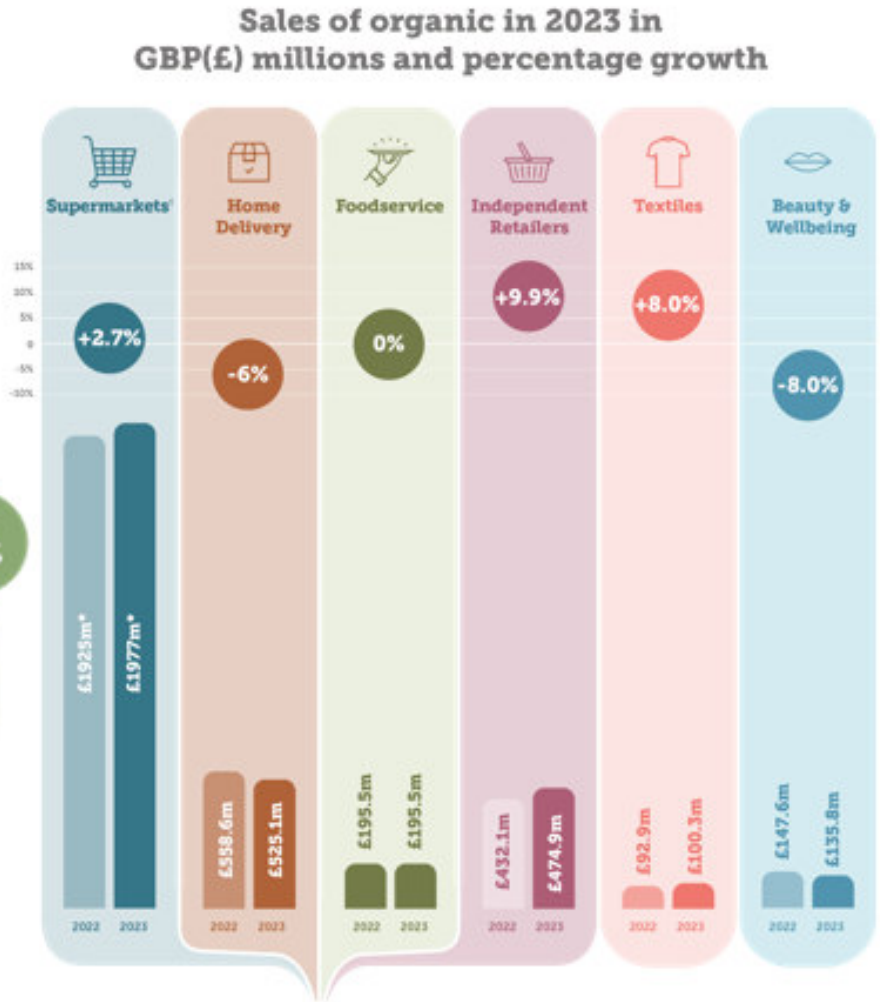
UK Organic Market Update

Lee Holdstock – Head of Regulatory Affairs & Trade
Soil Association Certification

Channel performance in 2023



Supermarket figures based on NielsenIQ Scantrack data for the Organic category Soil Association. Defined for the 52 week period ending 30 December 2023 for the Great Britain total retail market (copyright @2024 The NielsenIQ Company)

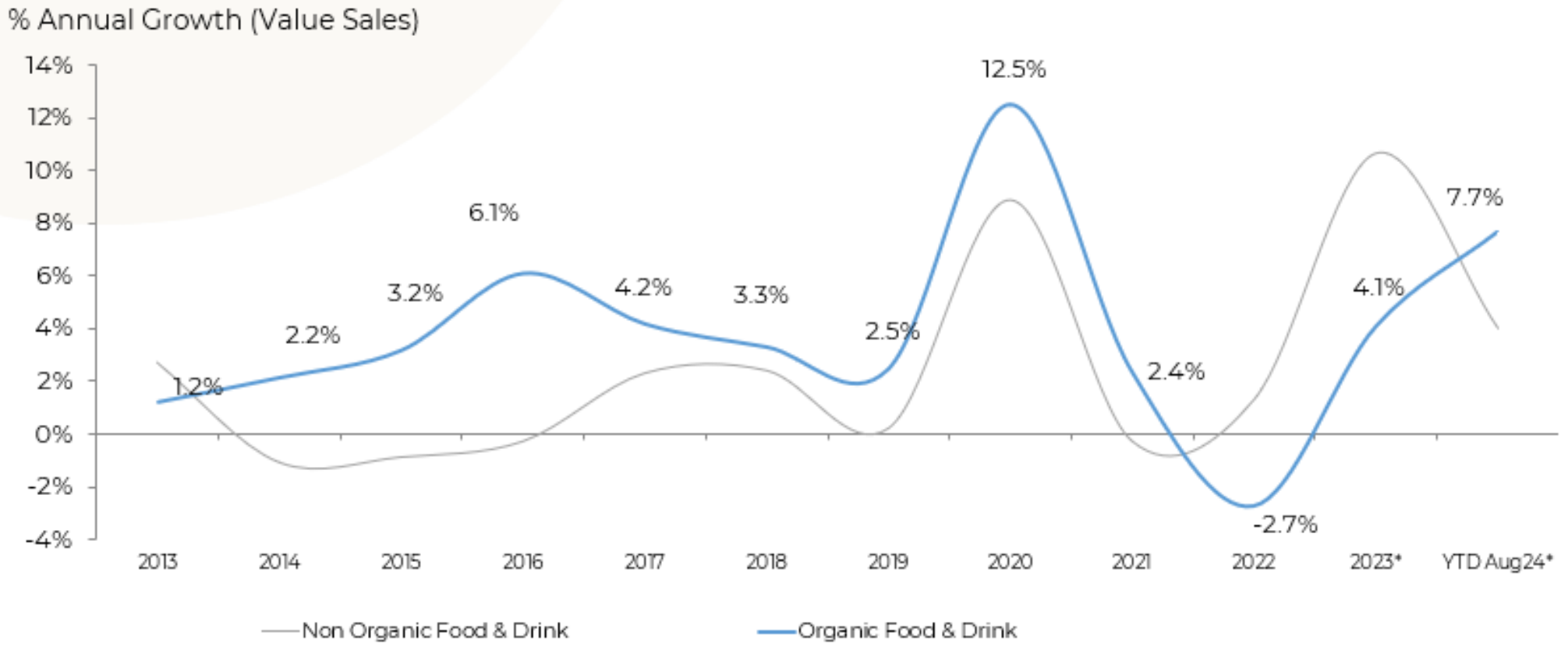
All other figures based on Soil Association Certification data

↑ Supermarkets and independent retailers back into growth

→ Foodservice held market value

↓ The cost-of-living crisis led to a tough year for home delivery and beauty & wellbeing but both show potential for 2024

Value growth 2013-2024 (Sept)



*52w/e 23Sep23

Source: NIQ Scantrack Organic v non Organic Food & Drink

*Benchmark expanded to include Aldi, Lidl, Amazon, Poundland and Farmfoods

Retail value performance – September 2024

Organic Market Growth
52 weeks

+6.4%

+4.8 in non-org

Organic Share of
all food 52 weeks

1.6%

- Value and volume beating all food & drink by approx. 1%

Organic Market Growth
12 weeks

+7.2%

+3.4 in non org

Organic Market Growth
4 weeks

+0.6%

+1.9 in non org

NielsenIQ Scantrack Total Coverage, Food & Drink (Soil Association Defined), 52w/e Sept 21st 2024

Retail volume performance – September 2024

Organic Market Growth
52 weeks

+2.6%

+1.1% in non-org

Organic Share of
Category
52 weeks

1.5%

Organic Market Growth
12 weeks

+4.4%

+1.5% in non-org

Organic Market Growth
4 weeks

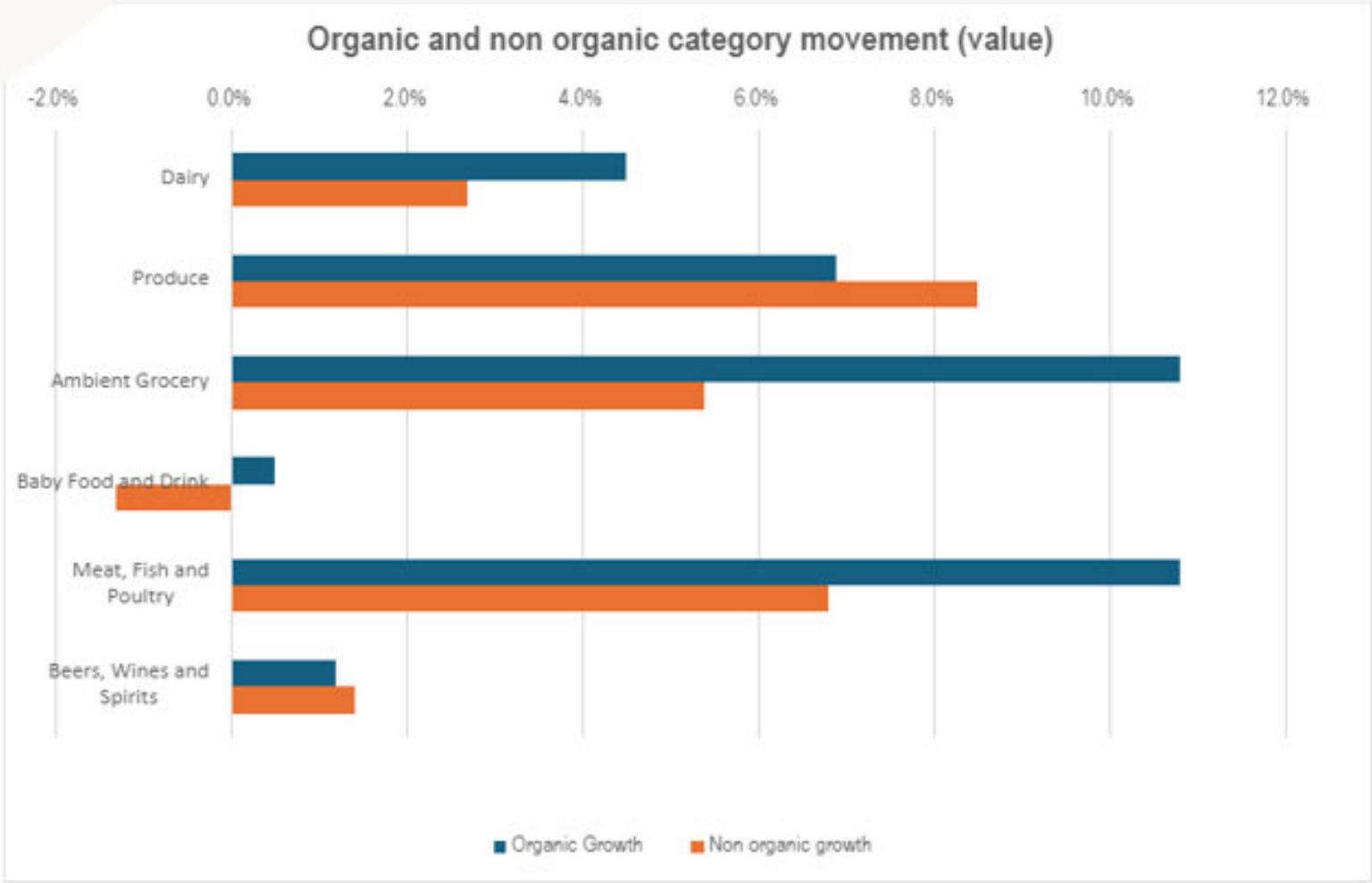
+2.1%

+ 0.1% in non-org

NielsenIQ Scantrack Total Coverage, Food & Drink (Soil Association Defined), 52w/e 21st Sept 2024

Organic v's non-organic category movements - Value

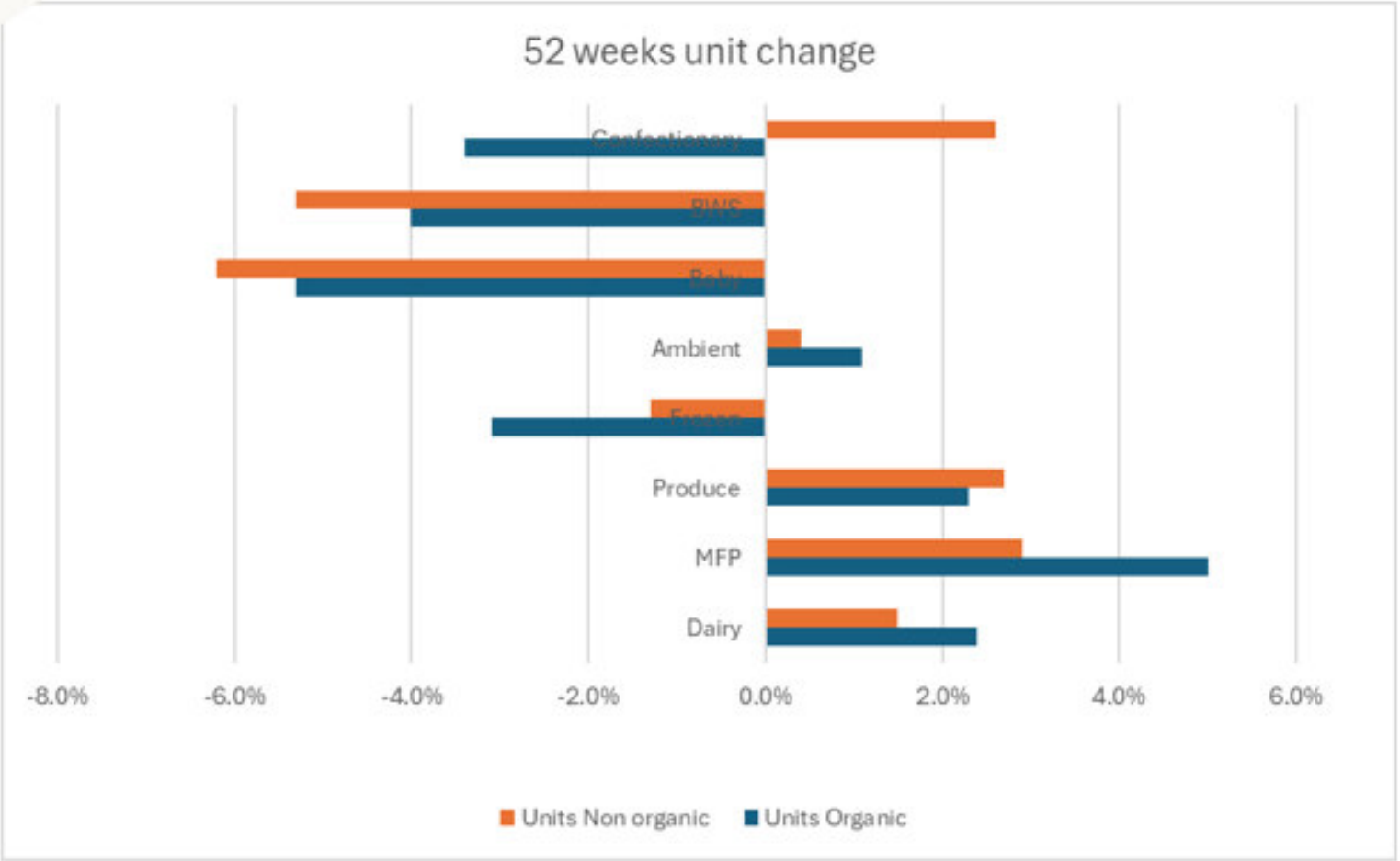
- Dairy, ambient and MFP continue to outperform non-organic
- Organic Baby Food back in growth
- BWS slight decline in sales versus last quarter when it was outperforming non-organic



NielsenIQ Scantrack Total Coverage, Food & Drink (Soil Association Defined), 52w/e 21st Sept 2024

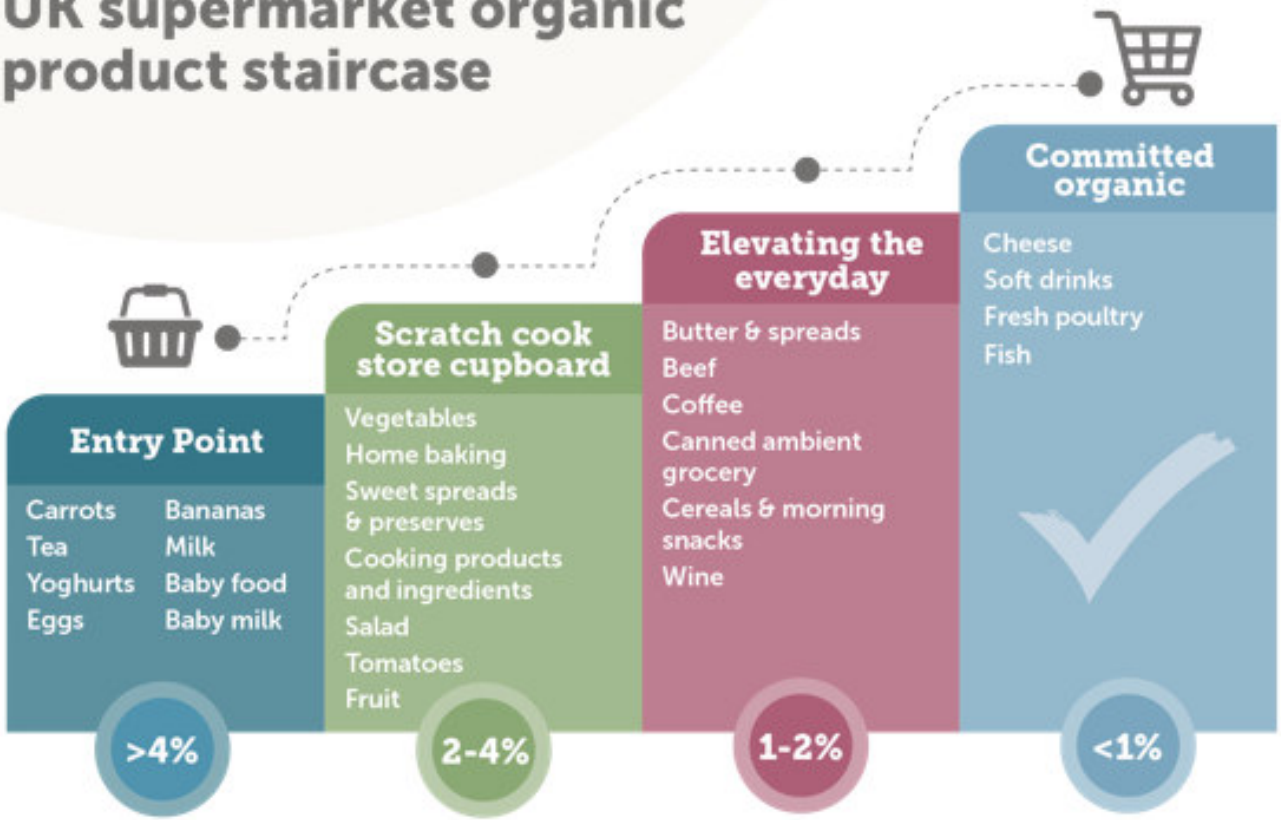
Organic v's non-organic category movements - Volume

- Unit and value growth seen across core organic categories – dairy, produce and ambient
- MFP seeing +10% volu me growth
- Slow down in organic confectionary



NielsenIQ Scantrack Total Coverage, Food & Drink (Soil Association Defined), 52w/e 21st Sept 2024

UK supermarket organic product staircase



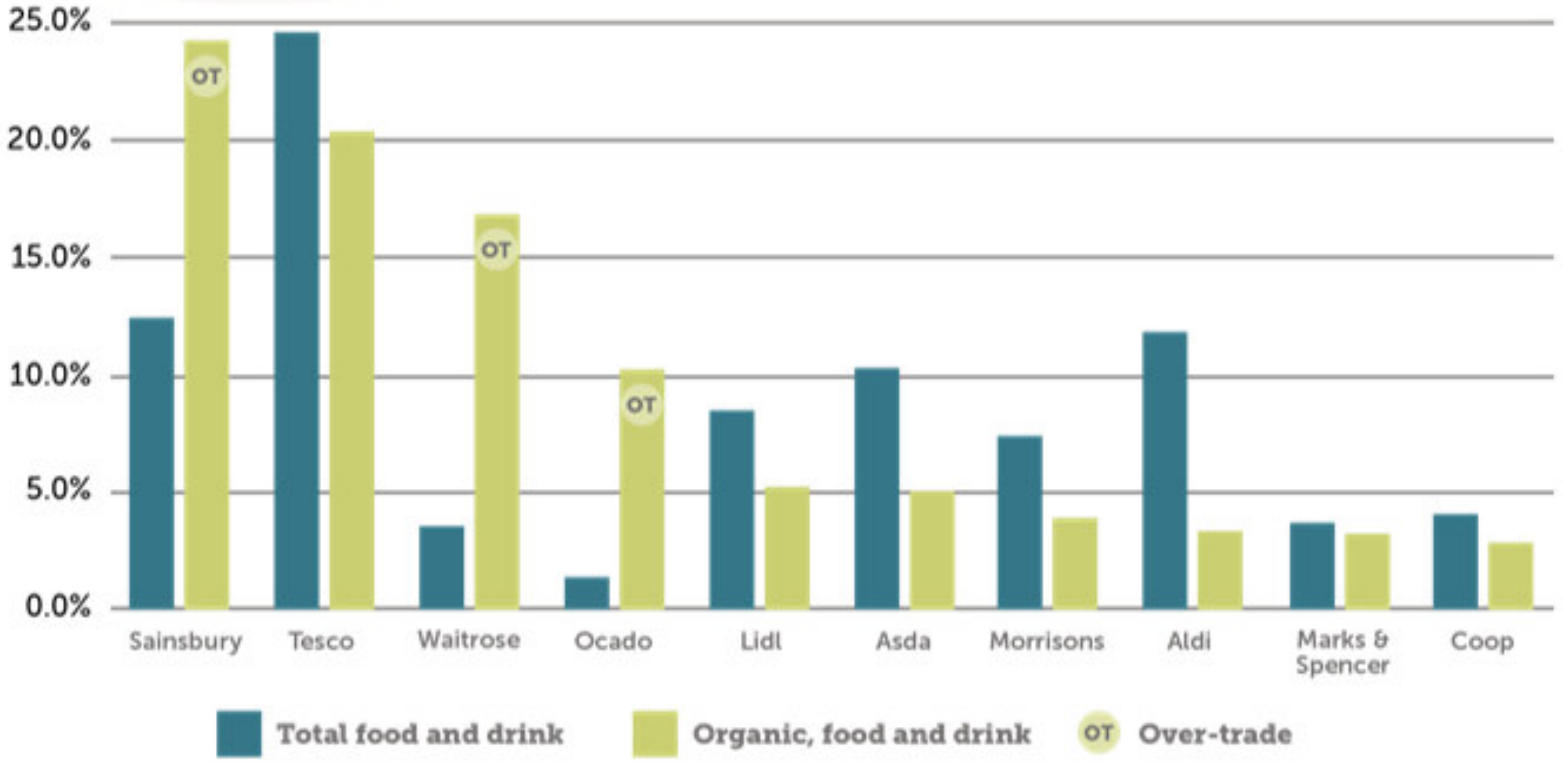
Volume Share of Category

††† Source: Based on NielsenIQ Scantrack data for the Organic category Soil Association: Defined for the 52 week period ending 30 December 2023 for the Great Britain total retail market. Categories chosen with Organic Market value >£25m (copyright @2024 The NielsenIQ Company).

New unit analysis has identified a UK organic staircase for supermarket category management.

Growing the organic shopper frequency through repertoire is a key strategy for growth.

Supermarket organic over and under-trade (April)



Source: NielsenIQ Homescan Food & Drink Share of Trade, data for the Organic category Soil Association defined, 52wk to Dec 30 2023

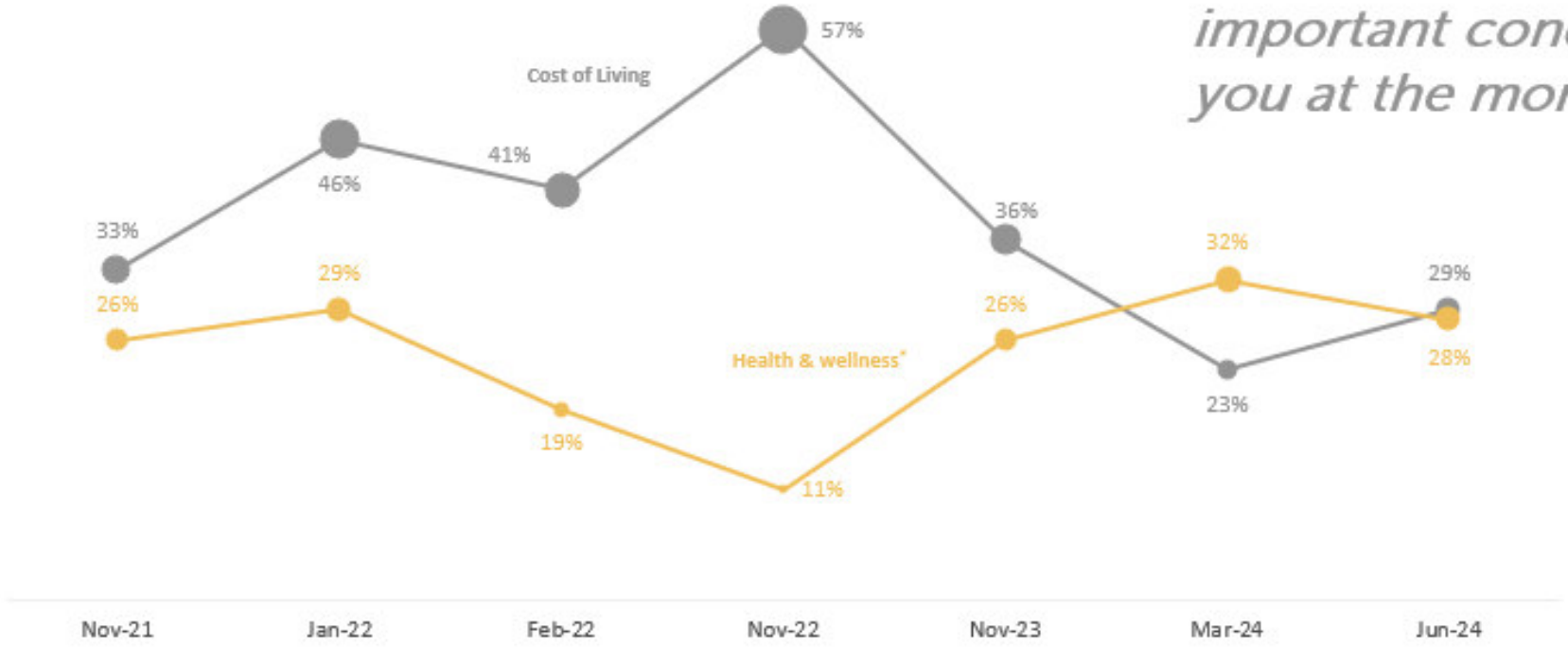
2023 saw momentum at all ends of the market, from Ocado (+1.1%), Sainsburys (+0.5%) to Lidl (+0.3%).

22% of all supermarket organic purchases are made online, twice as much as all grocery at 11%.

The UK Organic Consumer

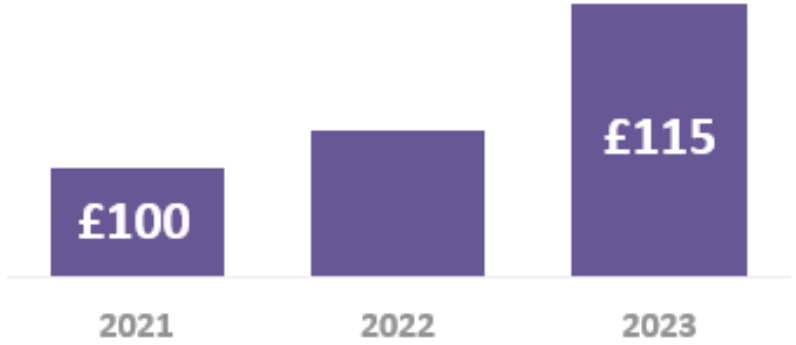
Health & wellness concerns return in 2024

"What is the most important concern to you at the moment?"



Source: NIQ UK Homescan Survey June 2024 | *Note: Wellness only included in survey from Nov-23

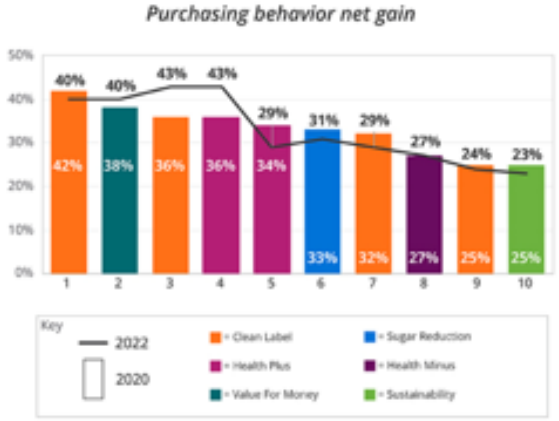
Consumers UK consumers show willing to pay for organic



UK Consumers are spending 15% more on FMCG vs. 2021

- The compound impact of inflation reduced purchasing power in 2023
- Organic remains in top 10 claims when it comes to purchase behaviors in 2022 (<1%)
- Big increases in ingredients checking and looking for nutritional info. An opportunity?

- Source: NIQ UK Scantrack | Total Coverage incl. Discounters | FMCG (excl. Tobacco and NonFood)
- Price per Item % Change, Latest 52 weeks 19 August 2023,



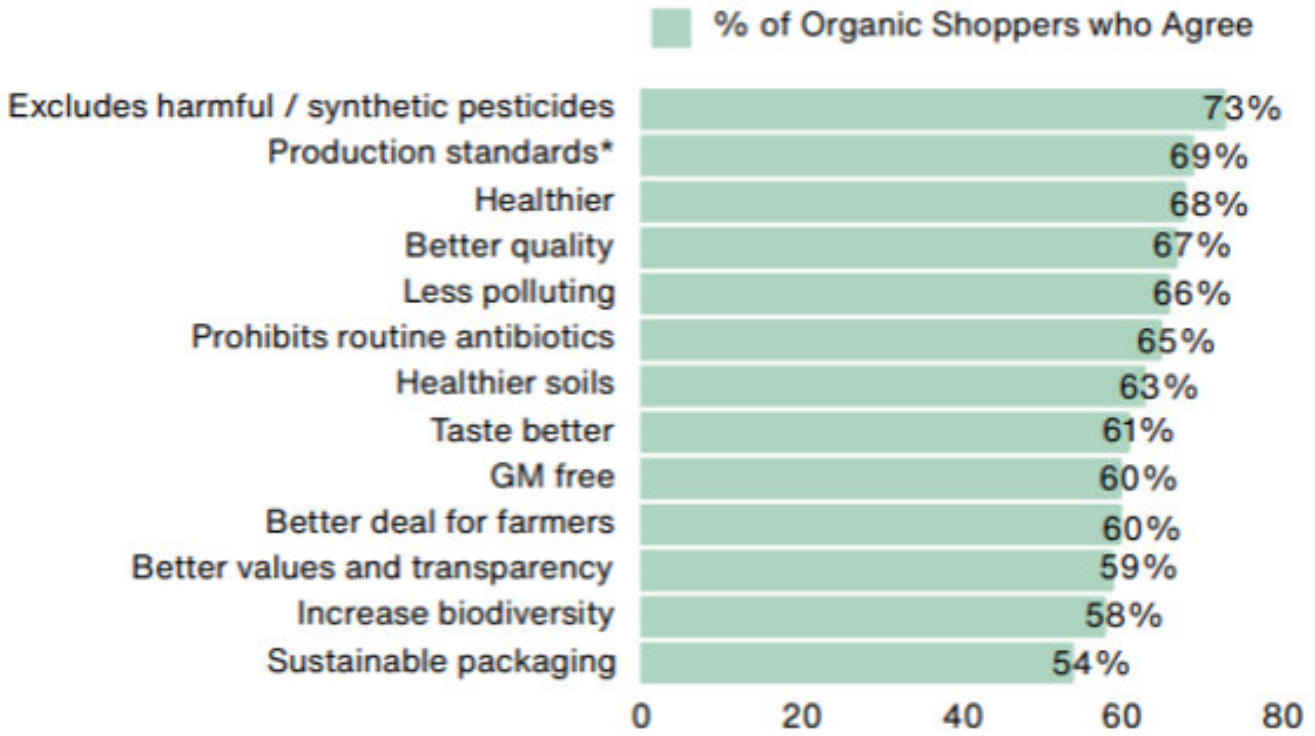
Top 10 purchasing behaviours

1. Clean label / natural ingredients
2. Looking for sales / lower prices
3. Checking ingredient labels
4. Checking nutritional labels
5. Health claims such as digestive health
6. Reduced sugar or no added sugar
7. No additives or artificial ingredients
8. Reduced or zero fat claims
9. Organic products
10. Sustainability or environmental claims

Source: ATLAS 2023

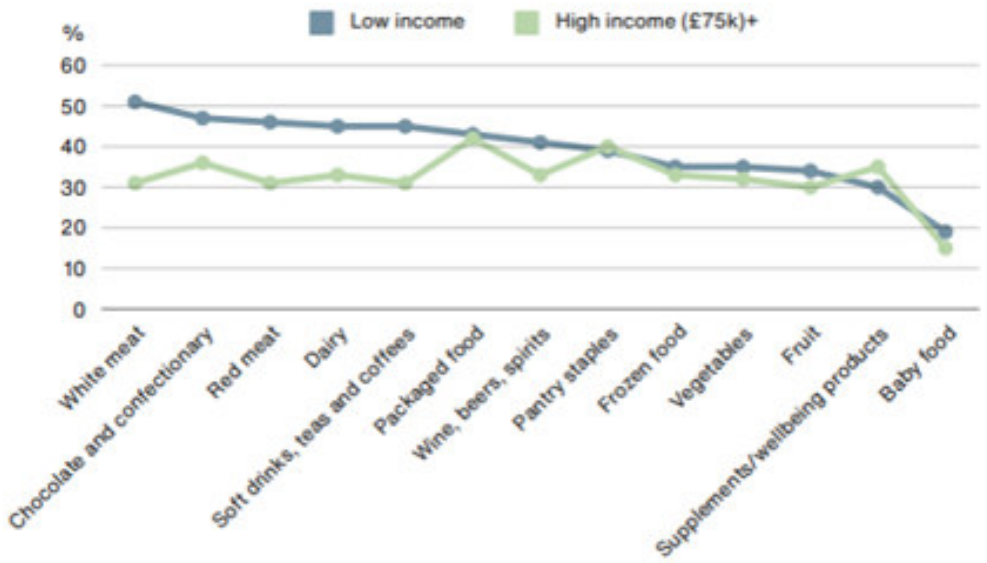
Source: https://www.ingredion.com/emea/en-uk/be-whats-next/2023-consumer-food-preference-trends.html#claims

Key motivations for buying organic

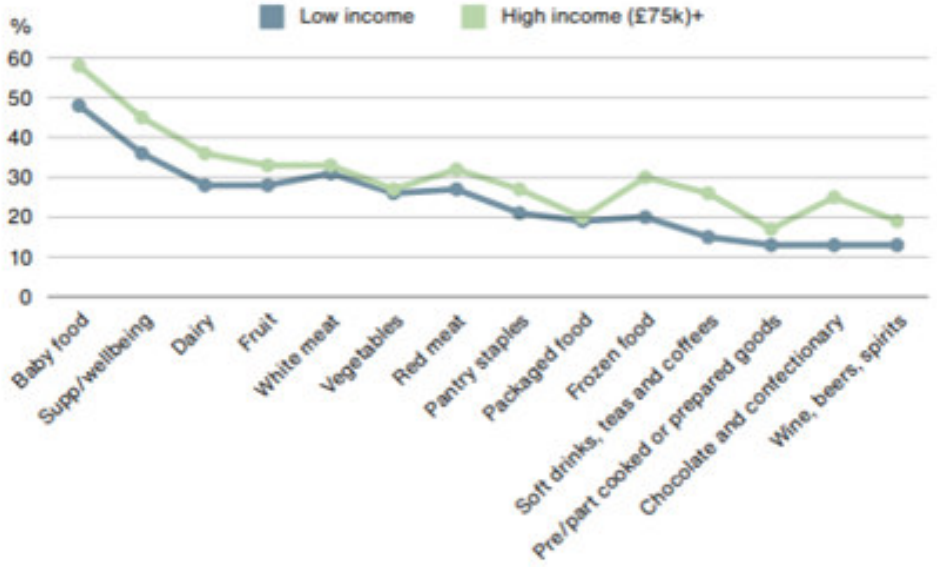


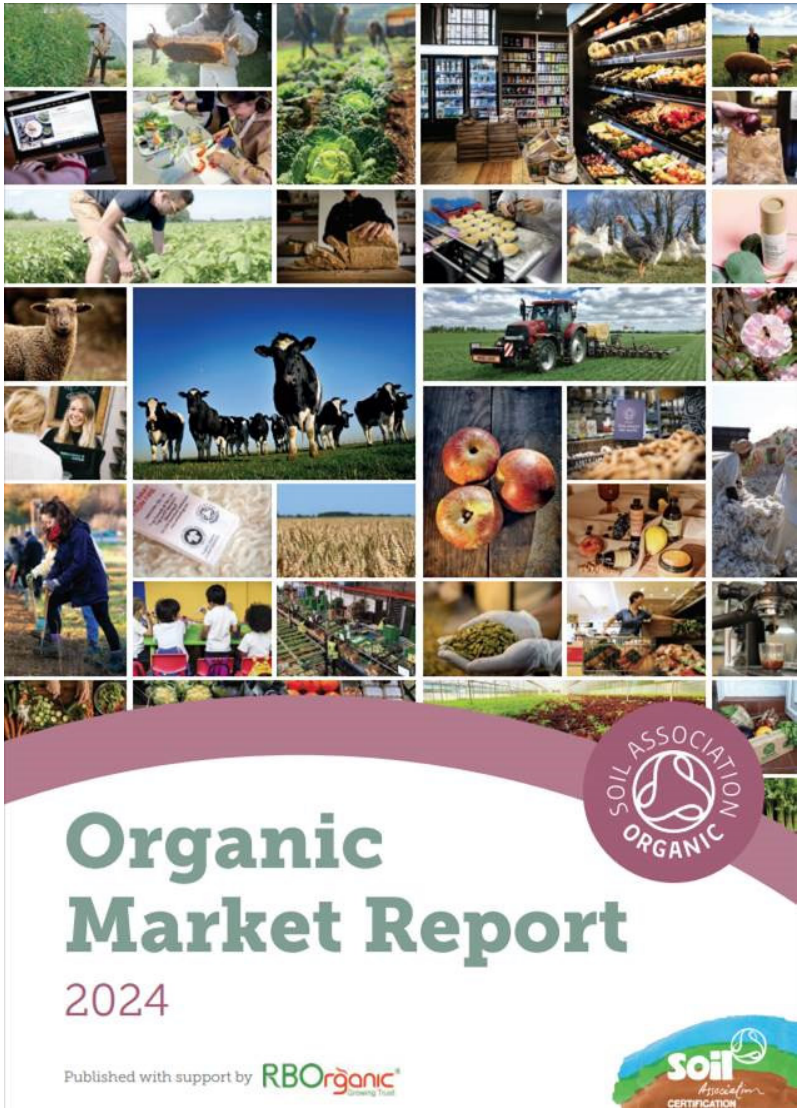
High- and low-income organic shoppers

Example 2: "I buy it from time to time (e.g., for a special occasion)"



Example 1: "I always buy this product as organic"





2025 Organic Market Report available from 26th February!

Thank you

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