





Food Waste

According to the United Nations' Food and Agriculture Organization ("FAO"), around the world, one third of food, equivalent to around 1.3 billion tonnes, is wasted along the value chain – equivalent to 8-10% of man-made greenhouse gas (GHG) emissions. This means that not only is the financial value wasted, so too are all the resources that went into making it – from the water used to grow each of the ingredients and the fuel that transported them, to the energy used to process, refrigerate and cook them.

The UK manufacturing sector contributed to 1.5 million tonnes of food waste in 2018 in the UK alone. As a sector we need to reduce this by 135,000 tonnes each year to hit the target of halving food waste by 2030. We have been measuring our food waste since 2017 using the principles and template of 'Target, Measure, Act' – a toolkit set by the non-profit organisation WRAP and the IGD – and we have committed to halving our food waste by 2030 to support the Champions 12.3 initiative. The Intergovernmental Panel on Climate Change ("IPCC") estimates that food waste contributes to 8-10% of total man-made greenhouse gas ("GHG") emissions and, as such, this initiative has a significant contribution to mitigating climate change.

Our targets and commitments:

- Continue working towards our Champions 12.3 target of reducing food loss by preventing it at each of our sites, whilst measuring and reporting our progress annually (2030).
- Actively engage each of our UK and US sites to maximise the suitable surplus food available for redistribution (2022).

Our approach

Food waste in the UK is one of our business's non-financial KPIs, measured and reported on a quarterly basis at our ESG Executive Committee, which was established in 2021 to manage delivery against our Trusted Partner ESG strategy. Progress against our targets are communicated quarterly to Management Board and the Nomination and ESG Board Committee which is the dedicated Board-level committee for ESG matters.

Our primary objective is to prevent waste from occurring in the first place, so each of our UK sites has targets to work towards. Some waste however is inevitable, for example the inedible parts of fruits and vegetables. Therefore we promote a mindset of 'think surplus, not waste' – treating it as a resource and prioritising redistribution. Where we have surplus product, we share across our staff shops, local charities, food bank networks such as FareShare and redistributors such as Company Shop. In the UK and China we also send suitable food waste to be used for animal feed, with the remainder primarily being recycled for anaerobic digestion that produces fertilisers and biogas.

Progress in 2021

Despite positive progress made in 2020, the return to more normal production levels in 2021 had a negative impact on our UK food waste levels which increased by 0.6% from 8.5% in 2020 to 9.1%. This was subsequently escalated as a priority at ESG Executive Committee level. A number of operational and governance improvements were then implemented in the second half of the year that included identifying priority sites for targeted action. Updated procedures and guidelines will be rolled out from January 2022 in order to strengthen our processes and support site-by-site food waste reduction programmes.

In China, 2021 saw us open a new direct-to-consumer channel for selling surplus bakery products on a popular e-commerce platform at a reduced cost - in order to significantly reduce potential waste. The channel has proved extremely popular, selling 800 pieces in just the first two days of opening.

In 2021 we more than doubled the distribution to food redistribution organisations like FareShare and other charities, donating the equivalent of 410,786 meals.

Food waste (UK)	2021	2020	2019	2018
Food waste as percentage of food produced	9.15%	8.48%	8.90%	9.10%
Food waste (tonnes)	44,382	41,625	43,913	48,757
Food waste avoided				
Recycled as animal feed	21,265	24,752	27,520	30,499
Redistributed to people through FareShare and local charities (meal equivalents ¹)	412,643	189,095	165,550	86,309
Redistributed to people through other secondary markets such as redistributors (meal equivalents)	955,405	1,538,64	989,190	1,350,000
Redistributed in Bakkavor staff shops (meal equivalents)	1,419,667	1,332,143	1,771,800	1,327,738

¹ Meal equivalent based on a 420g portion

Our UK sites do not send any food waste to incineration or landfill.