

## Executive Summary

# Tracking progress towards halving the environmental impact of the average UK shopping basket: Basket Metric Methodology

## Background: WWF-Tesco Partnership

WWF and Tesco launched a ground-breaking four-year partnership in November 2018 to work together on some of the most important issues in the food system to provide affordable, healthy, sustainable food for all. The overarching aim of the partnership is to ‘halve the environmental impact of the average UK shopping basket’. To do this, requires action across the entire food value chain from food production i.e. farming, fishing and manufacture, through food delivery inclusive of transportation, packaging and stores, to the food choices and consumption habits of customers including their dietary choices and food waste.

In partnership, WWF and Tesco are working together to drive improvement across all areas of the business, including sourcing standards, to bring about transformational change in key areas where incremental change is insufficient, and to advocate for broader sector and/or societal change. The partnership is built on three key pillars of focus that are fundamental to achieve the goal of halving the environmental impact of the shopping basket. These are:



**Helping our customers eat more sustainably**



**Restoring nature in food production**



**Eliminating waste (food and packaging)**

It is only by bringing WWF’s science, expertise and convening power and Tesco’s scale and influence, can this shared goal be achieved. To track progress towards it requires a clear set of metrics and indicators and an understanding of the starting point and the target destination; as such the basket metric methodology has been developed.

## Basket metric methodology overview

The basket metric is the approach that has been developed to track and communicate the progress being made towards the halving commitment. It includes a basket of 20 metrics across seven key impact areas that the partnership is focused on (climate change, deforestation, sustainable agriculture, marine sustainability,

consumer diets, food waste and packaging). The metrics were selected based on the existing science on the environmental impacts of the food system and based on the expert opinion of colleagues at WWF and Tesco with input and guidance from a number of external third parties. Each metric has been assigned a ‘weighting’ given its relative contribution to the environmental impact of the shopping basket (more detail below). For each metric, where possible a 2018 baseline has been determined (the starting point), a target has been set against this baseline (the change we want to effect) and then a status update for 2020 has been calculated. It is the aggregation of progress across all of the metrics that provides an overall estimation at any given time of the progress towards the halving commitment.

The average basket is made up of 20 of the most frequently bought products and serve as ‘barometer’ products to track the wider work of the partnership and bring the approach to life, from bread and milk to bananas and rice. While some metrics are relevant to all barometer products (e.g. GHG emission reduction in stores; increasing recyclability of packaging), others are product-specific (e.g. GHG emissions from dairy and beef cattle; MSC certification on seafood).

The metrics have been selected because they represent some of the most pertinent issues relevant to the impact area being addressed but are therefore not exhaustive of all issues and impacts that will be addressed by the partnership. The metrics are designed to focus efforts and help design interventions that will have the most significant environmental impact reductions. They also help to raise the profile and attention on the issue. The spirit of the approach means that many of the metrics require broader sector change (e.g. tackling deforestation) in order for progress to be seen; as such the approach is intended to be shared and used to engage and work with others in the sector/supply chain to help drive a step-change in transparency, accountability and collaboration around the most important issues.

### What it is and what it isn’t

In simple terms, the Basket Metric is a *basket of environmental issues and agendas* in which the food system is impacting and for which large-scale sector transformation is required if the impact of the average UK shopping basket is to be halved. Each metric has been developed to represent the priority areas for action and to guide the key intervention areas under the partnership and for wider sector collaboration.

The Basket Metric is not an environmental footprint measure or life-cycle impact assessment of each product in the average basket i.e. we are not calculating the carbon footprint, the land use footprint and water footprint of food products in the basket. It is not designed therefore to calculate the environmental footprint of a specific basket of products. The Metric represents the best of what we can manage right now and wherever possible we have sought to use the most common and accepted measures.

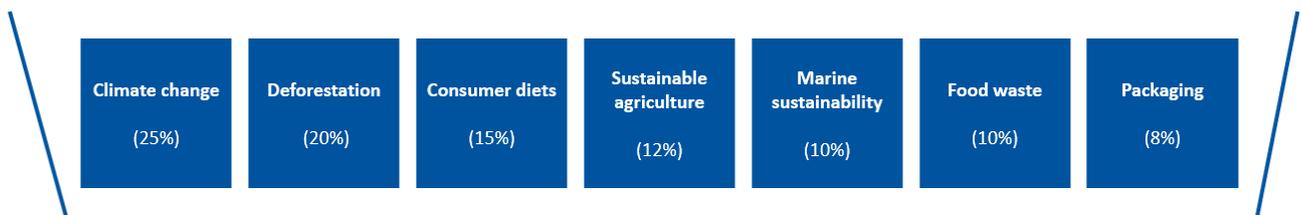


Figure 1: The 'basket' of issues being tracked relevant to the food system.

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## The metrics

Table 1 provides a summary of the metrics under each ‘flagship issue’ that the partnership will be addressing that fit under the three core pillars and what each metric is ‘weighted’ as its relative contribution to the environmental impact of the shopping basket.

Table 1: Summary of the basket metrics

Pillar	Flagship Issue*	Metrics	Explainer	Weighting
Restoring Nature in Food production	Climate Change (25%)	% reduction of GHG emissions in retailer’s own operations	Retailers’ own operations, whether energy and refrigerant gas use in supermarkets or fuel use in lorries and vans, are a significant source of GHG emissions in the food system.	4%
		% reduction of GHG emissions from food processing / manufacturing sites	Food processing and manufacturing are a significant source of GHG emissions in the food system, especially for prepared foods such as ready meals.	5%
		% reduction in GHG emissions from artificial fertiliser	Emissions from artificial fertiliser, whether from their manufacture in factories or due to sub-optimal application in fields, are one of the largest sources of agricultural GHG emissions.	8%
		% reduction in GHG emissions from cattle	Emissions from cattle, in particular from enteric fermentation, are one of the largest sources of agricultural GHG emissions.	4%
		Amount of land in a long-term carbon sequestration initiative	To meet global climate change targets there needs to be more effort made to sequester and store carbon, including alternative management of agricultural land, such as planting trees or rewilding.	4%
	Deforestation (20%)	% South American soy from area / mass balance or verified zero deforestation areas	Much of the soy that the UK imports, largely for animal feed, comes from South America, where it is a major driver of deforestation and habitat conversion; certification credits for individual farms are important but alone are insufficient to	12%

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			stop this crisis, instead the entire soy producing region must have no link to land clearance.	
		% of palm oil from importers who have a credible action plan and demonstrated clear progress towards becoming a verified zero deforestation palm oil importer	RSPO remains an important tool for ensuring that palm oil being used is from deforestation-free and sustainable sources, however to drive transformation at scale it is important to ensure that palm oil traders have no association with deforestation whatsoever; moving from clean supply chains to clean suppliers.	8%
Agriculture (12%)		Average % of farmland in a good environmental scheme (e.g. HLS, Glastir advanced, LEAF)	There are many environmental issues at farm-level including soil health, water pollution and wildlife conservation; robust farm-level environmental schemes indicate that these issues are being managed effectively.	7%
		% of fresh food from regions with sustainable water management	The most effective means to understand whether water resources are being managed sustainably is to assess their use at landscape and regional-level, not just on individual farms or sites.	4%
		% of key sourcing regions for fresh produce with a credible plan to address agri-plastic pollution	Some food production regions rely on widespread use of plastic greenhouses and other forms of on-farm plastic, which if not managed effectively can result in soil and water pollution.	1%
Marine (10%)		% volume of wild caught seafood (exc. tuna) that is MSC certified	MSC certification is a widely accepted means to assess the sustainability of seafood sourcing.	2%
		% volume of tuna from fisheries with credible sustainability certification (e.g. MSC, WWF green-rated)	Tuna is an iconic marine species which faces some particular sustainability challenges, which is why it is singled out from other seafood sourcing.	5%
		Average Forage Fish Dependency Ratio for oil (FFDRo) of fish feed	FFDRo provides an indication of how much wild-caught fish are used to produce farmed fish i.e. the fish in – fish out ratio;	3%

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			the lower this number the better in terms of marine sustainability.	
Helping customers to eat more sustainably	Consumer diets (15%)	% of protein sales (volume) from animal-based and plant-based sources	Although animal-based proteins can be part of a healthy sustainable diet, there needs to a shift towards more plant-based proteins, which typically have a much lower environmental footprint; tracking the protein category sales is an important first step.	15%
	Waste	Food waste (10%)	% reduction in food waste in retailer stores and operations	Although food waste in retailers is relatively small, there needs to be greater measurement and transparency of this issue.
% reduction of customer food waste			Food waste in the home remains one of the biggest hotspots, especially for some popular products like bread and salad.	3%
% reduction of supplier operational and farm-level food waste			Food waste at food supplier sites, such packhouses, or on farms can be significant, and one where measurement and transparency has been limited.	3%
% Removal of own-label packaging (units)			Whatever material that is used, all packaging has an environmental impact, so it is important to keep a focus on overall removal wherever possible.	2%
% of own-label packaging that is recyclable (by weight)			Where packaging is used it must be recyclable so it can have another life in the system and avoid ending up in landfill or in the environment; this is particularly true of plastics, but of other materials too.	4%
% recycled content across all own-label plastic packaging			We need to move to a more circular economy, so where plastics are used in packaging they should ideally come from recycled content, and not virgin material.	2%

\*& relative contribution to the environmental impact of the shopping basket

## How does the basket metric work?

The basket metric approach aggregates the progress of the 20 sub-metrics across all of the 7 flagship issue areas given their respective weightings (relative contributions to the overall impact of the basket). When combined, it provides a single indicative progress figure towards the ambition of halving the overall impact of the basket.

For each sub-metric, the following key data points are required:

- **2018 Baseline:** this is the starting point; where the wider UK industry was in 2018 (representing the average UK shopping basket). Where this data doesn't exist, Tesco data for 2018 has been used where available, or the starting point has been assumed as zero (or equivalent).
- **2020 Tesco status:** the status of Tesco performance in 2020 where data exists. If no specific Tesco data is available, industry average data has been used where possible.
- **Target:** the ambitious and metric-specific time-bound target set. In most cases, the target was set for 2030 but for some other metrics this is set as much sooner.
- **Weighting:** each sub-metric is assigned a weighting given its relative contribution to the environmental impact of the shopping basket (more on how this was determined below).

The progress for each sub-metric is calculated based the progress made from the baseline towards the set target, respective of its relative weighting. This approach builds in sufficient flexibility to adapt and evolve the approach as required over time e.g. as more sophisticated data becomes available; scientific understanding evolves; radical innovations allow for greater transformative progress.

## Weighting the metrics

Each metric has been assigned a 'weighting' given its relative contribution to the environmental impact of the shopping basket. This weighting was determined based on the following principles:

- **Scope:** global impacts (e.g. climate change, large-scale deforestation) are weighted higher than regional issues.
- **Irreversibility and urgency:** issues requiring urgent action to ensure impacts do not become irreversible, are weighted higher.
- **Direct impact:** the more direct an environmental impact the higher our weighting (e.g. emissions which immediately pollute vs packaging which may, or may not, pollute oceans).
- **Governance:** issues with the least effective governance (e.g. forest sustainability) are also prioritised.

