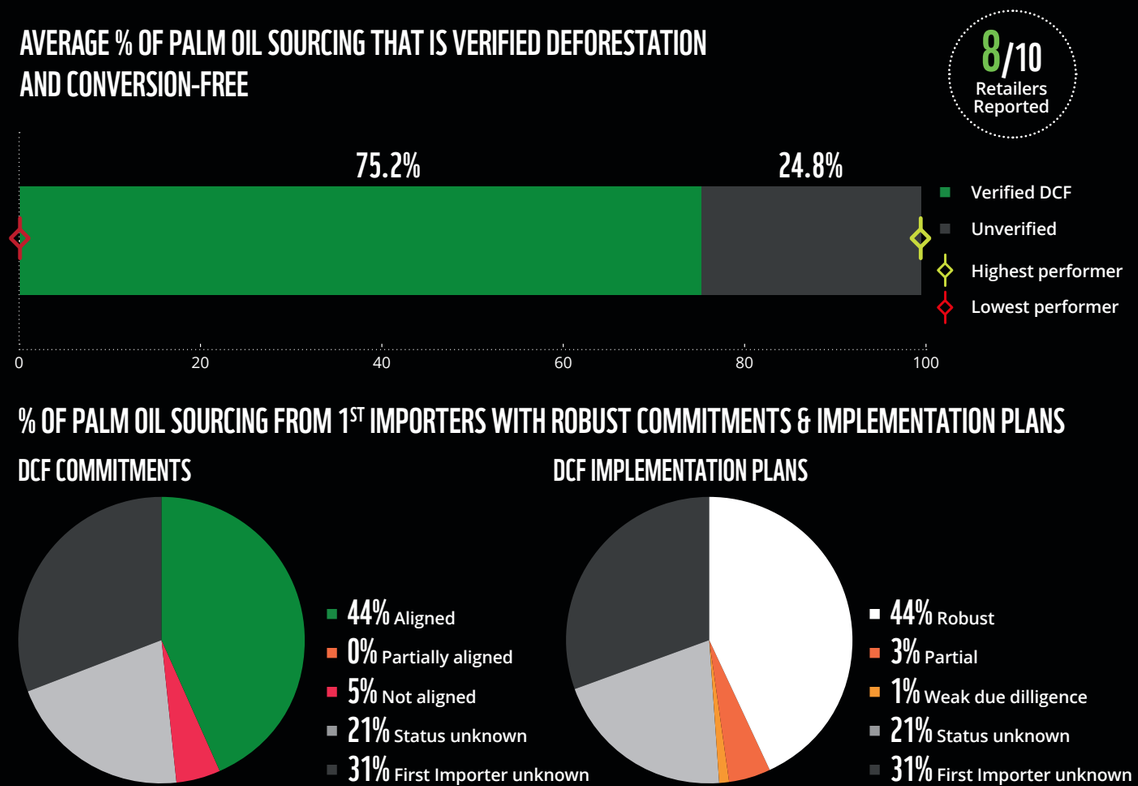


PALM OIL

What does the data show?

This year's data showed retailers are making good progress on verified DCF palm oil sourcing, with six retailers increasing their proportion of sourcing to over 80%, and two to above 90%. However, one retailer responded on their palm footprint for the first time and did not report any known DCF proportions, thus bringing the average significantly down. Overall progress is in part due to access to, and investment in, segregated RSPO certification, where retailers have been able to shift the market voluntarily with current importers and without regulatory demands. However, traceability challenges remain for the palm oil used in personal care cleaning products, as well as the derivatives used in animal feed and in the processing of food products.

Seven retailers have provided data for the first time on the proportion of their palm oil supply known to be coming from specific palm oil importers, representing 69% of their overall sourcing. The commitments and action plans of 13 of the major palm oil exporters have been assessed, of which nine have a publicly aligned DCF commitment, and seven have invested in robust action plans for verified DCF palm in 2025. Importers with an aligned commitment were known to supply at least 44% of the retailers' palm oil. Similarly, importers which publicly report minimum requirements for implementing due diligence for DCF palm oil cover 44% of retailers' overall supply. By assessing the commitment and ambitions of first importers, retailers can achieve greater due diligence when sourcing at scale. This assessment is critical for the second Deforestation & Conversion goal – i.e. to source solely from DCF suppliers, and thus cease supporting operations that profit from deforestation.



COCOA

What does the data show?

Virtually none of the retailers' own-label cocoa was found to be verified DCF, with an average of just 0.3% across the five retailers who provided data this year. Historically, as with other forest risk commodities, such as palm oil, the approach to supporting sustainable cocoa production – addressing both social and environmental impacts – has focused on certification using a 'mass balance' model. Mass balance models allow the mixing of certified and non-certified commodities, which can be collectively sold as certified based on the equivalent amount sourced. A large proportion of the retailers' own-label chocolate is certified under the Fairtrade and Rainforest Alliance mass balance standard schemes, which has an important impact on the ground in increasing sustainable production and addressing inequity for farmers. However, this model does not provide verification that the physical volumes of cocoa in our baskets have been produced on land that was not recently deforested and is not considered verified DCF.

This year's data shows that transparency within cocoa supply chains is poor, with only four retailers able to report their cocoa sourcing by first importer – and these four were only able to report on an average of 65% of their cocoa supply chains; just one retailer was able to identify the first importers for its entire cocoa supply chain. Across the most significant importers, four have an aligned DCF commitment at the time of writing, representing 38% of the known UK retailer cocoa sourcing. Encouragingly, all of the assessed traders have partially aligned action plans, with the potential to provide cocoa that meets requirements for science-based deforestation-free targets for 2025.

BEEF

What does the data show?

This year, six retailers reported on the country of origin of their beef, the first time this data has been requested as part of the WWF Basket. They were not asked whether their beef came from DCF schemes, as there is currently no international independent DCF certification standard for beef. 99% of the beef in the six reporting retailers' supply chains was sourced either from the UK, Europe or New Zealand, all of which are currently regions with low risk of deforestation and land conversion given that much of the native deforestation occurred in 20th century[10,11]. Three of the reporting retailers have policies in place to source 100% UK beef, with the other three reporting retailers having DCF policies in place, due for implementation in 2025.

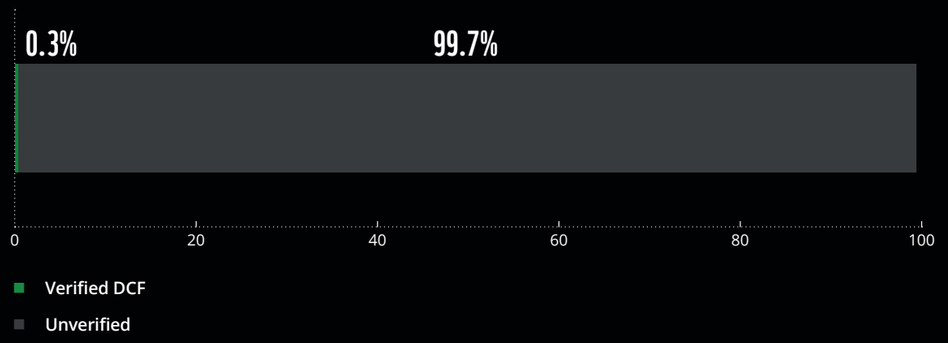
Three of the reporting retailers sourced some beef from high-risk regions for deforestation. One retailer reported sourcing significant amounts of beef from Brazil. Given the outsized role beef plays in land conversion in Brazil[12], any volumes sourced is consequential to the DCF goals. However, for 100% of this retailer's Brazilian beef source, the importers are known and reported. One of these importers is known to have developed origin control for sources deforested or converted from natural vegetation since 2020[13] and plans to cover all direct and indirect supply by end of 2025. Conversely, the second major UK beef importer does not have a 2025 commitment[14] or action plan to supply DCF beef, which means that continuing to source beef via this trader will be in breach of the 2025 WWF Basket target, as indicated by recent reports of deforestation in their supply[15,16].

However, whilst among reporting retailers the figures are encouraging, critically, five UK retailers did not report on their beef footprint, which raises significant concerns given that UK imports of beef are known to drive forest loss and land conversion in South America[i]. Indirectly, consumption of beef and other animal derived products can also drive the deforestation and conversion of land if they are fed using feed that includes soy and palm which is not verified DCF.

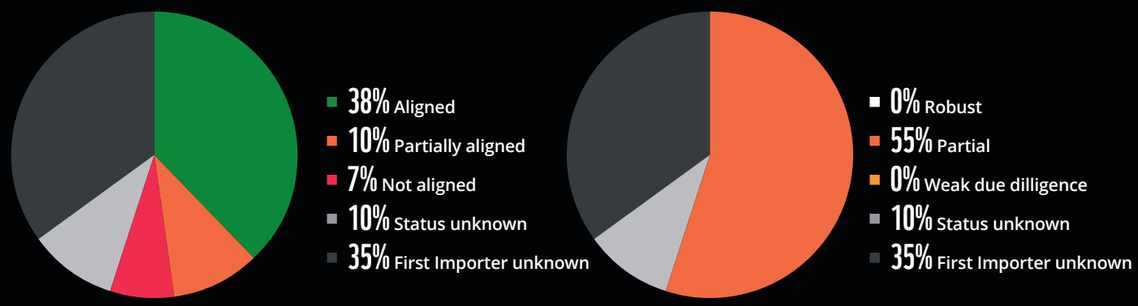
i Mighty Earth (2020) Britain's major supermarkets linked to deforestation the size of Greater Manchester – in just 18 months

AVERAGE % OF COCOA SOURCING THAT IS VERIFIED DEFORESTATION AND CONVERSION-FREE

5/10 Retailers Reported

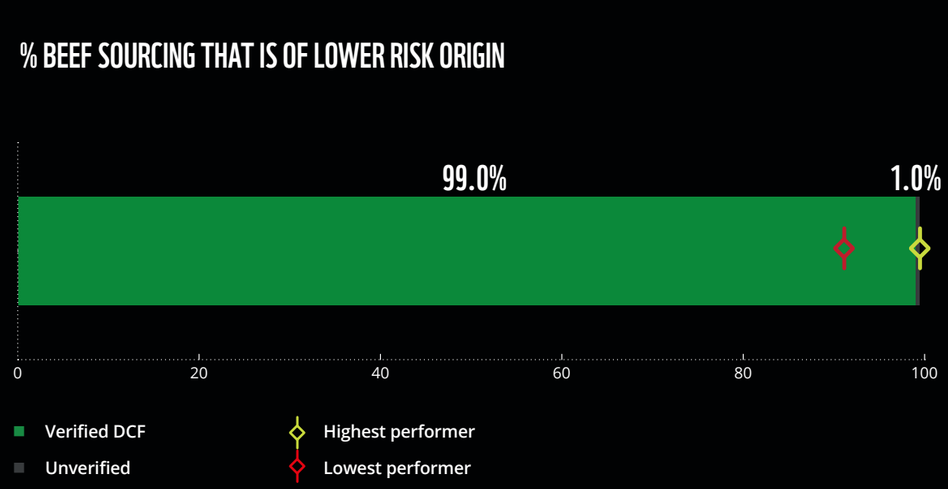


% OF COCOA SOURCING FROM 1ST IMPORTERS WITH ROBUST COMMITMENTS & IMPLEMENTATION PLANS



% BEEF SOURCING THAT IS OF LOWER RISK ORIGIN

6/10 Retailers Reported



KEY ACTIONS FOR NEXT YEAR

To see progress for DCF supply, the following actions are required:

Invest in scalable monitoring, reporting and verification systems for DCF supply chains.

Retailers must work to enhance traceability for control of origin to decouple supply chains from deforestation and conversion. A market-wide agreed verification standard should support national systems in producer countries, be scalable across regions and suppliers, and support traders that demonstrate an aligned DCF commitment. To fully address their footprint, retailers are also encouraged to engage with suppliers of branded products and drive impact across the wider market for the DCF transition.

- **For soy:** There have been successful examples of market-wide origin control in the Amazon for almost 18 years under the Amazon Soy Moratorium[17]. It is critical that retailers and value chain businesses advocate for these agreements to be upheld, working with local and national governments on the development of market wide agreed monitoring reporting and verification systems.
- **For palm oil:** Retailers must improve transparency for the hidden uses of palm oil in product processing and animal feed. Market-wide collaboration is needed to drive large-scale sustainable production across the supply chain.
- **For beef:** Retailers must urgently assess their beef suppliers from high-risk regions, ensuring there are robust controls to block any commodities sourced from the Amazon region, or from ecosystems converted post-2020 for the rest of the world. This includes pet food, as there is a high risk that it may contain beef produced on recently converted land.

Incentivise farmers for DCF production to support intact forests.

The whole value chain, including retailers, must go beyond sourcing standards and invest directly in farmers to address broader environmental and social challenges in sourcing regions. This includes providing incentives to protect habitats, restore degraded land, and support ecosystem recovery, thereby enhancing biodiversity and ensuring sustainable production. Financial support is essential to help farmers achieve verified DCF status and secure long-term stability, enabling them to produce without expanding into forest frontiers.

For cocoa: More retailers will be able to source verified DCF supply through the segregated certification schemes, such as Fairtrade and Rainforest Alliance schemes and Tony's Open Chain in 2025. We also encourage more retailers to build on what they have achieved through these schemes by adopting the Tony's Open Chain model to address systemic inequalities within cocoa supply chains.

- **For soy:** In addition to supporting farmers abroad[ii], retailers can incentivise UK farmers to reduce their dependence on soy-based feed. Several retailers have already invested in feed alternatives, such as utilisation of surplus food waste[18] or incentivising rotational grazing as part of a regenerative farming system, to reduce reliance on external feed inputs.

Advocate for effective market-wide regulation

Retailers must continue to advocate for effective regulation, such as the UK Due Diligence legislation for forest risk commodities, to increase transparency and the scale of DCF production globally. Particularly in the case of soy, food businesses operating in the UK are limited in their ability to obtain a verified DCF supply, with unknown importers and a lack of traceability. However, we have seen exceptional leadership from the Retail Soy Group[19], which has demonstrated the demand for effective regulations to unlock the barriers to transparency[20] and to achieve our legally binding commitments under the Environment Act.

ii Sustainable Investment Management (2024) RCF contributes over 180,000 tonnes of vDCF soy in its second year

CASE STUDY – RETAILERS INVEST IN TONY'S OPEN CHAIN MODEL

Waitrose has announced a partnership with Tony's Open Chain: it will source nine of its own-branded chocolate bars under Tony's 'farmer-first' approach, which prioritises human rights and environmental protection, aiming to end exploitation in cocoa through 5 sourcing principles[21].

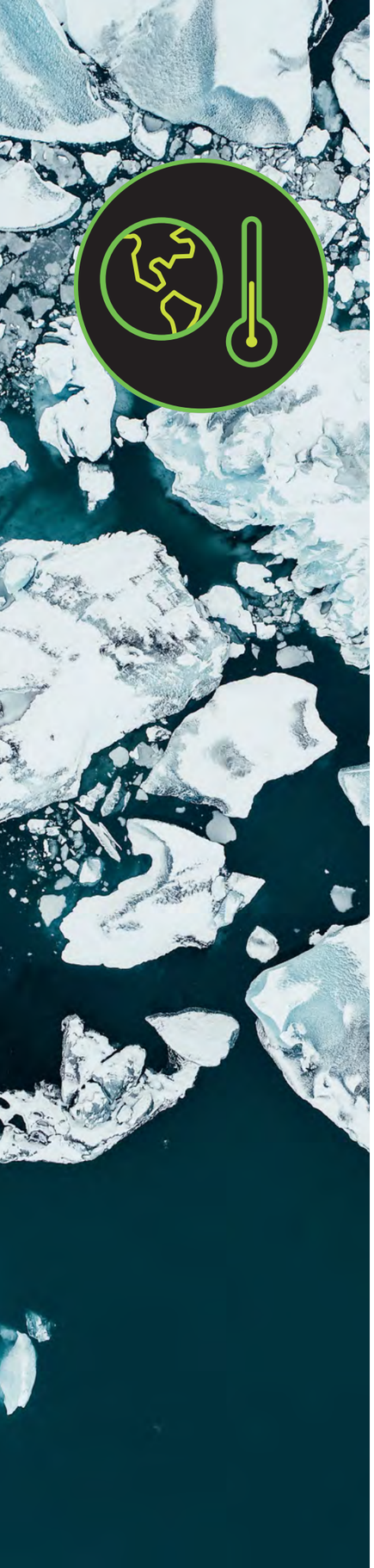
Action began with understanding the context on the ground through Tony's development network to deliver a direct positive impact for cocoa growers and cooperatives. By investing in traceability to farms, the retailer has been able to physically track supplies and provide more stability and incentives to protect farmers and their surrounding forests.

This model works to achieve better environmental and social outcomes, including a Living Income Reference Price for cocoa growers. Critically, the investment works alongside the well-established Fairtrade and Rainforest Alliance certified sourcing, which has served as a foundation for scaling up impact with farmers.

Tony's developed the Open Chain model for its own supply, before offering it as a sourcing model to all cocoa buyers to scale up traceability and fair prices from basket to farm. It has also entered baskets in select Aldi South products and through major global cocoa importer Barry Callebaut along with other mission allies.

While this model covers a limited proportion of the cocoa in UK baskets today, it has demonstrated a clear pathway to achieving DCF cocoa.

COCOA FARMER AND PRESIDENT OF THE BOARD, ESCOPAG COOPERATIVE IN CÔTE D'IVOIRE WORKING WITH TONY'S CHOCOLONELY © WAITROSE.



CLIMATE

WHY FOCUS ON CLIMATE?

Our food system is a major driver of climate change, accounting for a third of global greenhouse gas (GHG) emissions[22]. In the UK, while other sectors are decarbonising, agricultural emissions are plateauing[23], and we continue to import deforestation from overseas through our soy, palm, cocoa, and beef consumption, further undermining nature's capacity for carbon sequestration. Our heating climate is driving many farmers to the brink, with record-breaking rainfall in recent years causing devastating flooding on farms[24], whilst the Mediterranean is experiencing another year of drought[25]. If we are to improve our nutritional security, we must drastically reduce emissions, enhance our carbon sinks with nature-based solutions, and boost the resilience of our food system. To do this, we must see the sector reduce its GHG emissions in line with keeping global temperature rise below 1.5°C.

WHAT IS THE TARGET?

2030 OUTCOME	RETAILER PROGRESS MEASURE
Achieved GHG reduction across all scopes in line with 1.5°C SBT.	% reduction of GHG emissions across Scope 1 and Scope 2 activities
	% reduction of GHG emissions across all Scope 3 activities (FLAG & non-FLAG)
	% of purchased goods and services emissions covered by suppliers with science-based targets

PERFORMANCE AND PROGRESS

If the retail sector is to mitigate its direct climate impact, businesses must commit to emissions reduction targets that are consistent with the Science Based Targets Initiative's (SBTi's) latest corporate guidance, including near-term targets covering the next 5-10 years. Progress was assessed by monitoring performance against a retailer's own near-term target (if the target is consistent with 1.5°C). If a retailer has not yet set a target, or if the target is not consistent with a 1.5°C trajectory, progress was measured against the 1.5°C-aligned trajectory developed by the SBTi.

% REDUCTION OF GHG EMISSIONS ACROSS SCOPE 1 AND SCOPE 2 ACTIVITIES

What does the data show?

Across all 10 reporting retailers, all targets were considered consistent with limiting global temperate rise to 1.5°C according to SBTi criteria, and of these, seven have had their targets validated by the SBTi. It is important to note, however, that some retailers have set more ambitious targets than others, with the target percentage reduction varying between 42% to 83%. Retailers are, on average, 36% of the way to achieving their near-term Scope 1 targets and 44% of the way to achieving their Scope 2 targets. Progress varies widely, with one retailer 81% of the way towards achieving its Scope 1 target, while two retailers have fallen behind, having actually increased their Scope 2 emissions in comparison to their baseline year. As with the 2023 report, some progress has been made – particularly on Scope 2 emissions, likely due to increasing decarbonisation of the UK's electricity grid – but so far it has been at a rate below the trajectory required to hit the 2030 target. Retailers must urgently step up action to tackle their direct emissions, looking to decarbonise their buildings, logistics, and electricity supply.

% REDUCTION OF GHG EMISSIONS ACROSS ALL SCOPE 3 ACTIVITIES

What does the data show?

Over the past year, retailers have made substantial progress in getting to grips with Scope 3 GHG accounting, targets, and SBTi validation. Of the ten reporting retailers seven have developed targets covering both FLAG and non-FLAG emissions, and six of these have been validated by the SBTi. This makes the UK grocery retail sector a world leader in this regard, which is to be commended.

This year's data, however, indicates that there has been little progress towards achieving near-term Scope 3 targets, and that on average, emissions from non-FLAG sources have increased, which is concerning. Retailers' reported Scope 3 emissions are still largely based on estimates of the impacts of their key supply chains and therefore, it is still unclear whether progress is actually being made. Looking ahead, through initiatives such as the BRC-Mondra Coalition, retailers need to transition to using more supply-chain-specific impact data that reflects changes beyond fluctuations in sales.

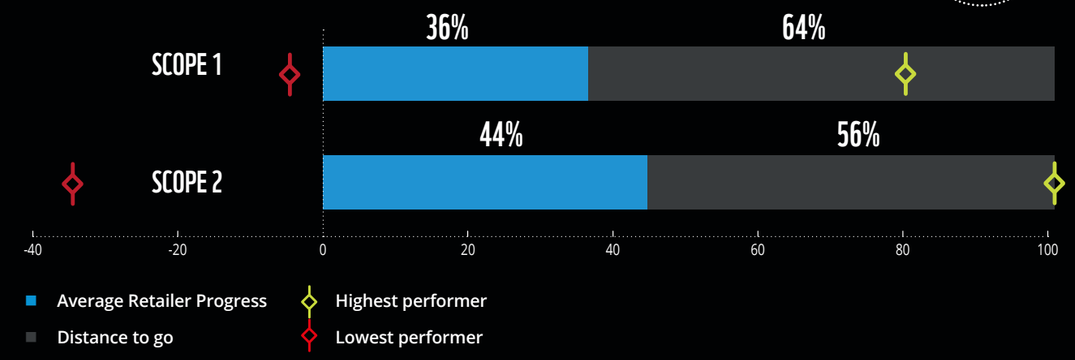
Until this is achieved, progress against Scope 3 emissions targets will remain difficult to assess accurately. However, it is well established that, in order to meet our climate goals, we need to transition our diets towards Livewell, ensure that there is no deforestation or conversion associated with supply chains, enhance the environmental standards of our agricultural system, and minimise waste from farm to fork. As this report shows, substantial progress is needed across each of these areas.

% OF PURCHASED GOODS AND SERVICES EMISSIONS COVERED BY SUPPLIERS WITH SBTS

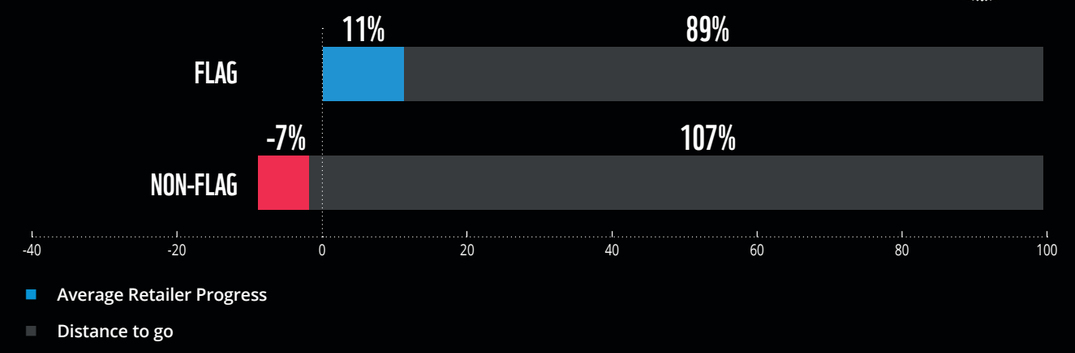
What does the data show?

Across the five reporting retailers, on average 42% of upstream emissions in their supply chains were associated with suppliers who have set 1.5°C-aligned SBTs. The reported figures ranged between 22% and 60% however it is important to caveat the reported data, as there are differences in how retailers have defined suppliers with 1.5°C-aligned SBTs. Those retailers that have reported the lowest proportion of suppliers have specified that only suppliers with 1.5°C-aligned net zero SBTs (both near- and long-term targets, across Scopes 1, 2 and 3) are contributing to the figure, while not all other retailers have the granularity within their data systems to be able to make this distinction. This limits the comparability of the data, but in future years, as FLAG target-setting becomes more commonplace across the sector, we hope to report on only those suppliers with 1.5°C-aligned net zero SBTs.

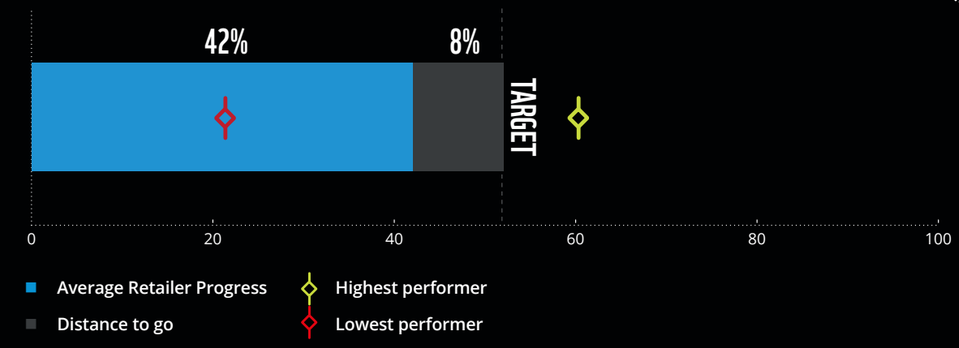
RETAILER PROGRESS TOWARDS ACHIEVING THIER NEAR -TERM SCOPE 1 & 2 SBT



RETAILER PROGRESS TOWARDS ACHIEVING THIER NEAR -TERM SCOPE 3 SBT



% OF PURCHASED GOODS & SERVICES EMISSIONS SOURCED FROM SUPPLIERS WITH 1.5°C ALIGNED SBTS



KEY ACTIONS FOR NEXT YEAR

To see progress within Climate, we must see the following:

1. Since the inception of the WWF Basket in 2021, it has not been possible to evidence whether progress to reduce supply chain emissions is being made at the required rate. Currently the data used is not wholly representative of retailers' supply chains, and – beyond any shifts in demand – it has not been possible to assess their level of progress. Retailers must prioritise improvements in the accuracy and specificity of Scope 3 data, such that the improvements farmers are making in their supply chains are measurable and the data reported reflects real changes in Scope 3 emissions.
2. We must see an acceleration of investment in regenerative farming practices within agricultural supply chains. Given that 60% of emissions arise on or before the farm, and we know what interventions are required, retailers must act now rather than waiting for the data to improve. Next year, we expect to see evidence of investment at the scale required within key supply chains.
3. We know that without a major shift in UK diets towards plant-based sources of protein, we have no hope of meeting our 2030 climate and nature targets and keeping 1.5°C alive – as evidenced within our report on Eating for Net Zero. As critical players in shifting consumer demand, grocery retailers must take immediate collective action to increase the uptake of plant-based proteins.

CASE STUDY – BRC MONDRA COALITION

With retailers making commitments to achieve net zero, the question of how to measure and demonstrate progress against these targets has risen to the forefront of corporate climate agendas. In recent years there has been a proliferation of Scope 3 emissions accounting methods, causing inconsistent GHG reporting across the sector and undermining decarbonisation efforts. This is due to a lack of robust environmental data from supply chains and the absence of a clear set of rules to standardise the way that product-level footprinting is conducted.

The BRC Mondra Coalition has been set up to ensure a harmonised approach to product level footprinting, from farm to fork. Over the coming year, food businesses from across the supply chain will begin using Mondra's automated LCA platform to enable product footprinting at scale, allowing suppliers to share environmental data, collaborate and use a coherent set of common tools to calculate their GHG emissions.

Mondra's platform will provide the means for retailers to run LCAs on thousands of products, prioritise actions, and engage with their suppliers in a meaningful way to reduce impacts. By establishing a level playing field, underpinned by a single set of rules, the BRC-Mondra Coalition will enable retailers to achieve greater confidence in their product declarations, demonstrate progress that is being made within their supply chains and build environmental performance into their product and category plans.

DIETS

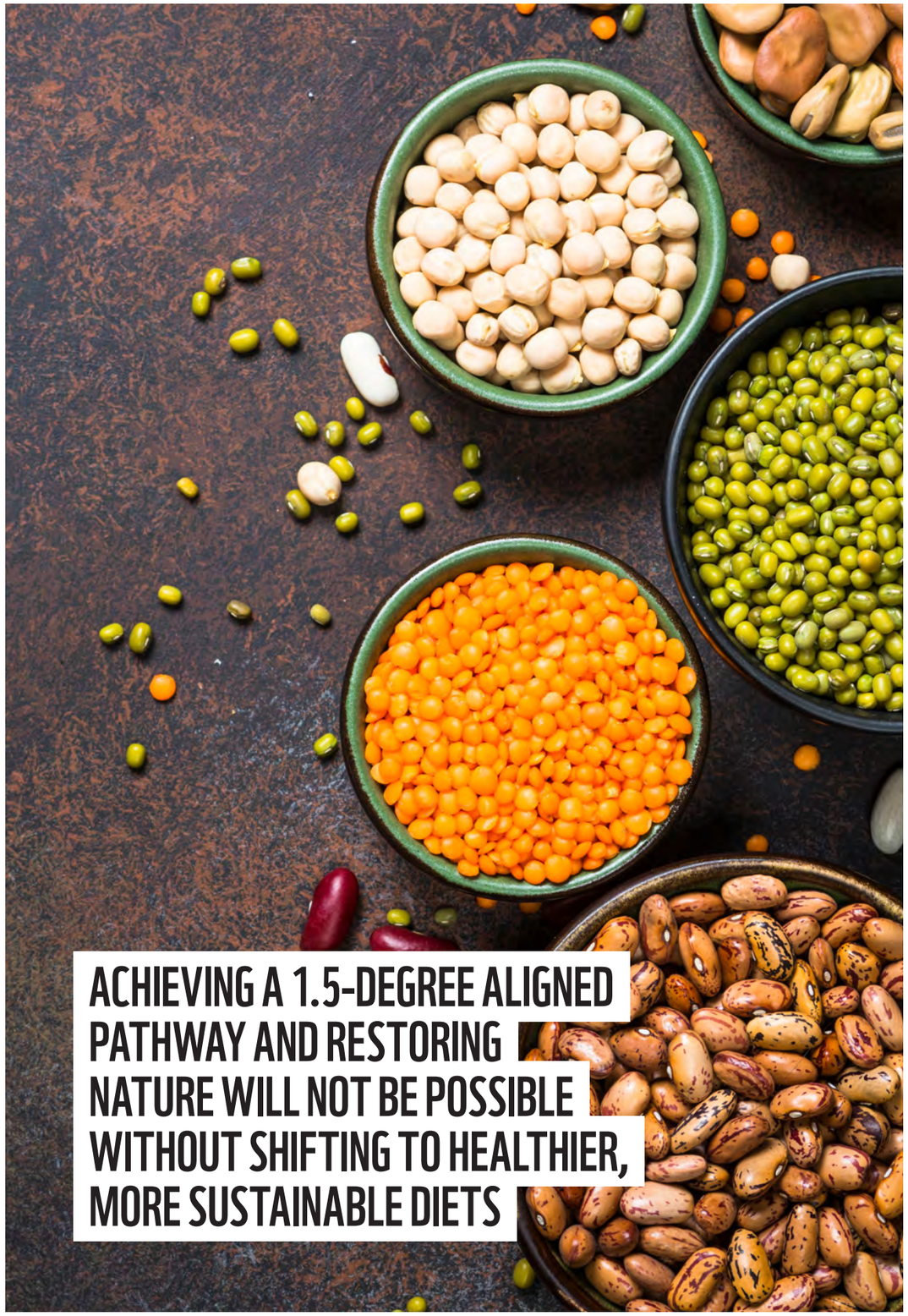
WHY FOCUS ON DIETS?

The health of the planet is intimately connected with our own. Alongside the climate and nature crises, we are experiencing a public health crisis here in the UK[26]. Current consumption patterns in high-income countries, like the UK, are associated with the greatest diet-related environmental impacts, primarily due to the high consumption of livestock-based foods[27]. Dietary change, alongside shifts in production and food waste reduction, are essential to address this inextricably linked 'triple challenge'[28,29].

WWF-UK has developed Livewell, a healthy, sustainable diet which, if adopted, could deliver substantial reductions to the UK's environmental footprint, including a 36% reduction in GHG emissions and a 20% reduction in biodiversity loss compared to the current average diet by 2030, while meeting current government population nutrition and dietary guidelines. The measures within this area assess retailer progress towards shifting to a healthy, sustainable, Livewell aligned diet.

WHAT IS THE TARGET?

2030 OUTCOME	RETAILER PROGRESS MEASURE
Shift to a healthy, sustainable diet, aligned with Livewell	% of protein food sales from livestock-based, seafood-based, and plant-based sources
	% of composite and pre-prepared products that are vegetarian, vegan, livestock-, seafood- derived
	% of wider sales across the main Eatwell food groups



PERFORMANCE AND PROGRESS

% OF PROTEIN FOOD SALES FROM LIVESTOCK-BASED, SEAFOOD-BASED, AND PLANT-BASED SOURCES

This measure has been updated this year to monitor alignment of retailer sales with the level of protein food diversity proposed by Livewell, which has a 40:30:30 percentage split across livestock, seafood and plant-based protein foods. This update means that previous reporting on protein split is not like for like and therefore year-on-year comparisons are not able to be made. You can find out more about these changes in the WWF Basket Diets Disclosure Guide.

What does the data show?

This year we have seen an encouraging increase in reporting coverage, with nine retailers – three more than last year - supplying data on the breakdown of protein food sales, and more retailers able to include ingredient level data of protein foods included in pre-prepared and composite products. However, the data shows that the proportion of livestock-based protein foods is almost double what is recommended by the Livewell diet, constituting an average of 79% of total protein food sales across reporting retailers. Overall, there is a need for a rapid shift in protein food sales away from livestock-based sources and rebalance towards plant-based sources.

% OF PRE-PREPARED AND COMPOSITE PRODUCTS THAT ARE VEGETARIAN, VEGAN, LIVESTOCK, AND SEAFOOD-DERIVED

This is a new measure for 2024 which reports on the breakdown of sales for vegetarian, vegan, seafood-based and meat-based[iii] pre-prepared and composite products. The intention of this metric is to capture data on the proportion of meat-based pre-prepared and composite product sales while retailers work towards obtaining ingredient level data, which is needed to report against the % protein food sales metric. It aims to drive a shift informed by Livewell, and to measure progress in reducing pre-prepared and composite meat-based sales to 40%.

What does the data show?

As four retailers were able to provide ingredient-level reporting on their pre-prepared and composite food sales, five retailers were eligible to report on this product-level metric. However, there was limited reporting on this measure with only two retailers providing data. Despite this, the data provides a useful baseline for future reporting years. The majority of pre-prepared and composite products sold by reporting retailers are meat-based, and so a shift from 61% to 40% is needed overall. Seafood-based sales reflect that dietary intakes are well below national dietary recommendations[30].

% OF WIDER SALES ACROSS THE MAIN EATWELL FOOD GROUPS

This is a new measure for 2024 which aims to provide an overarching view of the balance of retail sales to help identify progress towards an overall healthy and sustainable diet. It reports on the breakdown of whole food sales from each of the five main Eatwell food groups[31] in comparison with Livewell-aligned food group proportions.

What does the data show?

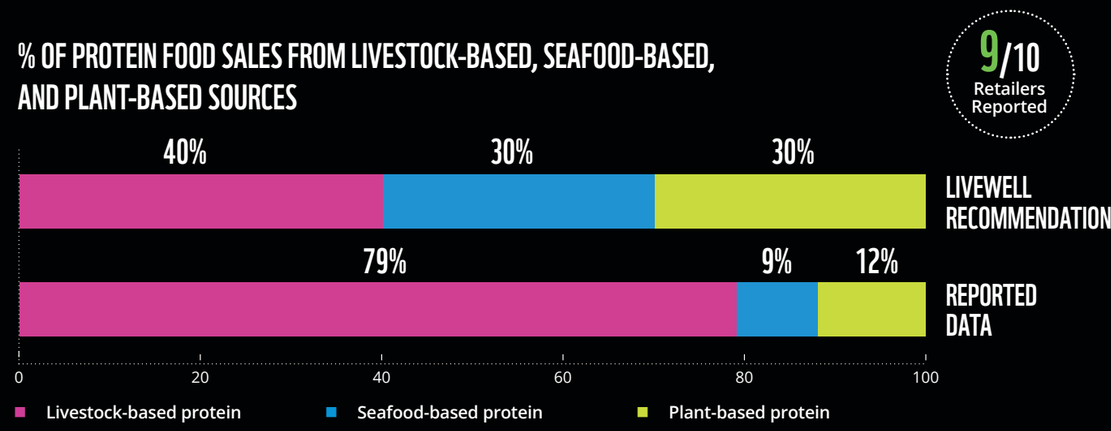
Sales data received from reporting retailers exceeds the Livewell-aligned proportions for both Protein Foods and Dairy & Alternatives[iv], largely driven by livestock-based foods. On average, Dairy & Alternatives represents 18% of the overall sales split, which is 2.5 times the amount recommended by Livewell and the Eatwell Guide. This indicates that Dairy sales need to be brought down, alongside shifting to 'Better' dairy. Sales of Starchy Carbohydrates are also at less than the level recommended in Livewell; however, the proportions of Fruit & Vegetables and Oils & Fats are roughly aligned.

It is important to note that this measure only gives an indication of whole food sales aligned with the main Eatwell food groups provided by four retailers and does not reflect overall dietary intake. The National Diet and Nutrition Survey shows that less than 1% of the UK population currently meet all the UK government diet recommendations, including meeting the recommended intakes of fruit and vegetables[30]. Retailers and the wider food sector must collectively work on the actions outlined below to promote food sales which encourage and support their customers to shift towards healthier, more sustainable diets.

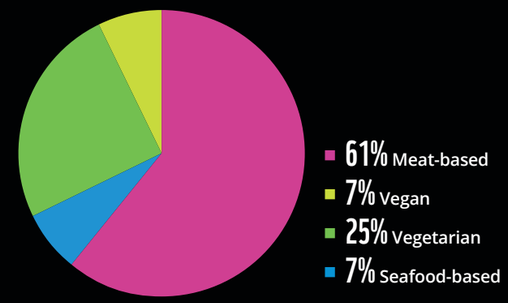
iii Meat based pre-prepared and composite products include all meat containing products irrespective of the quantity of meat that it contains. Therefore, 'plant forward' products, such as a lentil and beef lasagne, are reported as meat based. We encourage retailers to work towards ingredient level data to enable their innovation and meat reduction efforts to be reflected in the % of protein food sales from livestock-based, seafood-based, and plant-based sources metric.

iv Livewell recommends the same proportion of the diet as Eatwell for the Dairy and Alternative food group and is 1% larger than Eatwell for the Protein Foods food group.

% OF PROTEIN FOOD SALES FROM LIVESTOCK-BASED, SEAFOOD-BASED, AND PLANT-BASED SOURCES

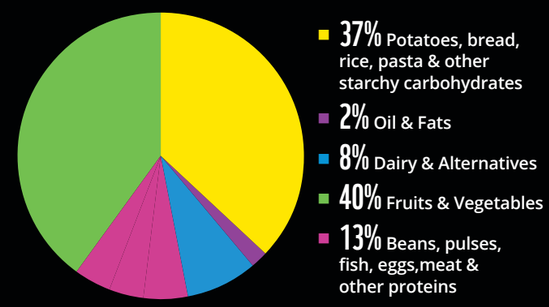


% OF PRE-PREPARED AND COMPOSITE PRODUCTS THAT ARE VEGETARIAN, VEGAN, LIVESTOCK, AND SEA-FOOD-DERIVED

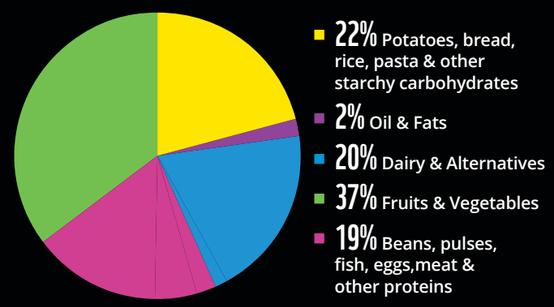


% OF WIDER SALES ACROSS THE MAIN EATWELL FOOD GROUPS

REBALANCING THE BASKET TARGET



AVERAGE RETAILER PERFORMANCE



KEY ACTIONS FOR NEXT YEAR

To see progress within Diets, the following actions are needed:

1. Given the impact of dietary choices on people, nature and climate, forward-thinking retailers have already incorporated healthy, sustainable diets into their strategies. However, the redistribution of sales targets towards foods that support healthy, sustainable diets need to become embedded in retailers' leadership and operational DNA to connect the ambition across all functions, for example health, sustainability, marketing, promotions and category management teams. All retailers will have to adapt their business strategies to enable and support healthier, more sustainable food environments and purchases if they are to meet their nature and climate targets.
2. Retailers play a crucial role in supporting consumers to shift towards more plant-rich food purchases. As UK consumers shop around[32], we encourage retailers to collaborate, combine efforts and utilise available levers to create instore or online food environments that incentivise and encourage customers to adopt affordable healthy and sustainable diets.
3. The sector is making progress on data collection to report on protein diversification, with 80% of the major retailers now reporting their protein food type sales, and leading retailers have been able to increase the level of data provision this reporting year. However, further action is needed. Just five retailers[v] currently publicly report on their protein food sales and only one has set public targets[33]. All retailers must aim to track, monitor, publicly disclose data and set public targets aligned with WWF Basket diet metrics. Where needed, retailers should explore using technology to simplify or automate data collection and reporting[vi].
4. To help enable a level playing field and ensure prioritising healthy, sustainable food sales is less of a commercial risk, retailers should advocate, alongside other organisations, for updated national dietary guidelines. These guidelines should be modelled with sustainability constraints, to underpin bold and comprehensive policies and provide clearer recommendations on the consumption of animal-based foods. Retailers should also jointly advocate for regulation that raises standards, such as the introduction of mandatory reporting and public targets for healthy sustainable diets, including for protein food sales by type[34], based on reducing impacts on both climate and nature. With 23% of UK household food and drink expenditure being spent on eating out[35], the out-of-home sector must also take responsibility for dietary shift. Collective action across the food industry, government, and other stakeholders is needed to remove the barriers and deliver better food environments to support dietary shift at the pace and scale needed.

v At the time of writing Tesco, Sainsbury's, Waitrose, Ocado and Lidl have publicly disclosed their protein split.
vi An example of technology that could be used by retailers includes The Eatwell Classification Tool.

CASE STUDY – PULLING THE LEVERS IN FOOD RETAIL: IGD BEHAVIOUR CHANGE TRIAL

Since 2020, IGD, in collaboration with Asda, Sainsbury's, M&S and Lidl, have run a series of trials using three behaviour change levers to test what works to nudge consumers towards healthier, more sustainable diets. The levers researched so far have included incentivisation, placement, and signposting[36].

Trials demonstrated that price-based promotions can significantly boost sales of fruit and vegetables, with one trial leading to a 78% short-term increase. Targeting specific demographic groups with price incentives and reward schemes also proved effective for fruit and vegetables. Product placement can impact sales, but results vary: for example, moving plant-based foods to the meat aisle directly alongside animal products led to a 30% decline in sales in one case, but in a separate trial, a 31% increase when placed in a separate marked bay in the same aisle. Signposting healthier products with nutrition messages also increased sales by up to 91% for some products, though the effect was not consistent across all food categories.

The studies demonstrate there is huge potential for change in retail environments to encourage positive shifts in consumer behaviour towards healthier foods. Further research can continue to build the evidence on how best to use each lever to drive increased uptake of more healthy, sustainable options including plant-based protein foods. Through the Food Systems Change Leaders Forum, IGD will also be presenting opportunities to collaborate on effective interventions to shift towards healthy, sustainable diets within the next year, and WWF expects retailers to be bold in their involvement and lead the way to advocate for nature within this forum.

MARINE

WHY FOCUS ON MARINE?

Covering 70% of our planet, the ocean is rich with biodiversity. It plays a vital role in regulating our climate, mitigating the impacts of climate change, and supporting the health of our planet[37]. Additionally, the ocean is crucial for sustaining livelihoods and providing nutrition to billions of people worldwide. However, with 35% of the world's fish stocks now being fished at biologically unsustainable levels[38], taking a sustainable, holistic approach to sourcing seafood has never been more urgent. In the UK alone, retailers sell approximately 400,000 tonnes of wild-caught and aquaculture-sourced seafood each year[39].

Our dependence on seafood will continue to grow if we are to align consumption with the UK's nutritional guidelines. It is critical that this shift in diets does not come at the expense of nature, and instead incorporates a diverse range of lower-footprint seafood from well-managed sources as alternatives to species such as cod, haddock, tuna, salmon and prawns, that currently dominate UK diets[40]. Tackling environmental and social challenges in our fisheries is vital, not only to protect our oceans but also to ensure a healthy and nutritious food supply for future generations.

WHAT IS THE TARGET?

2030 OUTCOME	RETAILER PROGRESS MEASURE
100% of seafood from sustainable sources	% of certified wild-caught and aquaculture resources sourced
	% of wild-caught resources adhering to all aspects of the Seafood Jurisdictional Initiative
Reduce fishmeal and oil usage to forage fish dependency ratio (FFDR)<1 by using sustainable fishmeal and fish oil replacements and increasing the use of trimmings	% of farmed seafood products with FFDR (FFDRm (meal) and FFDRo (oil) <1 and with all feed ingredients certified by the ASC Feed Standard or equivalent

PERFORMANCE AND PROGRESS

The WWF Basket uses ecosystem-based and science-based targets to track retailer progress and promote a 'Seafood Jurisdictional Initiative' (SJI) approach within seafood supply chains. This takes a holistic approach to address barriers to improve environmental, and social outcomes in seafood production – something that certification schemes, such as Marine Stewardship Council (MSC), cannot achieve alone.

Forage fish species such as anchovies, sardines, and herring, are particularly important to marine wildlife. Yet despite dwindling stocks, these species are widely caught to make fishmeal and oil for use in aquaculture. For this reason, WWF measures and tracks the use of fishmeal and oil ingredients[vii] derived from wild-caught forage fish in farmed fish, with the aim of reducing the reliance on wild-caught fish for aquaculture.

vii Wild-caught forage fishmeal and oil ingredients are measured as Forage Fish Dependency Ratio (FFDR) under the ASC Salmon Feed Standard v1.4.

PERFORMANCE AND PROGRESS

% OF CERTIFIED WILD-CAUGHT AND AQUACULTURE MATERIAL SOURCED

What does the data show?

This year, retailers have become more involved and made greater progress, with more of them sharing data and the amount of own-label certified seafood sourced the amount of certified seafood sourced reported to be 88%. This is a welcome effort from retailers in raising standards for the seafood they sell; however, it is critical that retailers strive to go beyond certification in order to account for the wider impacts of seafood sourcing.

Within this year's data, a higher proportion of aquaculture products were covered by certification compared to wild-caught products. However, this could be partly due to the controlled production environment in which aquaculture is conducted, which is more suited for certification.

% OF WILD-CAUGHT RESOURCES (NEPHROPS, MACKEREL, TUNA) ADHERING TO ALL ASPECTS OF THE SEAFOOD JURISDICTIONAL INITIATIVE

What does the data show?

Four retailers shared data on the SJI performance against each impact area (human rights, climate change, fish biology, fish activity, governance and value chain stakeholder actions) for nephrops, mackerel and tuna. These species were selected due to their increasing vulnerability, related to issues such as overfishing, quota disputes and illegal, unreported and unregulated (IUU) fishing.

This is the first year that it has been possible to report on this measure, due to a lack of engagement in previous years. It is encouraging to see that four retailers and 13 suppliers have taken steps to better track sourcing information for the selected wild-caught resources, although more engagement and data sharing is still required to address knowledge gaps and to provide greater transparency in next year's reporting.

The SJI area with the highest proportion of 'best case scenario' scores is 'Fish Biology', which indicates stock health. This result is expected given its alignment with certification schemes and fishery improvement projects (FIPs), which are familiar measures that retailers have been working towards for some 15 years. In contrast, the SJI area with the highest proportion of 'worst case scenario' scores was 'Climate Change', highlighting the urgent need to integrate ecosystem-based management into retailer sustainability plans, in order to address emissions, protect marine life, and reduce gear interactions with vulnerable ecosystems. Absence of data was highest within the 'Fishing Activity' area, indicating major gaps in the transparency of supply chains. These should be improved by the adoption of robust traceability schemes and stronger regulation, enforcing transparency at all supply chain stages, alongside collective action from retailers to address common challenges such as IUU fishing and human rights violations.

These results are not representative of the entire sector, as the data was only shared by four retailers and is based on three species.

% OF FARMED SEAFOOD PRODUCTS WITH FFDR (FFDRm AND FFDRo) <1

What does the data show?

This measure focuses on forage fish dependency ratio (FFDR), which indicates the quantity of wild fish used per quantity of farmed fish produced. For this FFDR measurement, both the FFDRm (meal) and FFDRo (oil) must be less than one. This is the first year that it has been possible to report on this measure, due to a lack of data in previous years. We are pleased to see increased engagement with this measure from five retailers; however, there are gaps in the reported data. These gaps make direct comparison of performance challenging, leading to significant variation across retailers.

This measure also aims to capture the percentage of feed covered by ASC Feed and MarinTrust Standards; however, this is not included in this year's calculations due to there not being enough retailers reporting to draw meaningful conclusions.

KEY ACTIONS FOR NEXT YEAR

To see progress within Marine, we must see the following:

1. Retailers must urgently adopt a holistic approach to ensure long-term sustainable fisheries management. This includes committing to targets and making significant improvements across the six SJI areas, embedding these in seafood sourcing strategies and prioritising the worst performing fisheries.
2. Retailers must continue to improve and expand the data they share to ensure comprehensive coverage and the validity of conclusions, particularly related to the SJI areas and feed ingredients. Greater data coverage is essential for effectively identifying challenges and informing evidence-based solutions.
3. Retailers must collaborate with the sector to tackle shared challenges in sustainable seafood sourcing, as demonstrated in the NAPA group case study (adjacent). By working together, they can create a stronger collective voice to drive sectoral transformation towards responsible practices, promote science-based management by using the best available scientific data and research to inform decision-making processes, and advocate for fisheries policy reforms at regional, national, and international levels.

CASE STUDY –
RETAILERS UNITE: NAPA'S FIGHT FOR SUSTAINABLE PELAGIC FISH STOCKS

The North Atlantic Pelagic Advocacy (NAPA) group highlights the crucial role of retailers, suppliers and brand owners in addressing urgent sustainable seafood challenges. Consisting of 39 international companies, including WWF Retailers' Commitment for Nature signatories (Aldi, Co-op, Lidl, M&S, Tesco, Sainsbury's & Waitrose), NAPA is dedicated to the long-term sustainability of pelagic fisheries. It advocates for responsible management of species like mackerel, herring and blue whiting in the Northeast Atlantic, which are vital for marine ecosystems and coastal livelihoods.

Pelagic fish stocks are under threat from overfishing and mismanagement, with coastal states including the EU, the Faroe Islands, Iceland, Norway, Russia and the UK setting quotas that often exceed scientifically recommended limits. This lack of cross-jurisdictional agreement has already had serious consequences, such as the loss of MSC certification for pelagic species in the Northeast Atlantic.

Through collaboration businesses can enhance their collective influence and drive meaningful change. NAPA's initiatives illustrate how cooperative action can foster sustainable practices and promote responsible fisheries management. By calling on coastal states and decision-makers, including the North-East Atlantic Fisheries Commission (NEAFC), to establish binding quotas based on scientific advice, NAPA is paving the way for healthier marine ecosystems. Without significant progress, retailers may have to reconsider their sourcing strategies, potentially turning to alternatives such as jack mackerel from South America, which would incur higher environmental costs due to longer supply chains.

NAPA highlights the importance of retailers' active involvement in international cooperation to support sustainable fisheries, ensuring benefits for both the environment and communities.

AGRICULTURE

WHY FOCUS ON AGRICULTURE?

Agriculture is a vital part of UK society, covering 70% of our land and rooted in centuries of tradition. But the sector is in crisis. Many current farming practices are threatening our nutritional security, wildlife, soils, water, air, and climate. Farmers are dependent on fresh water, fertile soil and a stable climate to operate, but the sector is also a key driver of biodiversity loss, posing a main threat to 86% of species at risk of extinction[41]. Agriculture is also responsible for 27% of global GHG emissions, notably methane (44%) and nitrous oxide (81%)[42]. Yet farming can also be a key part of the solution if farmers are supported to shift from high-input, intensive agriculture towards a more nature-friendly approach. A vanguard of progressive farmers has shown this transition is not only possible, but it can also help farmers' incomes by reducing the reliance on expensive inputs and securing sustainable livelihoods in the long term– and there is evidence of an increasing adoption of good practices.

WHAT IS THE TARGET?

2030 OUTCOME	RETAILER PROGRESS MEASURE
At least 50% of grains and whole produce sourced in a robust scheme for biodiversity and soil health	% of grains and whole produce sourced in a robust scheme for biodiversity and soil health
100% meat, dairy and eggs, including as ingredients, sourced to 'Better' standard	% meat, dairy and eggs sourced to 'Better' standard
At least 50% of fresh food sourced from areas with sustainable water management	% of sourcing from regions with sustainable water management
Agricultural emissions lowered in line with 1.5°C SBT	% of sourcing from protein, produce and grain farms monitoring GHG footprint
	% reduction in sourcing from lowland peat
	% reduction in Forestry, Land-use, and Agricultural (FLAG) emissions

PERFORMANCE AND PROGRESS

% OF GRAINS AND WHOLE PRODUCE SOURCED IN A ROBUST SCHEME FOR BIODIVERSITY AND SOIL HEALTH

This year, the measure is limited to UK-sourced, own-label produce and grains. As in past years, there was insufficient data on grains, which have ongoing traceability challenges. WWF will continue to request this data from retailers, who will need to explore innovative solutions to improve the traceability of their grain supply. Three scheme combinations are considered robust[viii]:

- Organic
- LEAF Marque plus 5% of the farmed area enrolled in a qualifying habitat scheme
- Red Tractor Fresh Produce plus 100% enrolment in Fair to Nature assurance standards

What does the data show?

On average, based on data submitted for 2024, 59% of the UK-grown produce sourced by retailers was in a "robust scheme for biodiversity and soil health". This exceeds WWF's target of 50% by 2030; however, it should be noted that the target for 2030 includes all produce and grain, while this year's data only represents UK-sourced produce. Only half of the retailers reported against this metric, with performance varying significantly. Two retailers are demonstrating that achieving the target is possible, implementing ambitious sourcing policies aligned with 100% sourcing from LEAF and evidencing additional habitat uplift.

WWF has done significant work over the past year to define robust schemes, providing retailers with a proxy for biodiversity and soil health protection in their supply chains. Going forward, WWF is looking to expand data assessment to key sourcing regions overseas.

% MEAT, DAIRY AND EGGS SOURCED TO 'BETTER' STANDARDS.

This measure focuses on the proportion of own-label meat, dairy and eggs from the UK and the Republic of Ireland that are sourced according to 'Better' standards as defined by the Sourcing Better Framework (SBF)[43].

What does the data show?

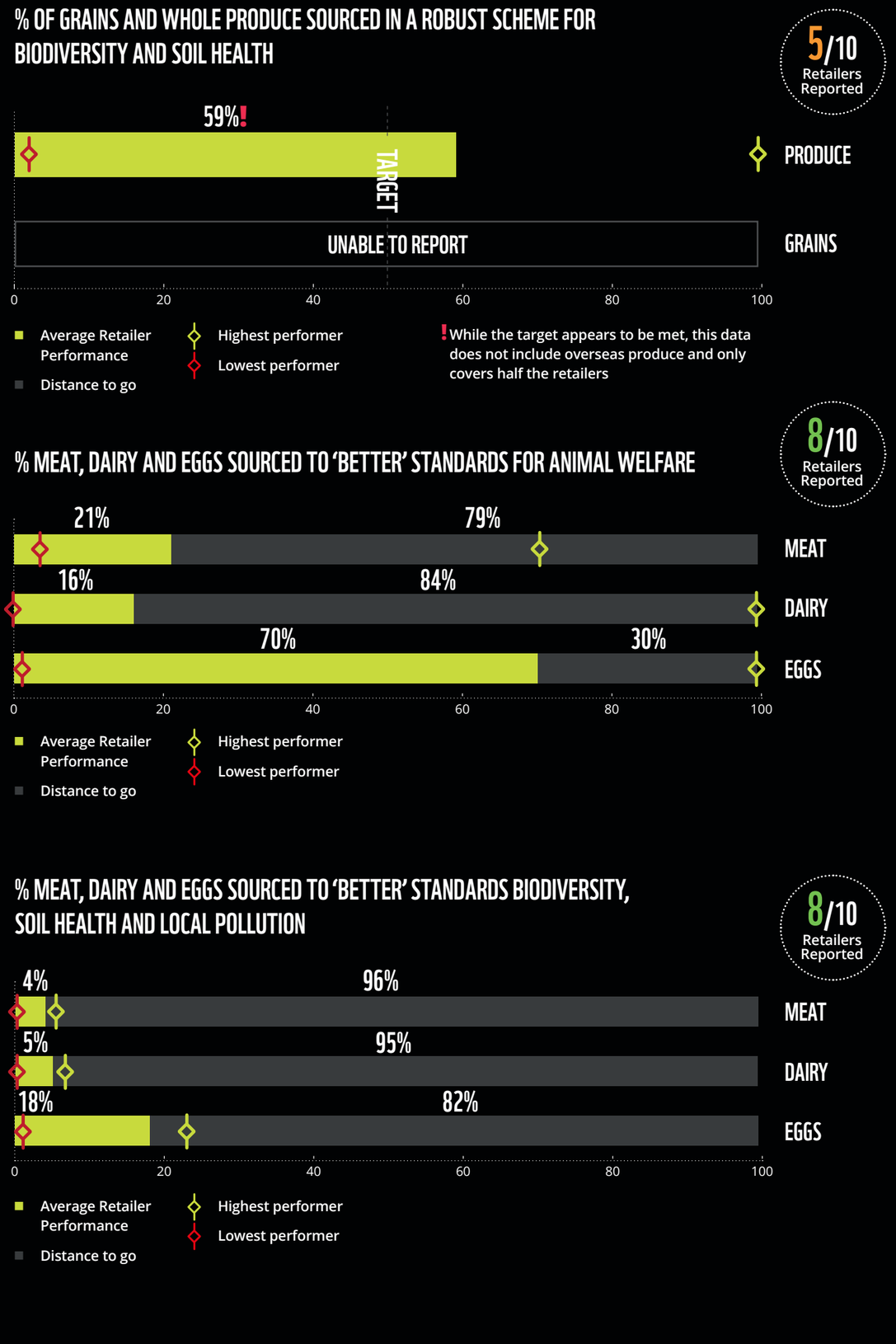
For some retailers, dairy figures only include fresh milk and poultry is only chicken, while others include other poultry like duck and turkey.

In order to better see the differences between supply chains, this year's report shows data for each of the groups separately. For biodiversity, soil health and local pollution, reporting retailers sourced on average 4% of meat, 5% of dairy and 8% of eggs to the required 'Better' standards (i.e. organic). With all but one of the retailers represented in these figures, there is still a long way to go to reach the target. The reasons for this lack of progress are complex and can be found both on the production and consumption side. Some retailers report that organically produced meat, dairy and eggs are not yet available at scale, and, as a consequence, are sold at a premium that consumers may find challenging to afford.

For animal welfare, reporting retailers on average sourced 21% of meat, 16% of dairy and 66% of eggs to 'Better' standards (i.e. either organic or RSPCA). Progress is significantly better for animal welfare than for biodiversity, soil health and local pollution, yet the distance between the highest and lowest performers is larger. For dairy and eggs the highest performers source 100% to 'Better' standards, while the lowest performers source only 1% and 2% respectively. Average retailer performance for eggs sourced to organic/RSPCA standards (66%) far outperforms meat and dairy. Retailers who have set themselves public time-bound animal welfare targets perform particularly well. For instance, Sainsbury's, M&S, Co-op and Ocado have all publicly committed to selling 100% RSPCA assured own-brand eggs. Thanks to the alignment between public policy and industry and a shared commitment to move towards higher welfare in the egg sector, there has been considerable progress towards 'Better' egg sourcing.

Of the eight reporting retailers, four confirmed that they published the volume of antibiotics used within their supply chain and/or have a target for reducing antibiotic use for meat, with six for dairy and five for eggs correspondingly. Compliant retailers follow the guidelines set out by the Food Industry Initiative on Antimicrobials (FIIA) and/or Responsible Use of Medicines in Agriculture Alliance (RUMA). These state that preventative treatment is only allowed where animals are at high risk of bacterial disease and must only occur under prescription, corresponding to the SBF's recommendations for the 'Better' standard. Producers of organic meat, dairy and eggs (covered in other agriculture metrics above) also heavily restrict the use of antibiotics, corresponding to the 'Best' practice as per the SBF.

viii Please see What's in Store for the Planet: WWF Basket methodology for more information.



% FRESH FOOD SOURCED FROM AREAS WITH SUSTAINABLE WATER MANAGEMENT

What does the data show?[ix]

Three retailers reported on aspects of this metric. This year was the first time any data on this metric was received – a sign that initial steps are at last being taken towards monitoring against this metric and the Courtauld Water Roadmap. However, as reporting remains largely incomplete, significant action is still urgently needed to understand the true impact of sourcing on water bodies.

Reporting retailers sourced on average 10% of their fresh food from areas with sustainable water management. Given the dominance of domestic production from the UK (particularly England), and of Spain for fruit and vegetables, the reported figures are unsurprising: currently, only 14% of English water bodies are of Good or High Ecological Status, and key sourcing areas in Spain are in the highly water-stressed south of the country. In the last year, however, business support for the Water Roadmap collective action projects enabled engagement with over 150 stakeholders and 900 farmers, including more than 350 farm visits and at least 25 different interventions were adopted, a new project was launched in West Cumbria, and new projects in Chile and Southwest England are close to launching.

Some retailers are making progress in collecting data with respect to water. Tracing supply chains back to production locations is needed to understand their sustainability and impacts on nature, and should therefore be a priority. The initial data made available reflects the current situation in sourcing areas and underscores the need to maintain focus on the actions set out by the Water Roadmap[44].

% OF PROTEIN, PRODUCE AND GRAIN SOURCED FROM FARMS THAT ARE MONITORING GHG FOOTPRINT

This measure assesses the level of farm carbon footprinting within the highest-impact supply chains (meat, dairy, eggs, produce and grain) by measuring the percentage of sourcing from farms that are confirmed to be monitoring their GHG footprint.

What does the data show?

Approximately half of the retailers were able to provide data for meat, dairy, and produce, but none could give any estimate of the level of carbon footprinting within their eggs and produce supply chains, indicating that more serious engagement is required with the latter.

Reporting retailers sourced on average 65% of meat and 74% of dairy from farms that were monitoring their GHG footprint. This reflects the fact that these are high-impact commodities, and many retailers have closer relationships within these supply chains and programmes of work to reduce emissions – and, as such, require on-farm GHG assessments. Across produce, only 34% of sourcing was from farms monitoring their GHG footprint, with retailers largely using LEAF Marque as an indicator. This shows that away from the main livestock supply chains, farm GHG assessments are still not routinely being conducted.

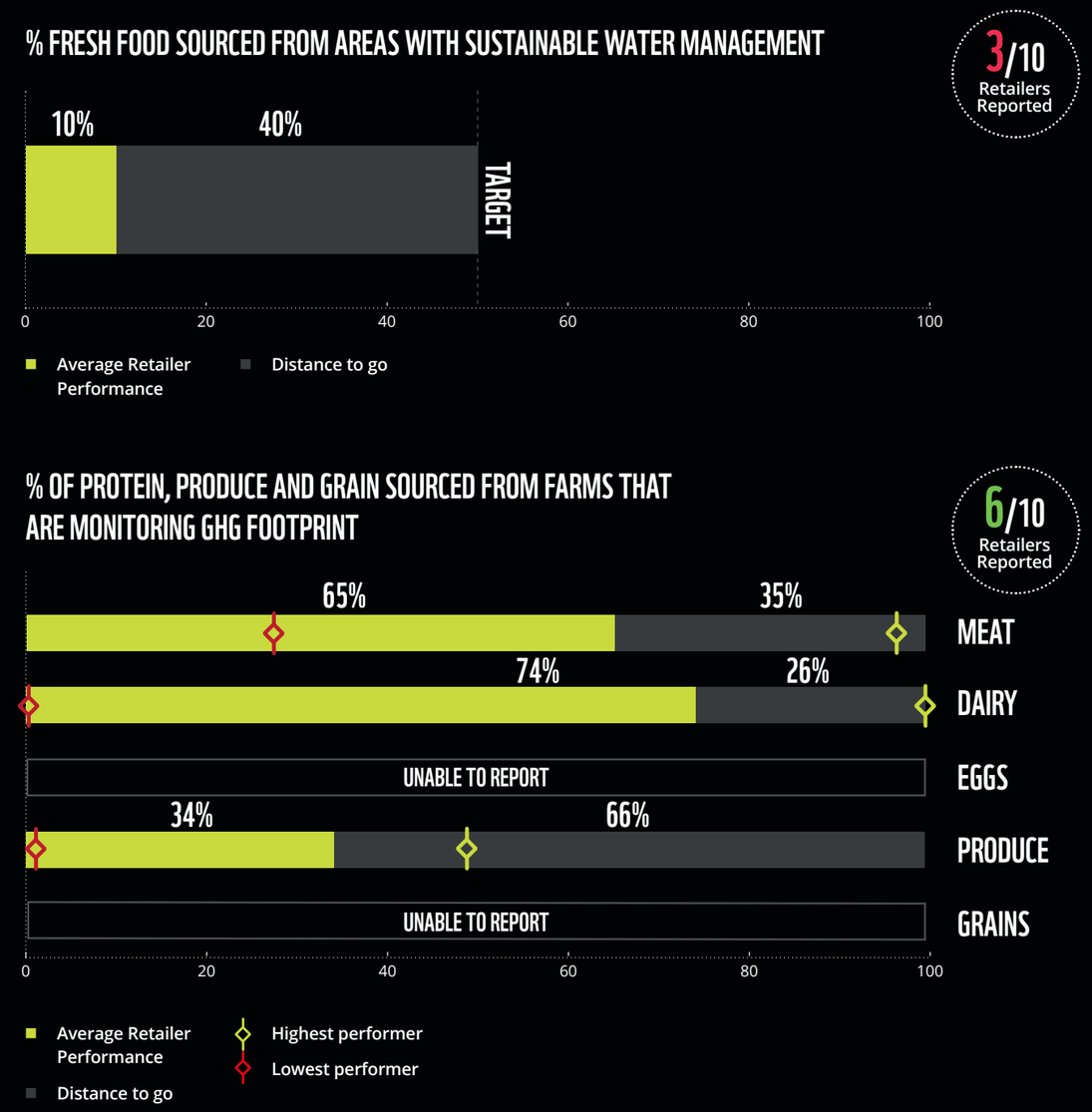
% REDUCTION IN SOURCING OF PEAT-RISK CROPS FROM LOWLAND PEAT

What does the data show?

We are unable to report on this metric this year due to a lack of data provision. As with last year's reporting, retailers still do not have information about which products are sourced from lowland peat soils and where their exposure is. However, six out of seven responding retailers are involved in one or more initiatives to support sustainable production on lowland peat, but none currently report on reductions in sourcing from lowland peat areas. Initiatives ranged from sponsoring the Fenland Soil Partnership, to supporting agricultural approaches that improve or maintain good soil health, supporting innovators aiming to provide products or processes to help protect peatland, and actively reducing the proportion of produce sourced from peat-rich areas.

The ability of retailers to map the farms where their produce is grown against the forthcoming government data on peatland distribution is central to understanding the peat footprint of their supply. The recommendation The Future of Vegetable Production on Lowland Peat[45] was for peatland cultivation to be increasingly restricted to human food crops that cannot readily be grown on mineral soils or those which can tolerate a raised water table (which reduces emissions), and for crops with a high erosion risk to be avoided. Stakeholder discussions over which crops should see a reduction in sourcing from peatland areas, and a pathway to achieving this without offshoring environmental impacts, should take place next year. Together, these actions should enable 2025 data to form the baseline year for a revised version of this metric.

ix This year, this measure covers products sourced from the UK, EU and the main export growing areas of South Africa and Peru.



KEY ACTIONS FOR NEXT YEAR

To see progress for Agriculture, the following actions are required:

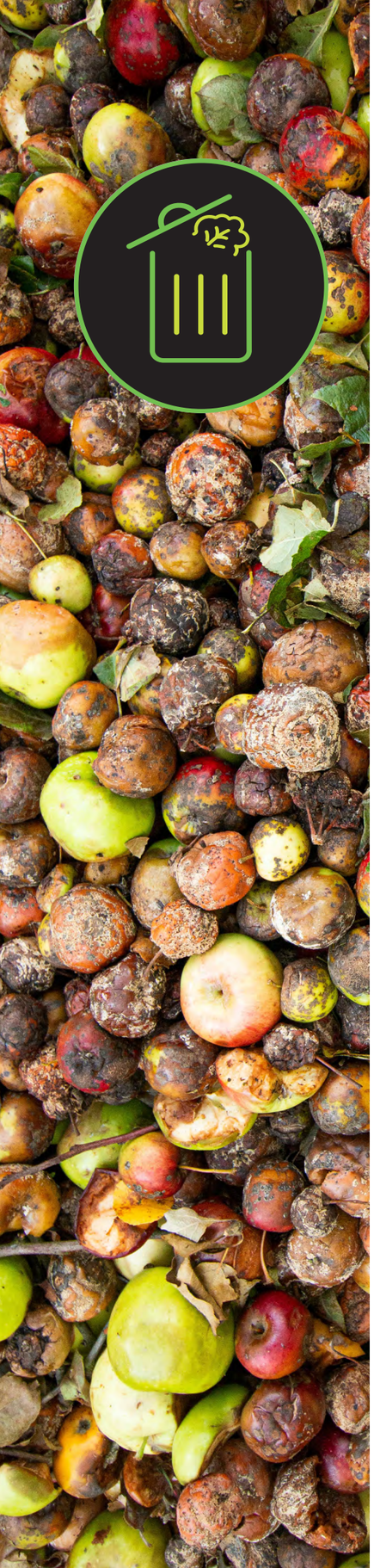
1. Retailers need to improve the traceability for supply chains that are not fully integrated, especially for grains, branded, and processed products (like cheese or processed meats), and products from overseas. Working with processors and exploring innovative solutions like supply sheds or mass balance approaches will be essential to increase traceability for these products.
2. Retailers must engage with their suppliers at farm level to understand where exactly a product comes from – whether it is sourced from a region with sustainable water management, from peatland, or from farms participating in a habitat protection scheme. For water, this level of traceability is increasingly required within reporting frameworks (e.g. freshwater SBTNs), and has the potential to add significant commercial value in terms of rapid response to weather-related events that impact supply chains. For habitat protection, LEAF Marque have consulted on the inclusion of a semi-natural habitat protection criterion within the next version of their standard. However, the move towards a requirement to reach the 5% figure needs to be gradual, even though many LEAF Marque certified farms already exceed this level. Retailers will need to ask for designated habitat scheme participation data to be collected through the supply chain to enable progress.
3. Specific public, timebound targets help keep retailers accountable and encourage them to drive action. M&S, Waitrose and Tesco provide positive examples by sourcing 100% of their UK-grown produce to the LEAF Marque standard and, in addition, by encouraging farmers to use some of their farmland for habitat protection. Waitrose and M&S have also committed to move 100% of their chicken meat to better welfare requirements through the Better Chicken Commitment: this has led M&S to switch to slower-growing, higher-welfare chickens, and both retailers to reduce stocking density. Other retailers should find ways to build from assurance standards and set specific and timebound targets for better sourcing. Any unrecoverable opportunity costs from delivering for biodiversity should be shared fairly through supply chains.

A shift to wholescale better farming practices which deliver environmental, socioeconomic and cultural wellbeing will require not only the commitment of retailers and producers, but also – crucially – a comprehensive government strategy focussed on delivering a just nature-positive transition. This should reduce the environmental impact of agriculture and help to reduce poverty and inequalities, while supporting farmers and workers to transition away from harmful forms of agricultural production[46].

THE NEED FOR A JOINED UP APPROACH ON SUSTAINABLE AGRICULTURE

UK food retailers have rolled out and supported many laudable initiatives to engage with farmers in their supply chains, increase supply chain traceability, and promote the use of sustainable agricultural methods. While individual projects play a vital role in promoting sustainable agriculture, there are currently no collective initiatives to drive the necessary shifts to achieve the WWF Basket sustainable agriculture targets. This leaves a disjointed approach which fails to drive transformation at the scale required. The lack of collaboration becomes particularly visible where supply chains are not fully vertically integrated. Especially in the case of grains and processed foods, supply chains remain largely opaque because of the blending of ingredients and multi-stage processes involved. Processors usually supply multiple retailers, further complicating traceability. A concerted effort by retailers and the wider supply chain will be needed to improve traceability, and subsequently sustainability, in these supply chains.

COLLABORATIVE ACTION IS NEEDED TO SEE TRANSFORMATION AT SCALE WITHIN AGRICULTURAL SUPPLY CHAINS



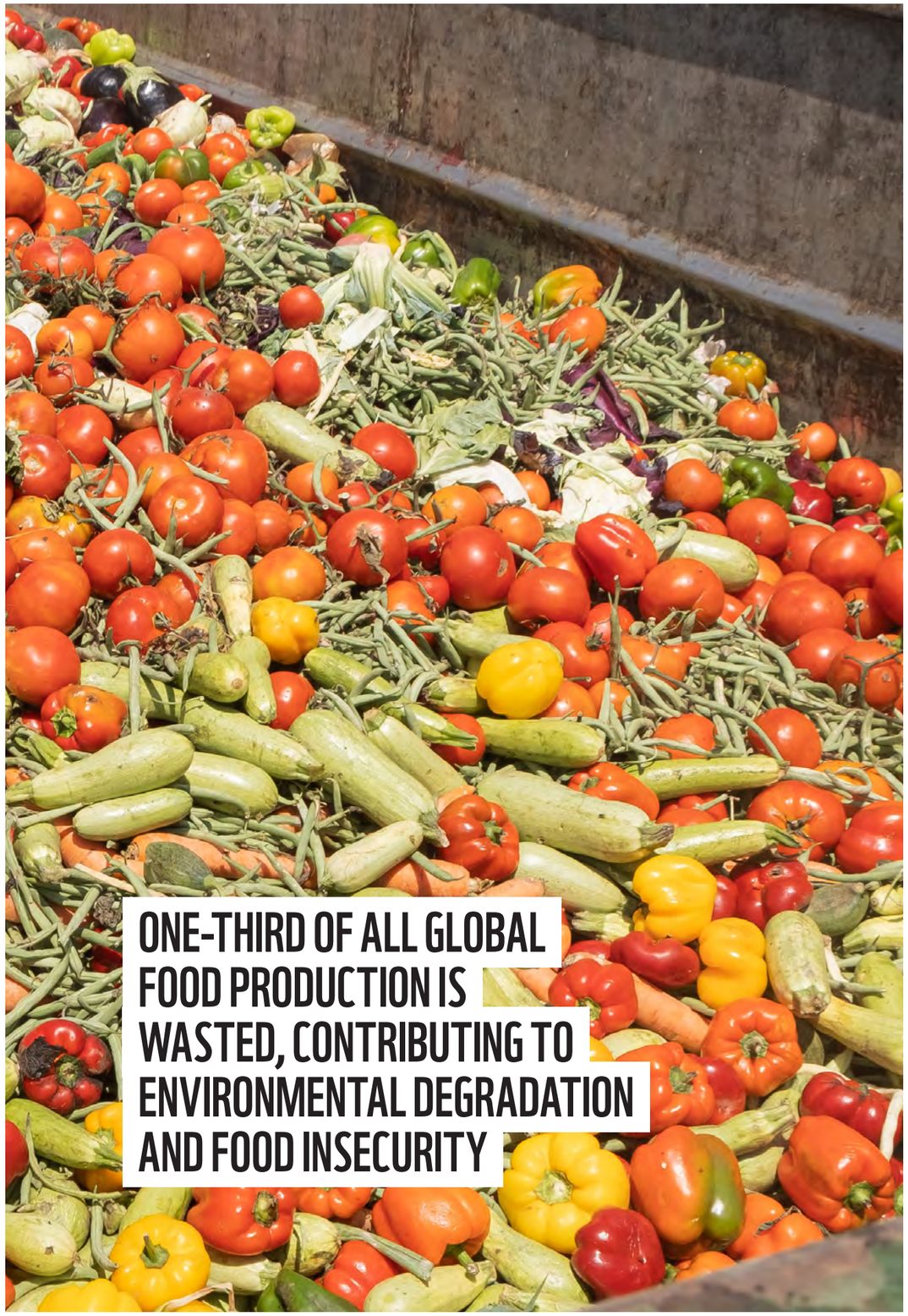
FOOD WASTE

WHY FOCUS ON FOOD WASTE?

One-third of all global food production is wasted, contributing to massive levels of environmental degradation and perpetuating food insecurity[47]. Each year there is an estimated 12 million tonnes of loss and waste in the UK's food supply chain, with waste generation thought to be most significant at the consumer and farm stages[48]. While retailers' direct food waste is relatively small compared to other chain actors, they still play a crucial role through the significant commercial and marketing influence they have on both suppliers and customers.

WHAT IS THE TARGET?

2030 OUTCOME	RETAILER PROGRESS MEASURE
Reducing food loss and waste in all aspects of the supply chain by 50%	% reduction in retail and manufacturing food waste
	% of products adhering to WRAP's best practice labelling guidance
	% sourcing from protein, produce and grain farms monitoring food loss and waste



PERFORMANCE AND PROGRESS

% REDUCTION IN RETAIL AND MANUFACTURING FOOD WASTE

Retailer and manufacturing food waste has reduced by 26% compared to a 2007 baseline, but in recent years progress has plateaued and both retailers and suppliers will need to accelerate action in order to achieve a 50% reduction by 2030. At the individual level, four retailers have reduced total food loss and waste since 2023, while six have reported an increase.

% OF PRODUCTS ADHERING TO WRAP'S BEST PRACTICE LABELLING GUIDANCE

In the UK, 60% of total food waste occurs in our homes, with an average household of four throwing away food worth £1,000 each year. Food retailers can help their customers throw away less food by helping them to buy the right amount for their needs, keep what is bought at its best, and use more of what they buy. This year we are able to report on this measure for the first time. To do so, we have used the results of WRAP's Retail Survey (2021/22)[49], examining adherence to best practice labelling guidance for the grocery retail sector, which assesses progress against four main areas: Date Label Applied, Open Life Statements, Storage Advice, and Freezing and Defrosting Advice. As the survey was conducted in 2021/22, any changes retailers have made since then will not be reflected in the data.

What does the data show?

The best performance was in 'Date Label Applied', with 70% of products surveyed meeting best practice guidelines ensuring that a date label is applied only when necessary and if needed, and that only a single date label is applied. Fewer products met best practice guidelines across 'Open Life Statements' - for example 'best within x days of opening' - with only 45% of surveyed products meeting the minimum standards: too often, retailers are still placing open life statements on products for which these are not needed. 'Storage Advice' was the worst-performing category, with less than 1% of surveyed products considered best practice: this was largely driven by poor uptake of the blue fridge icon used for foods that should be kept chilled. Within 'Freezing and Defrosting Advice', 53% of surveyed products met the best practice guidelines, displaying both the snowflake logo and freezing/defrosting advice.

These action areas can all help people use more of the food they buy, with WRAP estimating that changes like these can reduce UK household food waste by approximately 350,000 tonnes per year. Retailers should take advantage of this opportunity to reduce the impact of food waste on climate and nature while minimising customer costs.

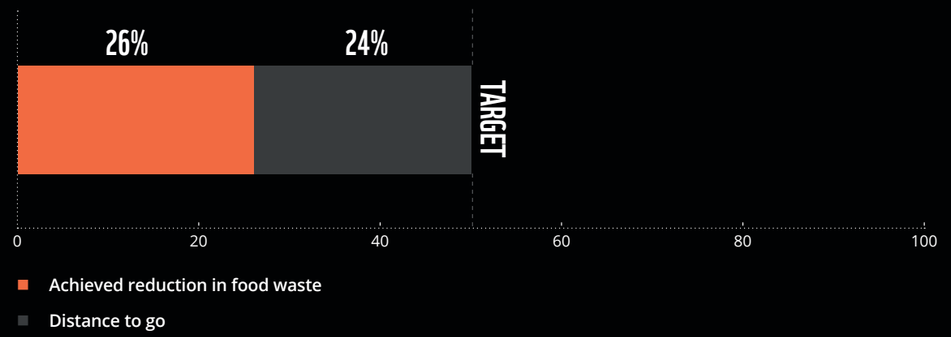
% SOURCING FROM PROTEIN, PRODUCE AND GRAIN FARMS MONITORING FOOD LOSS AND WASTE

What does the data show?

Within this measure, retailers are assessed on their percentage of sourcing from farms which are actively monitoring their food loss and waste using tools such as WRAP's Growers Guidance or the Global Farm Loss tool developed by WWF. Retailers provided information indicating that they are engaging with farmers and suppliers on the importance of minimising on-farm food waste, encouraging suppliers to engage with initiatives like the Food Waste Reduction Roadmap; while two retailers are trialling the Global Farm Loss tool. However, no retailer was able to provide data on the percentage of sourcing from farms which actively monitor food loss and waste. Given our estimate that on-farm food waste amounts to over 3 million tonnes per year in the UK , representing over 25% of food loss and waste[47], retailers need to step up their level of engagement with farmers and growers on this topic.

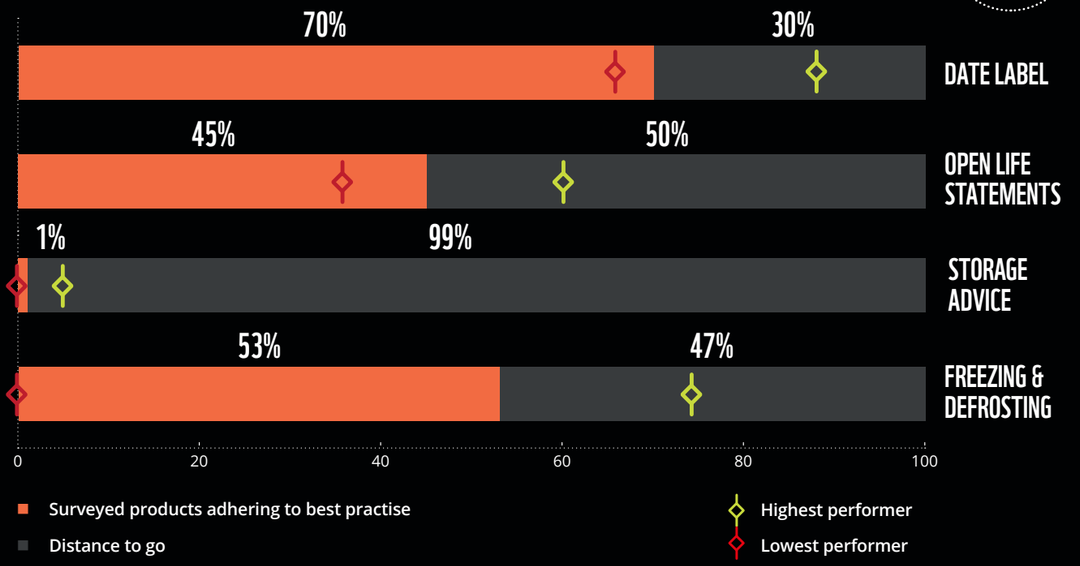
% REDUCTION IN RETAIL AND MANUFACTURING FOOD WASTE

10/10 Retailers Reported



% OF PRODUCTS ADHERING TO WRAP'S BEST PRACTICE LABELLING GUIDANCE

9/10 Retailers Reported



KEY ACTIONS FOR NEXT YEAR

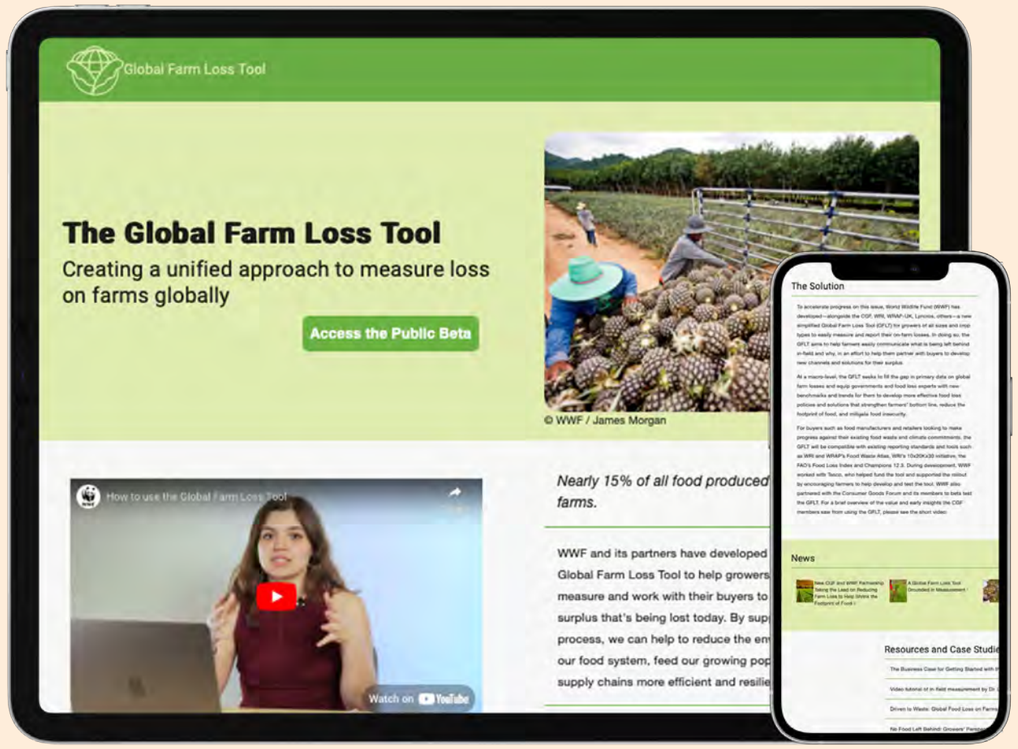
To see progress for Food Waste, the following actions are required:

1. **Data collection for on-farm food waste:** Retailers should prioritise engaging with their suppliers and farmers on monitoring on farm-stage food loss to enable reporting in future years. They should utilise tools like WWF's Global Farm Loss Tool, and work with suppliers to deliver training on its use. By doing so, the food sector will gain better insights into the patterns of loss rates, establish benchmarks and baselines, be better equipped to identify what reductions are achievable, and be able to provide best practice guidance to retailers and suppliers, advising changes to policy and practice which drive food loss.
2. **Prioritising the food waste hierarchy:** Preventing food waste should remain the primary objective, with redistribution as the next priority. As circular economy and waste-to-feed initiatives develop, this focus must drive actions in this area, ensuring that food suitable for human consumption is redistributed, while minimising food directed to animal feed. Over the next year, retailers should seek ways to boost redistribution efforts, monitoring the proportions of wasted food, redistributed food, and food sent for animal feed and use this information to set targets for food redistribution.
3. **Addressing consumer food waste:** Consumer food waste is the largest contributor to overall food waste, and total and per capita food waste has increased in recent years after a period of decline. Retailers can and should expand efforts to leverage their unique position to influence consumer purchasing and home behaviours. Improving adherence to best practice labelling, as measured by the WWF Basket, is just one of a whole suite of ways in which retailers can have a direct influence on consumers. Retailers' responsibility starts in-store with the way they package, present, price, and promote products, and continues to their role in consumer empowerment and education in relation to storage, preparation, portions served, and management of leftovers. Retailers can help directly (e.g. through pack design) and indirectly (through information).

CASE STUDY – GLOBAL FARM LOSS TOOL

Research shows that around 15% of all food produced is lost on farms annually. In 2024, WWF launched the free web-based Global Farm Loss Tool, which has been developed for growers of all sizes and crop types to easily measure and manage on-farm food losses. There are currently 130 users of the tool, with adoption from 10 global food companies who are piloting the tool with their suppliers.

It is designed to help growers quantify what is being left behind and understand why the losses occur. It also helps them partner with buyers to develop new channels and solutions to sell more of what they grow. Over time, collecting better data can improve growers' profitability, get more of what is produced to people as it was intended, and reduce the footprint of food.



PACKAGING

WHY FOCUS ON PACKAGING?

Packaging is essential for the global food system, helping to minimise food waste across the supply chain, extend product shelf-life, and ensure safe, affordable access to a wide variety of foods year-round. Retailers are on the frontline of negative attention on plastic packaging and its contribution to unacceptable levels of plastic leaking into the environment, with local communities, especially in the Global South, impacted by waste mismanagement. More recently, certain retailer claims on recycling have been subject to external scrutiny, underlining the need for greater transparency throughout the system to maintain the public's trust. To some extent, the short-term use of natural resources for packaging represents the continued linear approach to society's resource consumption.

In a world where the transboundary movement of goods is essential for a thriving global economy, there will always be a need for packaging. Yet the work to minimise the impact of the materials we source and to keep those materials flowing around a circular economy for as long as possible still requires attention from the retail sector.

WHAT IS THE TARGET?

2030 OUTCOME	RETAILER PROGRESS MEASURE
100% recyclable packaging	% packaging that is recyclable
40% reduction in material use	% reduction in packaging by weight
All materials sustainably sourced and use of recycled content maximised	% packaging that is recycled content or sustainably sourced

PERFORMANCE AND PROGRESS

% PACKAGING THAT IS RECYCLABLE

What does the data show?
Retailer performance for the percentage of packaging that is recyclable, based on the On-Package-Recycling-Label (OPRL), is presented in the bar chart, disaggregated between all materials, and then with a focus on plastic packaging.

All packaging materials, aside from some plastic formats, are highly recyclable, with more than 90% falling within the 'recycle' category. However, this is much lower for plastics, where only 66% could be recycled by consumers at home, with the remainder equally divided between 'recycle with bags at large supermarkets', 'recycle at recycling points', and 'don't recycle'. Given the low levels of customers returning flexible plastics for recycling within stores or at recycling points, and with recent reports raising concerns over whether returned flexible plastics are actually recycled[50], it is clear that increasing the recyclability of plastic packaging must remain a priority. This could be achieved by food companies eliminating unnecessary flexible plastics as per recent recommendations from WRAP to ban packaging from certain fresh fruit and vegetables[51]. This should be alongside the UK government following through on introducing the collection of flexible plastics at kerbside in 2027 as part of their Simpler Recycling measures and modulated fees based on recyclability as part of the Extended Producer Responsibility scheme in 2026.

The disparity between the proportion of plastic packaging that can be recycled via local authority kerbside collections and other routes for recycling is an issue for the sector, for example recycling soft/flexible plastic packaging "with bags at larger stores". There is currently no requirement for transparency on what happens to materials recovered via voluntary take-back schemes. Furthermore, a recent investigative report focusing on two key retailers found that 70% of the tracked soft plastics collected via these schemes that reached a final destination were burnt, not recycled[50]. While not all the plastics burned would have met the quality requirements to enable them to be recycled, this is still a significant proportion of material going to incineration. Therefore, careful consideration by government is needed in relation to proposed measures which would mean producers can offset their extended producer responsibility (EPR) fees through packaging materials collected in this way or through alternative closed-loop systems, for example Terracycle take-back recycling schemes.

% REDUCTION IN PACKAGING BY WEIGHT

What does the data show?
The total weight of packaging placed on the market by retailers has increased by 10% compared to the baseline year of 2018, making the 2030 target of 40% reduction more challenging to achieve. It is likely that this increase is higher for single-use transit packaging than primary packaging, which includes materials such as soft plastics which are more difficult to recycle. While still higher than the baseline year of 2018, packaging use has fallen this year relative to 2023, with 2.4% less used overall.

Next year we plan to analyse the changes in tonnages to see which materials have increased or decreased versus the 2018 baseline and consider what impacts that may have had. For example, as retailers work towards achieving their corporate and voluntary industry commitments on plastics, switching to paper as the alternative may bring a higher risk of deforestation if not sourced from sustainably managed forests.

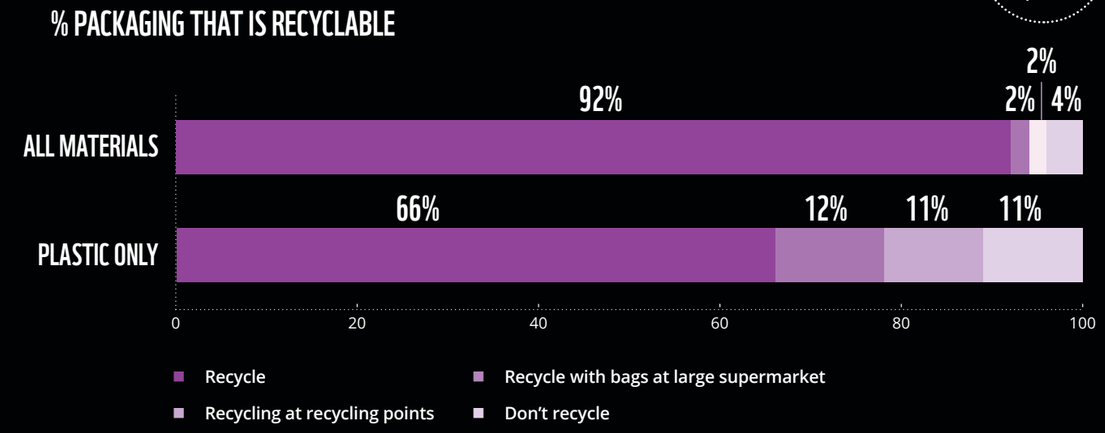
% PACKAGING THAT IS RECYCLED CONTENT OR SUSTAINABLY SOURCED

This measure aims to capture the percentage of packaging that is recycled content or sustainably sourced, with the target outcome that all materials are sustainably sourced, and the use of recycled content maximised.

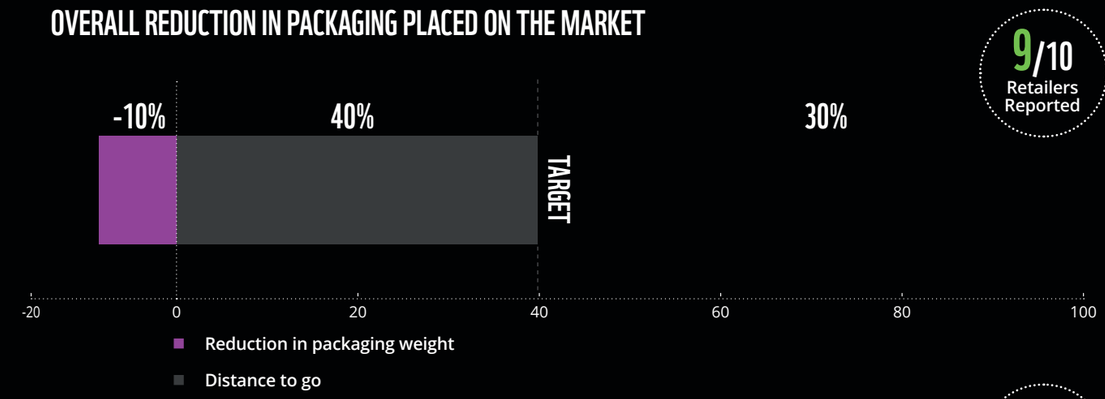
Recycled content is the proportion of packaging which comes from recycled materials. 'Sustainably sourced' tracks the tonnage of packaging that is certified by independent certification schemes, including Forestry Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), Aluminium Stewardship Initiative (ASI) and Responsible Steel.

What does the data show?
Retailers reported that own-label packaging contained an average of 26% recycled content and that 16% of own-label packaging was sustainably sourced. Retailers were able to provide recycled content data for more materials than for sustainably sourced, with sustainably sourced data only covering paper, card and other (wood). The highest recycled content was found in paper and cardboard, followed by glass, aluminium and steel. It was lowest for plastic, underlining the challenges in this area, including the availability of food grade recycled content, especially for certain polymers such as polypropylene, and the virgin polymer prices often being more favourable than recycled materials. The only materials that could be compared across recycled content and sustainably sourced were paper and cardboard, and for these a higher proportion was made up of recycled content rather than sustainably sourced.

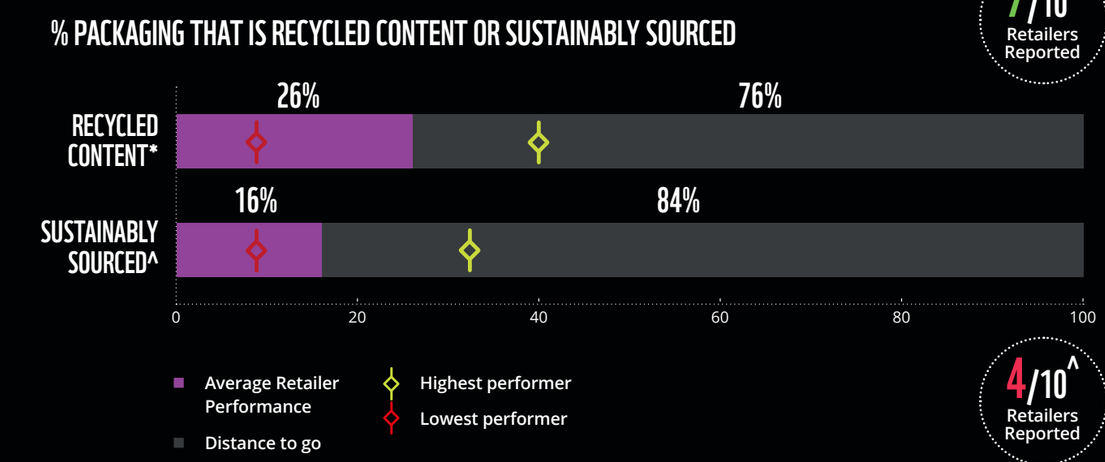
8/10 Retailers Reported



9/10 Retailers Reported



7/10* Retailers Reported



4/10^ Retailers Reported

KEY ACTIONS FOR NEXT YEAR

To see progress for Packaging, the following actions are required:

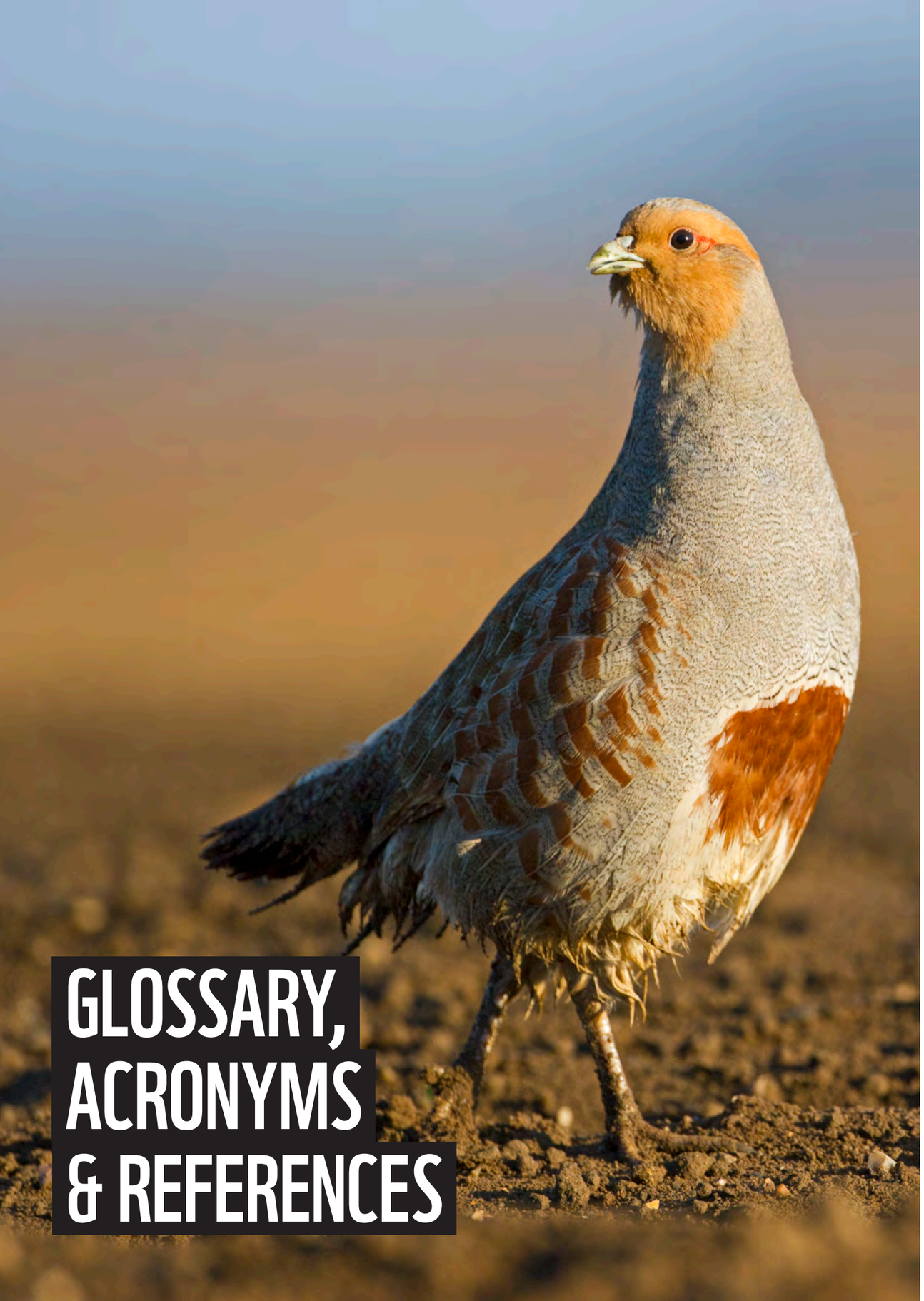
1. Changes in reporting requirements this year – which included questions drilling down into FSC certification categories (FSC Mix, FSC Recycled) to better understand which level of FSC accreditation retailers are adopting – have highlighted a gap in the way retailers capture this information. Some are further ahead and capture basic information, while some have policies in place but do not follow up to check whether suppliers are meeting policy requirements. WWF is encouraging retailers to improve their reporting on this issue, with a view to all retailers capturing this level of detail around sustainable sourcing.
2. As things stand, too little attention has been paid to material sourcing, which makes a huge contribution to the UK's overseas environmental impact. Therefore, we continue to advocate to government to set a resource consumption reduction target to underpin its plan to deliver a zero-waste society and a circular economy. Measures including a ban on packaging for specific fresh produce lines which do not increase food waste would be a welcome step[51].
3. On recycled content, the Plastic Packaging Tax, levied on packaging which contains less than 30% recycled content, continues to be a driver for plastics, but there is currently little or no policy incentive on the other materials. WWF has a clear ask to government to extend the tax across all materials to drive behaviour change and stimulate investment in recycling infrastructure, as part of its Circular Economy Roadmap work.

CASE STUDY – REFILL COALITION

The UKRI-backed Refill Coalition, led by GoUnpackaged and in partnership with Aldi and Ocado, is a pioneer in reuse and refill system innovation - a key lever for driving down the UK's packaging consumption. This utilises existing supply chain infrastructure to move standardised, prefilled bulk reusable containers around the grocery supply chain. Aldi launched an in-store refill solution in October 2023, with Ocado launching a reuse model for online grocery deliveries in August 2024. The Refill Coalition has estimated that if every household opted for one product in reusable packaging per week, it would eliminate 1.4 billion pieces of packaging per year.

The Refill Coalition will support an understanding of how reuse and refill systems can be facilitated as part of well-established grocery retail supply chains. Early headlines from the project are promising - these include a 30% cost saving resulting from more efficient palletisation and less frequent in-store replenishment cycles vs. products in single-use packaging, a 23% reduction in emissions associated with greater palletisation efficiency, a 99% reduction in packaging waste based on 60 uses of the bulk vessel, and an estimated 97% reduction in producer EPR obligations. The business case for reuse and refill is also critical – encouragingly results so far indicate that trial store products are contributing up to 30% of sales in their category, and 96% of customers consider the refill station "hygienic and quick to use".

While this initiative can demonstrate how to overcome operational barriers, increase efficiency and engage customers, all of which are essential, the right policy incentives are urgently needed to level the playing field as part of the government's wider circular economy ambition.



GLOSSARY, ACRONYMS & REFERENCES

GLOSSARY

TERM	DEFINITION
Accountability Framework Initiative	A resource to help companies produce and source commodities while protecting forests and other natural ecosystems. It guides the establishment of effective policies and implementation systems to achieve supply chains free from deforestation and conversion.
Chain of Custody Models (CoC)	A general term to describe the approach taken to demonstrate the link (physical or administrative) between the verified unit of production and a particular claim about the final product (e.g. Fairtrade, Organic, Deforestation & Conversion Free). Different types of models exist and are used by retailers and suppliers to claim that a product is DCF. For more details on the CoC system see ISEAL Guidance. Three major types of CoC models exist for cocoa, palm oil and soy verification – mass balance, identity-preserved and segregated – but each has significantly different impacts on the ground. Additionally, credit-based systems also exist that allow retailers to purchase credits equal to the volume of soy and palm oil that they have purchased. Only segregated and identity-preserved CoC models allow full traceability of conversion-risk commodities back to the original area of production. Therefore, only segregated and identity-preserved soy/palm oil is guaranteed to be DCF within retailer supply chains. **Identity preservation (IP)** An IP tracking system ensures that certified product from a certified site is kept separate from other sources of the product. If used through the whole supply chain, it allows certified products to be uniquely traced through the production process from a production site and batch (sustainability certificate holder) to the last point of transformation or labelling of a product (or use of a claim). **Segregated (SG)** This type of tracking system ensures that certified product is kept separate from non-certified sources through each stage of the supply chain, allowing assurance that the ingredients within a particular product originate from certified sources, though it may not be possible to identify which molecule came from which certified source. **Mass balance** Two major type of mass balance systems are Site-level mass balance and Area mass balance also known as Group-level' or 'multi-site' mass balance. The Site-level tracking system maintains segregation until the manufacturing or processing stage in the supply chain, when the certified product can then be mixed with non-certified product, and the proportions of certified and non-certified product at the overall site level are recorded and reconciled. Area mass balance allows for physical mixing or volume reconciliation of certified and non-certified product is allowed at any stage in the production process provided that the quantities are controlled in documentation. The volume of certified product purchased by the group/area is controlled and an equivalent volume of product leaving the group/area can be sold as certified. Mass balance is not sufficient to prove physically DCF for the WWF Basket.
Deforestation	The loss of natural forest as a result of: • conversion to agriculture or other non-forest land use; • conversion to a plantation; or • severe or sustained degradation
Eatwell Guide	• The UK's national dietary guidelines, developed by Public Health England in 2016, which provides a visual representation of the proportions of foods recommended for a well-balanced and healthy diet.

TERM	DEFINITION
Forage Fish Dependency Ratio (FFDR)	The quantity of wild fish used per quantity of cultured fish produced.
First Importer	The first company within a supply chain to place a product onto a specific market.
Forest, Land and Agriculture (FLAG)	The Science-based Targets Initiative has set out FLAG guidance, which provides a standard method for companies in land-intensive sectors to set SBTs including land-based emissions reductions and removals. **Sector approach**: A FLAG sector approach for companies with diversified FLAG emissions and removals potential (sector-specific absolute reduction). For near-term SBTs, the minimum reduction is 3.03% p.a. **Commodity approach**: A commodity-based approach with 11 commodity pathways: beef, chicken, dairy, leather, maize, palm oil, pork, rice, soy, wheat, and timber & wood fibre (sector-specific intensity convergence). For near-term SBTs, the minimum reduction varies by commodity from 2.4-3.9% p.a.
Food loss & waste	Food and/or inedible parts sent to any of the following destinations : • Anaerobic digestion/co-digestion • Composting/aerobic processes • Incineration/controlled combustion • Land application • Landfill • Sewer/wastewater treatment • Not harvested/ploughed-in • Other • Refuse/ discards/ litter (including dumping and unmanaged disposal) It is equivalent to the term 'food waste' used by WRAP and others in the UK. This definition excludes any material that is sent for: • Redistribution to people (e.g. through a charity or commercial redistributor) • Animal feed • Bio-based materials/biochemical processing (e.g. feedstock for other industrial products) These are often referred to in the UK as 'food surplus.'
Nutrition Security	The adequacy of the national food system to provide affordable, accessible and sustainable foods, in an equitable manner, which meet population health requirements for not only energy but also macro and micronutrients, even in the face of shocks and stressors.
Prepared and composite products	Products that can contain animal- and plant-based protein foods and ingredients from other food groups.

TERM	DEFINITION

Protein foods	Foods that are good protein sources are defined in the Eatwell Guide 'beans, pulses, fish, eggs, meat and other proteins' and 'dairy and alternatives' food groups. Protein foods included in the protein diversification metric are defined by the WWF Basket Diet Disclosure Guide as:
	Beans, pulses, fish, eggs, meat and other proteins:
	• Livestock-based protein foods – this includes, for example:
	  • Meat, poultry, game and processed meat including beef, lamb, pork, chicken, bacon, sausages and burgers
	  • Eggs
	• Seafood-based protein foods – this includes, for example:
	  • Fish and seafood including salmon, tuna, sardines, mussels and squid
	• Plant-based proteins – this includes, for example:
	  • Legumes, beans and pulses including lentils, chickpeas, baked beans, kidney beans, butter beans, black beans, fava beans and lupin beans
	  • Minimally processed plant protein foods and meat alternative products including soy (tempeh, tofu), wheat (seitan), pea protein and mycoprotein-based products
	  • Nuts and seeds
	Dairy and alternatives are not included in the protein food diversification metric. However, retailers are asked to measure total sales of dairy and alternatives and are encouraged to continue measuring the split between livestock and plant-based sources. These are defined by the WWF Basket Diet Disclosure Guide as:
	Dairy and alternatives:
	• Livestock-based foods – this includes, for example:
	  • Dairy including milk, cheese, yoghurt and cream
	• Plant-based foods – this includes, for example:
	  • Dairy alternatives including plant milk and yoghurt, vegan cheese and cream

Recyclable	For 2024, packaging defined under OPRL as 'Recycle', 'Don't Recycle', and 'Recycle with Bags at Large Supermarket' will be considered. Given expected regulatory changes as packaging EPR is introduced, as well as the expectation that evidence on the practical effectiveness of some of these routes for certain materials may improve over time, this definition may change in future. **Recycle:** This label is applied to packaging collected by 75% or more of UK local authorities and then sorted, processed and recycled into new packaging or products. This should also include packaging with particular instructions or reference to particular parts of a material such as 'Recycle | Rinse' and 'Recycle | Rinse | Lid on'. **Recycle with Bags at Large Supermarkets | Don't Recycle at Home:** This label is on plastic wrapping such as bread bags, fruit and veg bags, crisp packets and chocolate wrappers. This type of packaging can be recycled at recycling points in selected supermarkets. **Recycle at Recycling Points:** This label is found on food and drink cartons. This type of packaging can be recycled at some out-of-home recycling points. **Don't Recycle:** This label is applied to packaging that is collected by fewer than 50% of UK local authorities and/or is not able to be sorted, processed and recycled into new packaging or products.
Recycled content	In its broadest sense, recycled content is the proportion of packaging which comes from recycled materials. WRAP currently aligns its recycled content definition with the ISO14021 definition which clarifies post-consumer material as material generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product which can no longer be used for its intended purpose. This includes returns of material from the distribution chain.

TERM	DEFINITION
Retail & manufacturing food waste	All food waste in the value chain excluding pre-farm-gate losses and consumer food waste.
Sustainably sourced certification	A number of packaging certification schemes have become prevalent in the last decade. Certification schemes that are currently deemed to meet the WWF Basket's requirements are the following: Forestry Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), Aluminium Stewardship Initiative (ASI), and Responsible Steel
Science-based targets (SBT)	These provide a clearly defined pathway for companies to reduce greenhouse gas emissions. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.
Scope 1 emissions	Greenhouse gas emissions directly from operations that are owned or controlled by the reporting company. This includes any fuel combustion and fugitive emissions.
Scope 2 emissions	Indirect greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the reporting company.
Scope 3 emissions	All other indirect emissions from activities of the organisation, occurring from sources that it does not own or control. This covers all other emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions. These are typically harder to assess, and assess consistently, than Scope 1 and 2.
Triple Challenge	Meeting the food needs of the world, while tackling the climate crisis and reversing the loss of nature.
WWF Livewell Diet	WWF-UK's approach to illustrate an achievable healthy, balanced and sustainable diet. It is modelled using the Eatwell Guide to meet UK government nutrition and dietary recommendations; be socially acceptable; and minimise greenhouse gas emissions and other environmental impacts. The Livewell diet model represents a sweet spot – the maximum environmental benefits that can be achieved without deviating too far from the current average diet, while meeting nutritional and dietary guidelines. Shifting diets towards Livewell would deliver over half of the food emissions reductions needed by 2030 and a 20% reduction in biodiversity loss compared to the current average diet.

LIST OF ACRONYMS

ACRONYM	DEFINITION
AFi	Accountability Framework Initiative
ASC	Aquaculture Stewardship Council
DCF	Deforestation and conversion-free
FFDR	Forage fish dependency ratio
FFDRm	FFDR meal
FFDRo	FFDR oil
FSC	Forest Stewardship Council
GHG	Greenhouse gas
IGD	Institute of Grocery Distribution
IUU	Illegal, unreported and unregulated
LCA	Life-cycle analysis
OPRL	On-pack recycling label
PEFC	Programme for the Endorsement of Forest Certification
RSPCA	Royal Society for the Prevention of Cruelty to Animals
RSPO	Roundtable on Sustainable Palm Oil
SBTi	Science Based Targets Initiative
SJI	Seafood Jurisdictional Initiative
vDCF	Verified deforestation and conversion-free

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