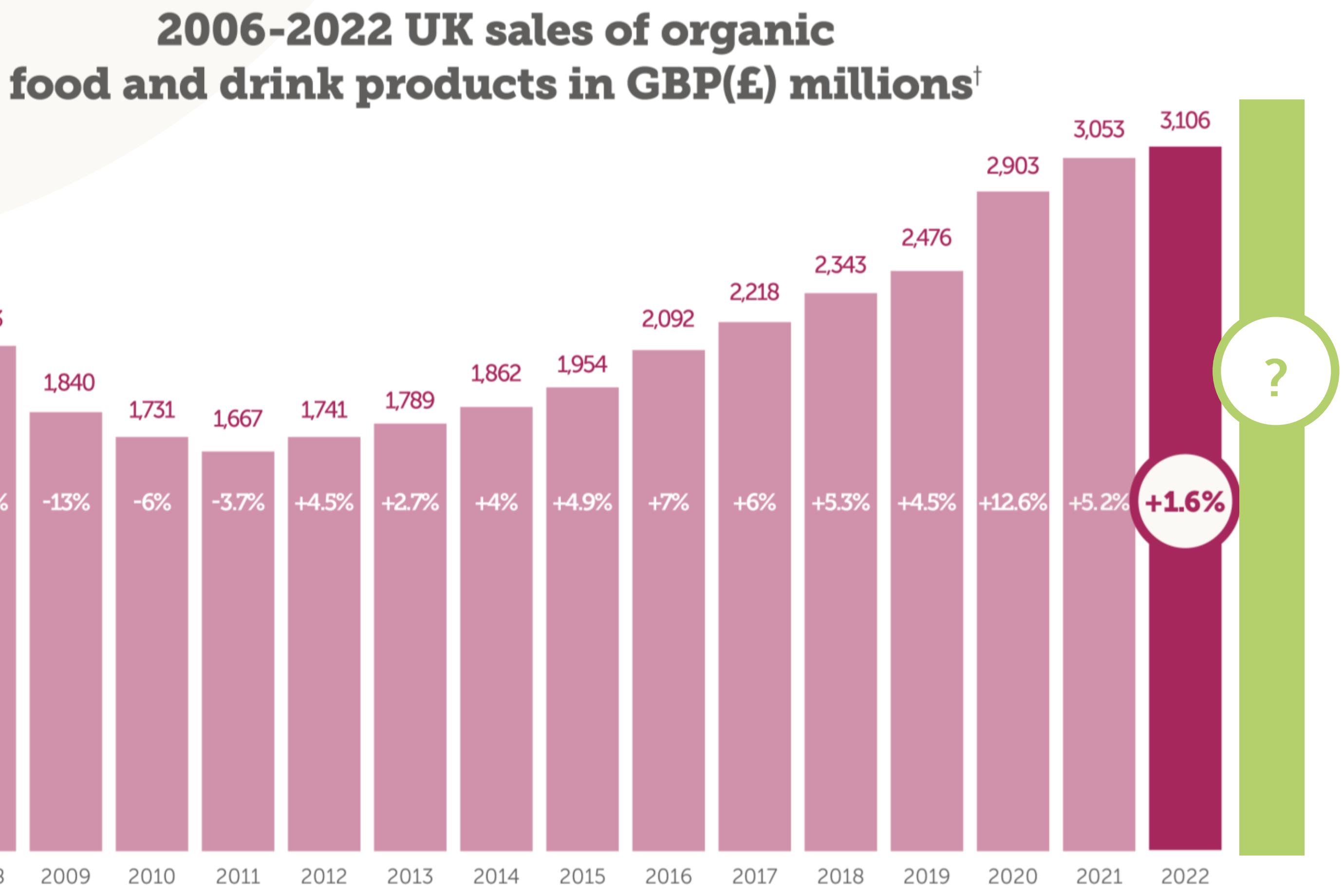
UK Organic Market Update

Lee Holdstock – Snr. Business Development & Trade Manager

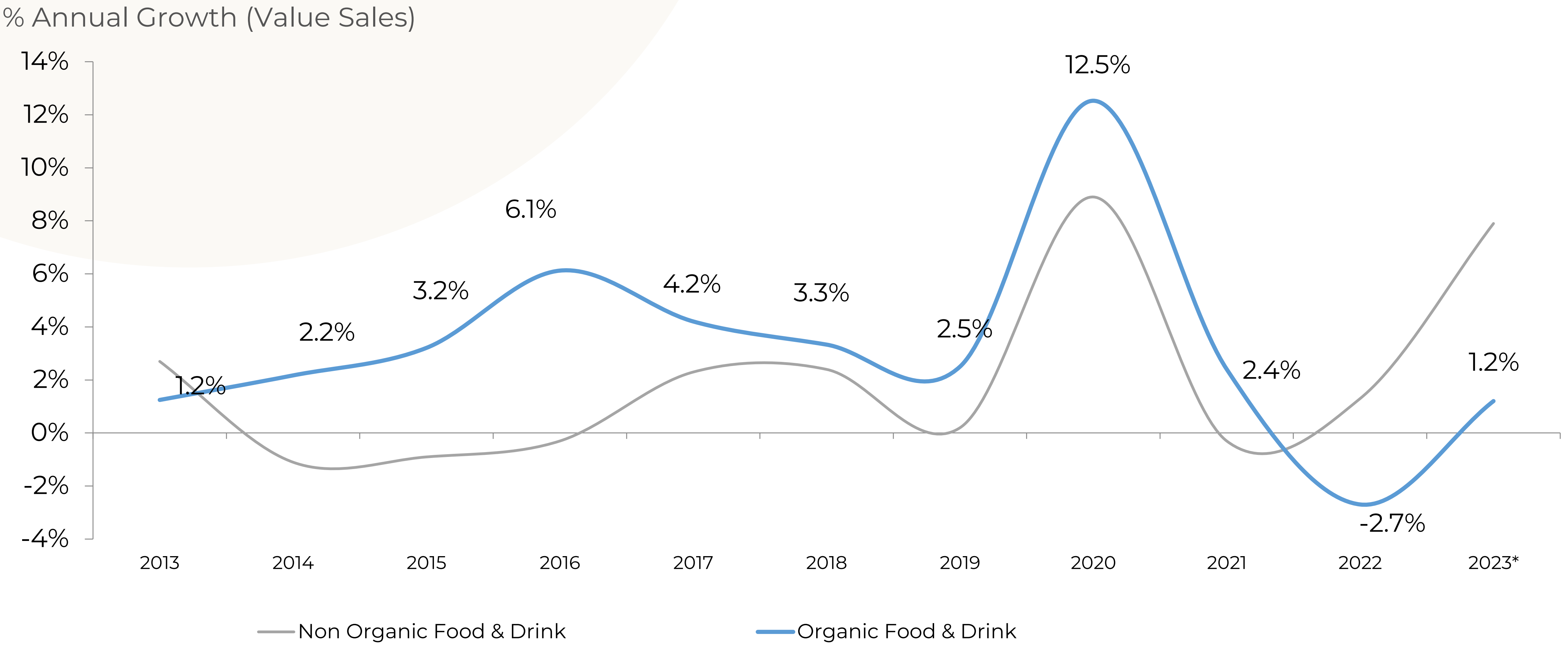
Soil Association Certification

Total UK Food & Drink Market Trend



† Based on Soil Association Certification Organic Market Reports

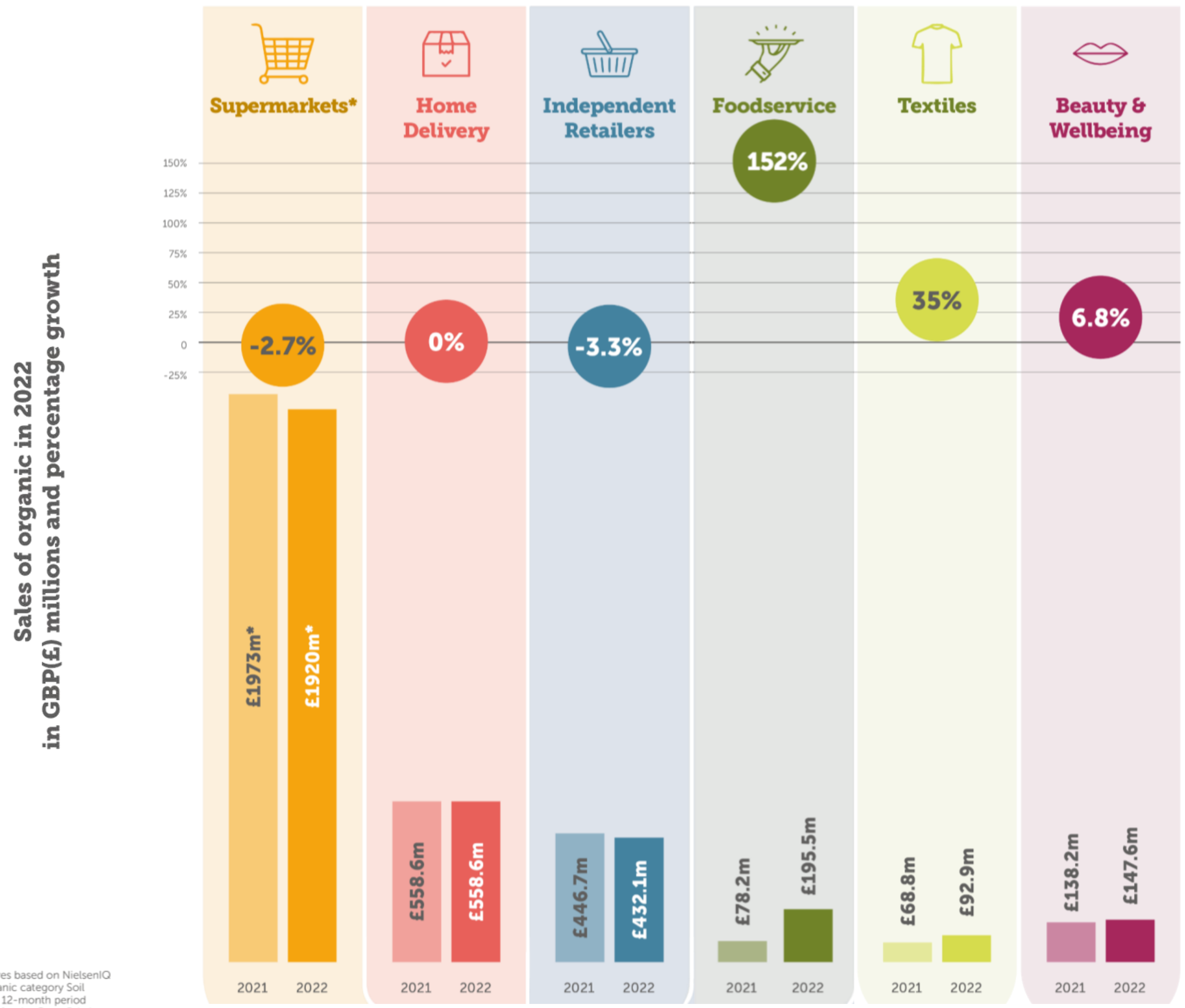
Supermarket value growth 2013-2023 (Sept)



*52w/e 23Sep23

Source: NIQ Scantrack Organic v non Organic Food & Drink

Channel performance in 2022



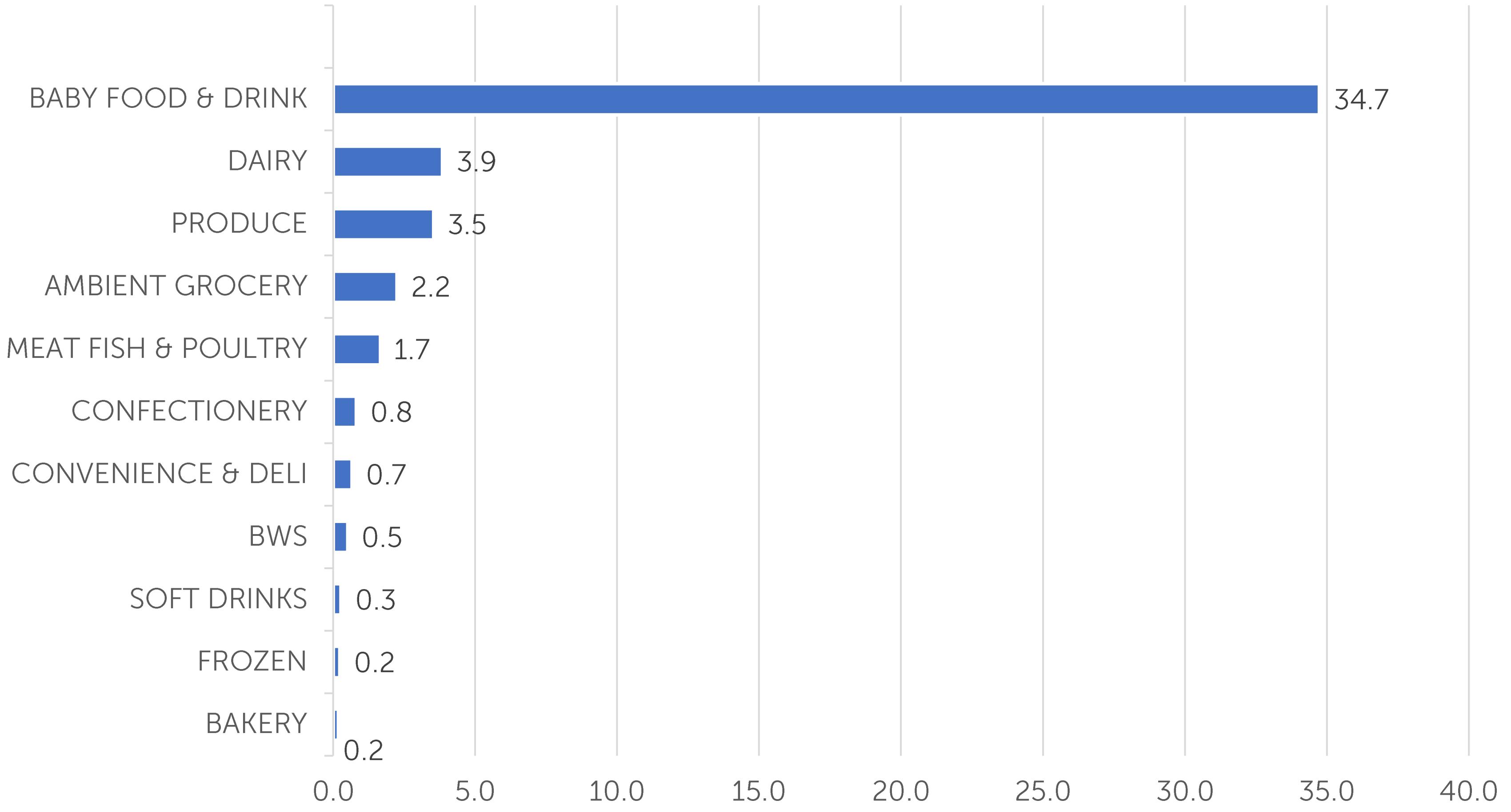
Source: *Supermarket figures based on NielsenIQ Scantrack data for the Organic category Soil Association defined for the 12-month period ending 31 December 2022 for the Great Britain total retail market (copyright @2023 NielsenIQ). All other figures based on Soil Association Certification data.

- ↑ Promising growth from foodservice, textiles, beauty & wellbeing
- → Home delivery held market value
- ↓ Supermarkets and Independents fell back

Organic Retail Category Shares (of all supermarket food and drink)

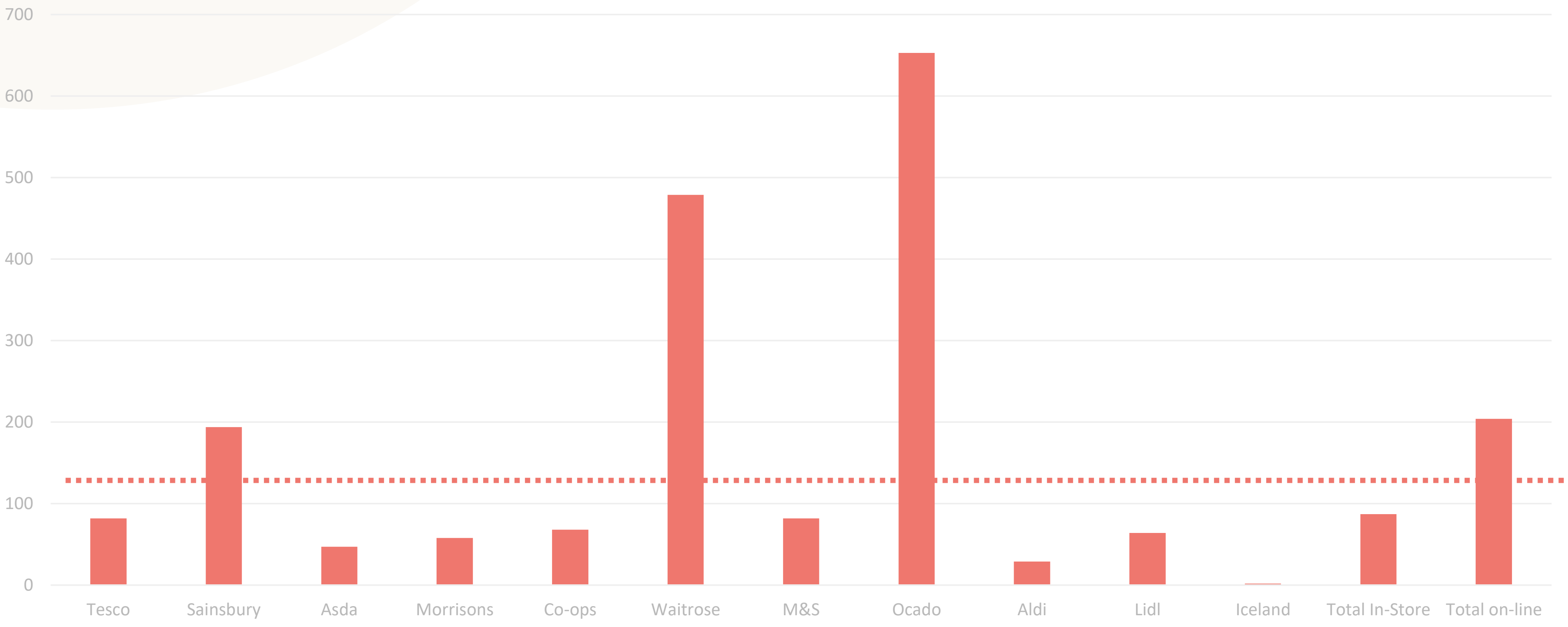
Organic baby continues to command a significant share of overall baby

Dairy, Produce, Grocery and meat continue to over-index



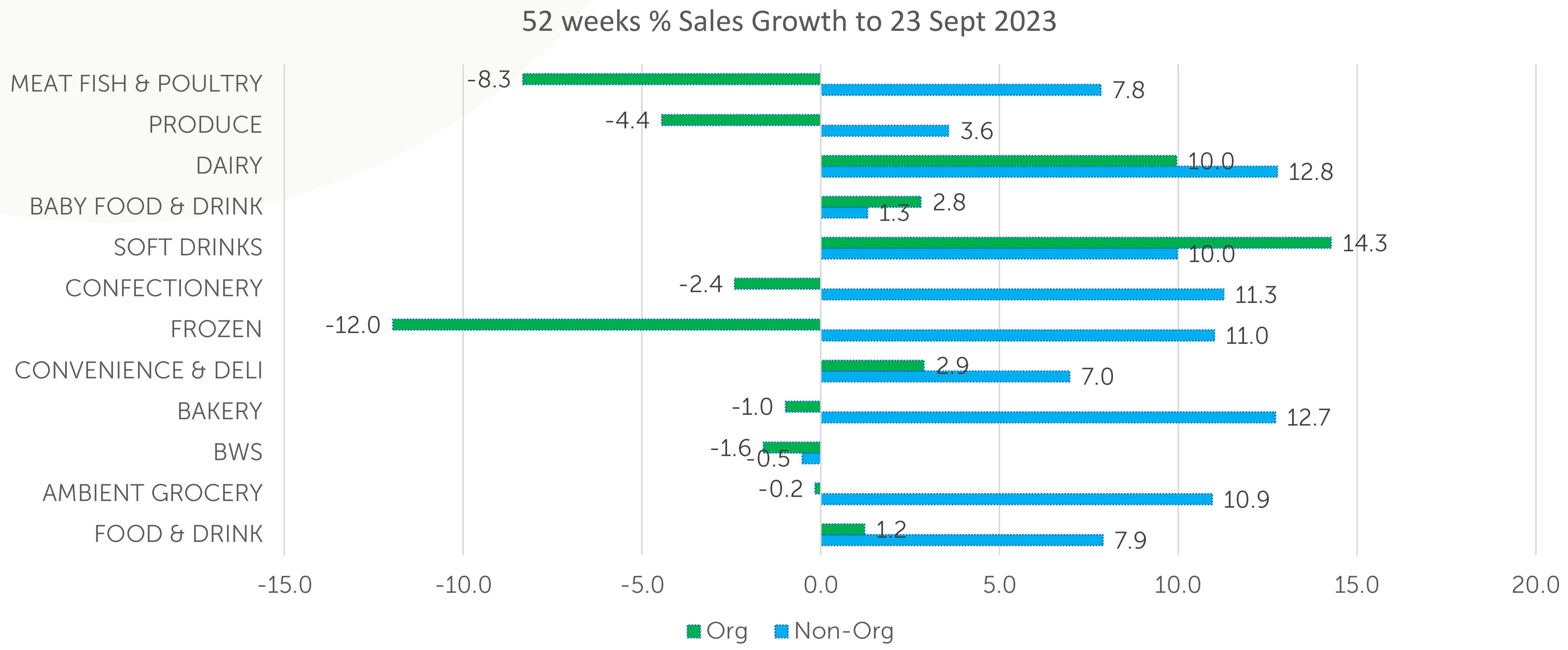
NielsenIQ Scantrack data to 23rd Sept 2023

Supermarket organic over and under-trade



Source: NielsenIQ Homescan – Share of Trade Report April 2023

Organic v's non-organic category movements

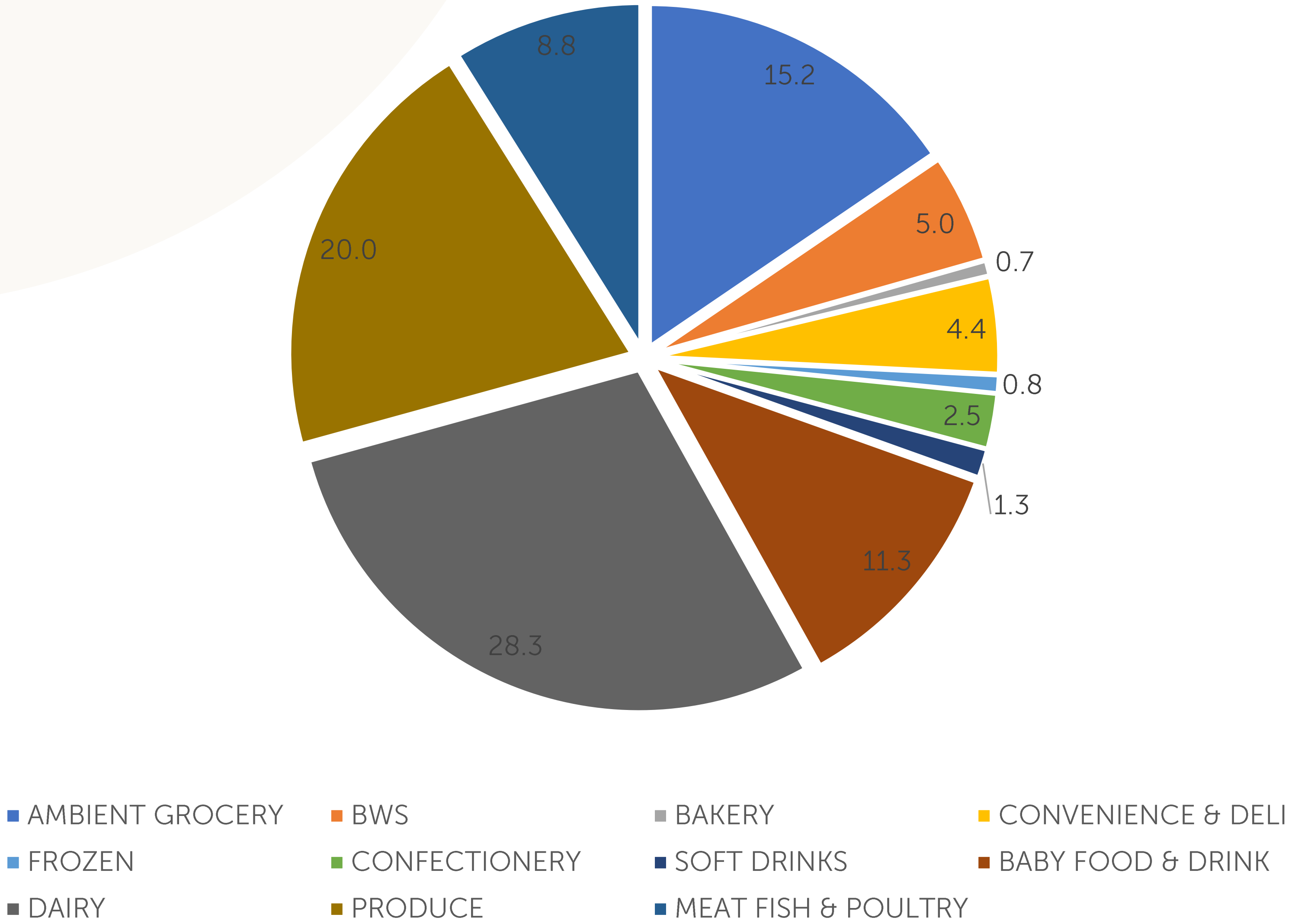


NielsenIQ Scantrack data to 23rd Sept 2023

Organic ranges online (SKUs - online searches)

	Sainsbury's	ASDA	TESCO	Morrisons	WAITROSE & PARTNERS	ocado
JAN 23	790	526	206	458	913	5290
MAY 23	NA	537 ↑	160 ↓	397 ↓	931 ↑	5063 ↓
SEPT 23	793 →	NA	192 ↑	452 ↑	910 ↓	5438 ↑
NOV 23	635 ↓	486 ↓	124 ↓	347 ↓	729 ↓	4811 ↓

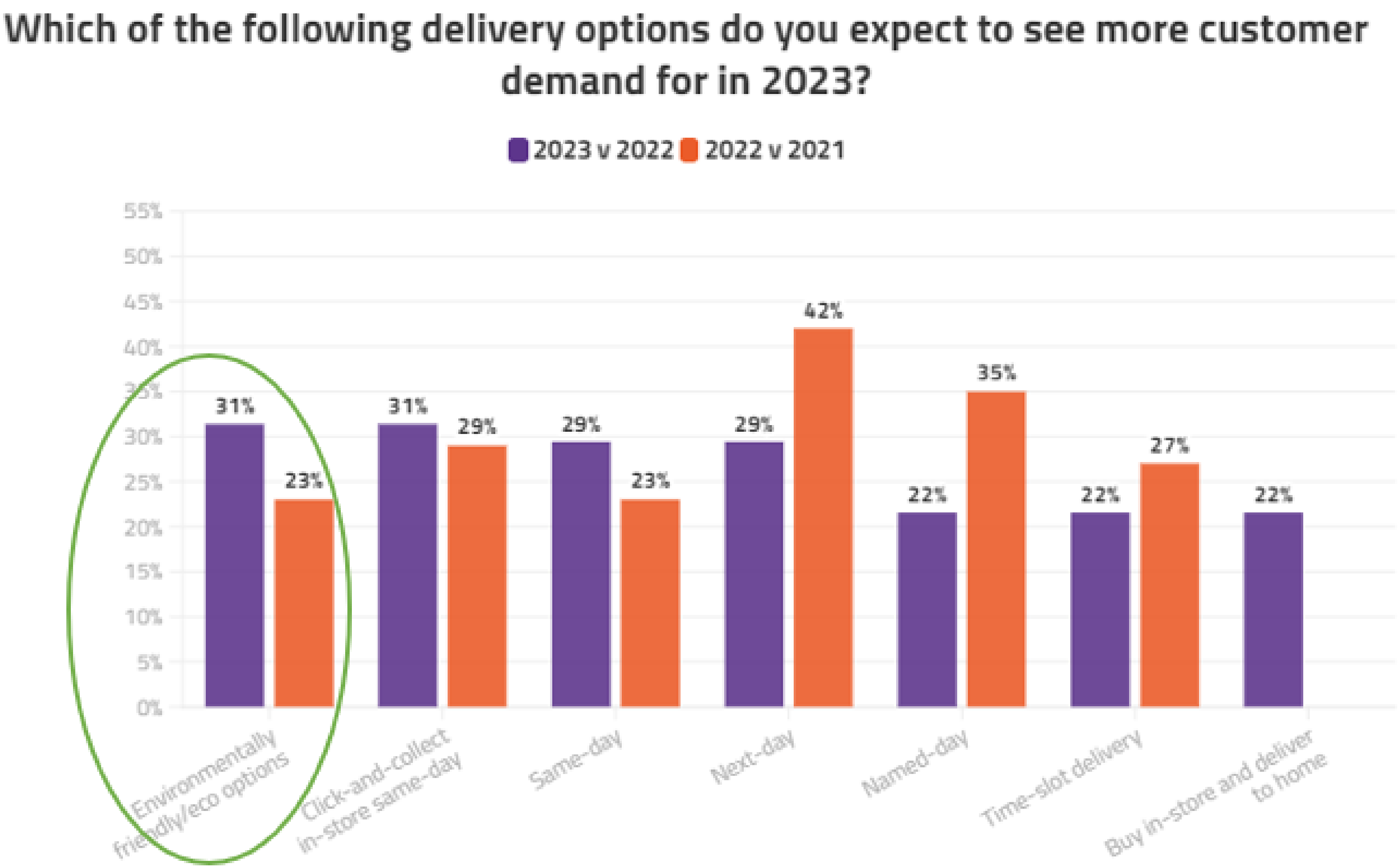
Organic Contribution (category share of all organic) – Supermarkets



NielsenIQ Scantrack data to 23rd Sept 2023

Delivery expectations in 2023

Sustainability is clearly a recurrent theme against a variety of consumer demands



*Source: RW Connect Retail Week 2023

The UK Organic Consumer

Which, if any, of the following would encourage you to purchase environmentally sustainable produced foods?

51%

Knowing the animals were reared with high welfare standards

ANIMAL WELFARE

40%

Knowing the health benefits associated with organic, free range, pasture reared meats

HEALTH

33%

Being informed of the benefits to nature

ENVIRONMENT

Compassion in World Farming, Sustainable Diets: : 26th June - 7th July 2023

Navigating the next generation

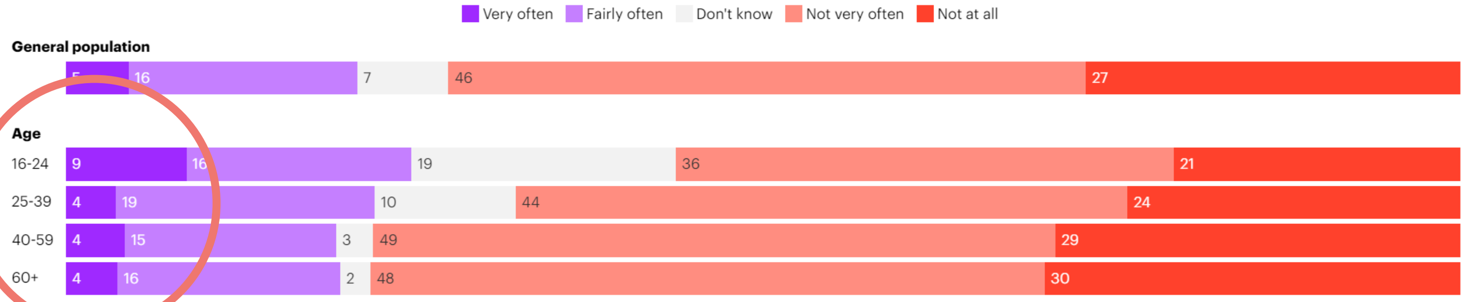
Fast-fashion brands Boohoo and Pretty Little Thing are getting slammed for greenwashing after critics call sustainability claims misleading

Advertising regulator to clampdown on greenwashing ads

Innocent drinks ads banned over environmental claim

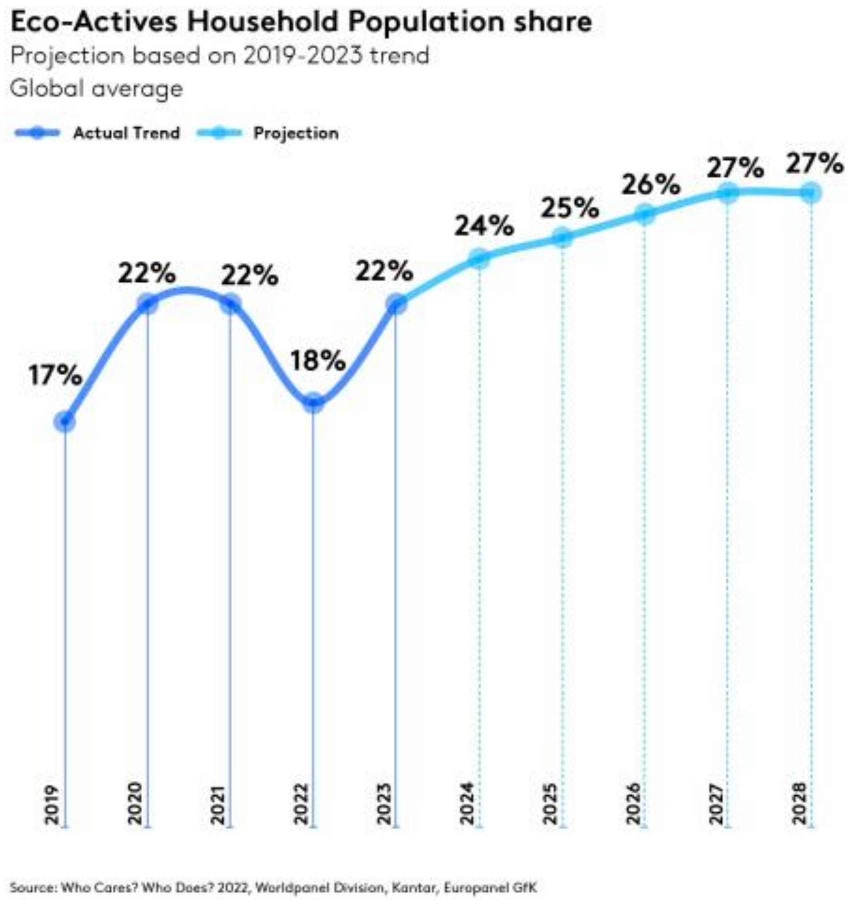
Younger Britons are more likely to purchase organic food than older Brits

How often, if at all, do you buy organic food? %

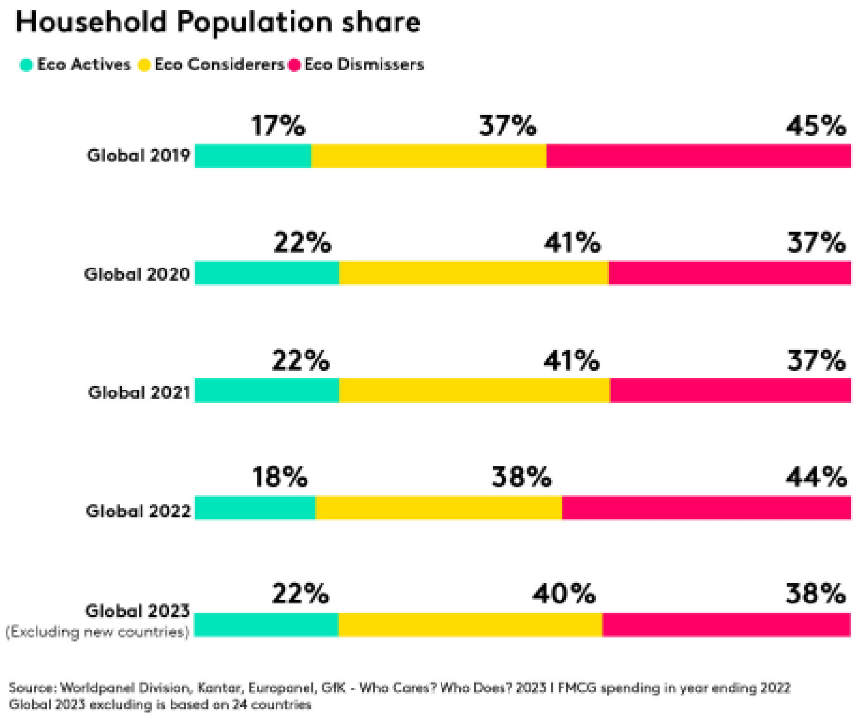


Source: https://yougov.co.uk/topics/society/articles-reports/2022/04/20/part-two-what-kind-food-do-britons-eat-regularly

Eco-Actives Bounce Back



Amidst climate tension, retailer and brand tensions are also on the rise as consumers expect more action on environmental, social, and governance (ESG) efforts



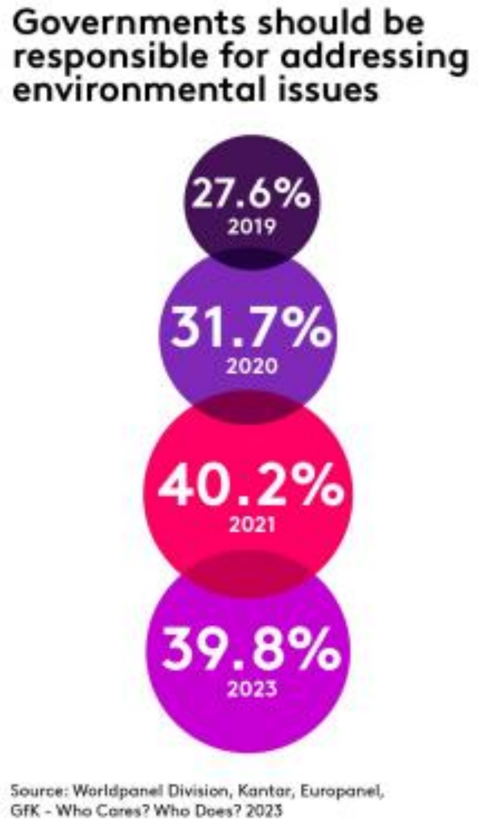
Eco-Actives represent $456 billion in spending, globally

Who Cares? Who Does? Kantar, September 2023

Weight of Responsibility shifts

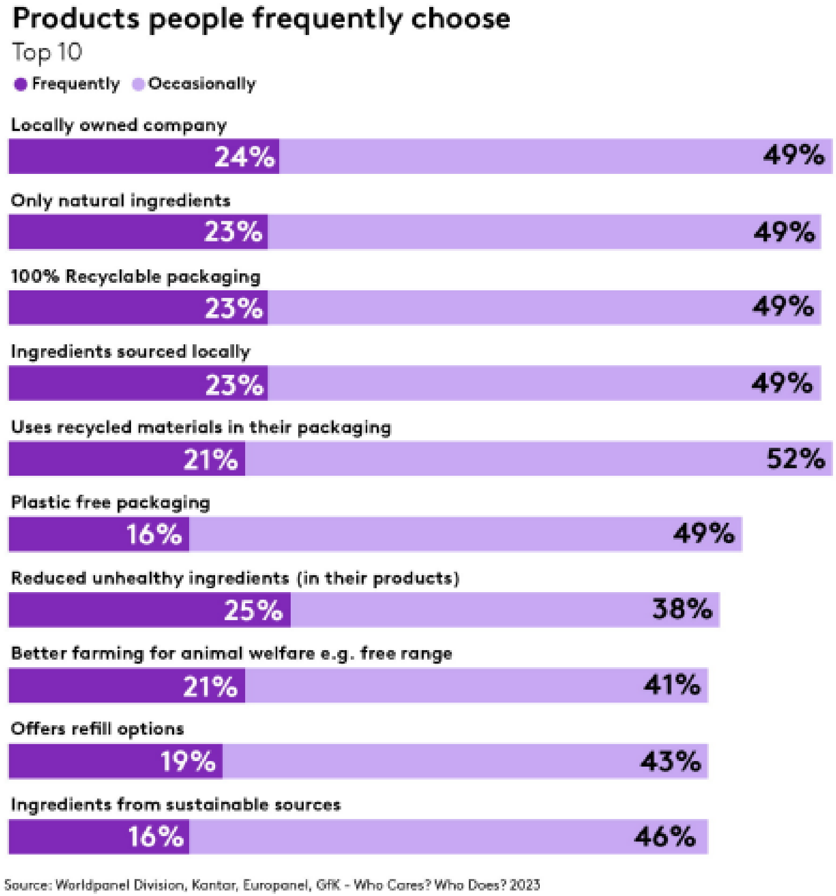
Climate change is at the forefront of people's minds with more extreme weather events happening more frequently. Significantly, concerns about water shortages have now leapfrogged plastic waste as the primary concern.

The weight of expectation to respond to the climate crisis is now sitting with Governments (39.8%) vs manufacturers (34%). A role reversal since 2019 with 28% Government vs 43% Manufacturers.



Who Cares? Who Does? Kantar, September 2023

Consumers are confused



- Where there is confusion about the "best" climate friendly option, consumers are opting for local as a tangible, productive option.
- Packaging is still coming out as critical factor in decision making.
- Educating customers about their sustainability credentials is key for brands.

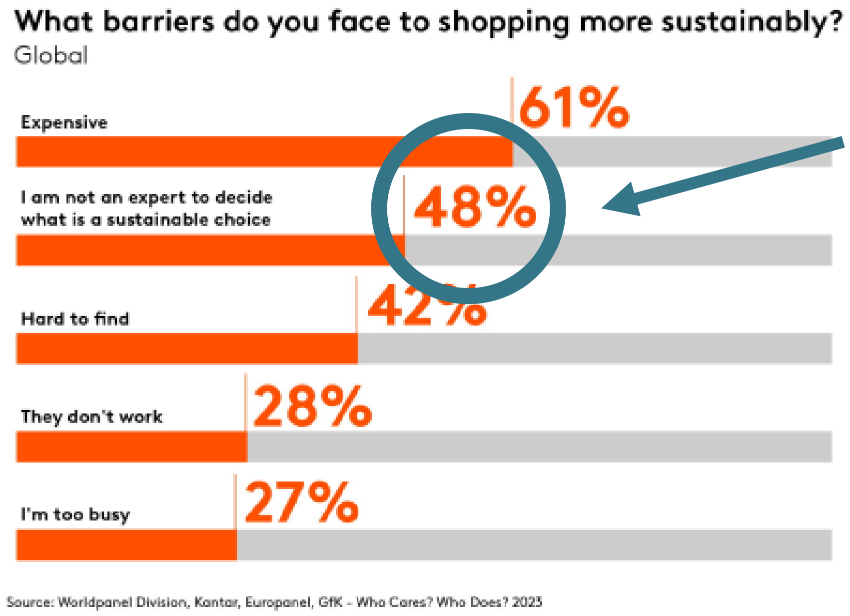
Organic is climate action

Locally produced

Minimal packaging (recycled & recyclable)

Who Cares? Who Does? Kantar, September 2023

Expectations for Brands



Expense still sits at the top of barriers to purchase, but significantly uncertainty around what the sustainable choice is comes a close second.

"Organic is climate action" x Organic certification's trust and rigor - ticks 2 essential eco-active boxes

"Trust in brands is declining"

- Eco-actives want good products from trustworthy brands that have minimal impact on the environment.

Who Cares? Who Does? Kantar, September 2023

Thank you!

SOIL ASSOCIATION ORGANIC

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Soil Association CERTIFICATION