

<u>pp.3</u> Welcome to our sustainability report!

The U.N. Sustainable Development Goals

What are they? Zero hunger Responsible consumption & production Climate action

pp.9 Loving our planet

Cutting carbon
Packaging & materials usage
Waste & recycling
Reducing our impact & planning ahead
Food waste
Transport
Electricity & energy usage
Why organic?

pp.31 Our impact on people

Local Further afield People at Riverford

pp.40 Responsible sourcing

Building long-term relationships How much of our veg is homegrown? Innovation & collaboration Some of Riverford's sourcing rules

pp.48 Summary & targets

Welcome to our first sustainability report!

The question of 'What's good to eat?' isn't a simple one. As an ethical food business, Riverford and our customers are concerned about wide-ranging, complex issues of social and environmental sustainability. We want to do better than vague claims and greenwash, so we've carried out research (including a carbon footprint study with the University of Exeter and a plastic packaging study with independent researchers Savanta) and put together the first Riverford Sustainability Report.

This kick-off edition contains information from the financial years 2017/18 and 2018/19. It's less of an 'annual' report than future editions, and instead lays out our starting point. From 2020 onwards, a new Riverford Sustainability Report will be released after each financial year, tracking how we're doing against last year's goals and setting targets for the year to come.

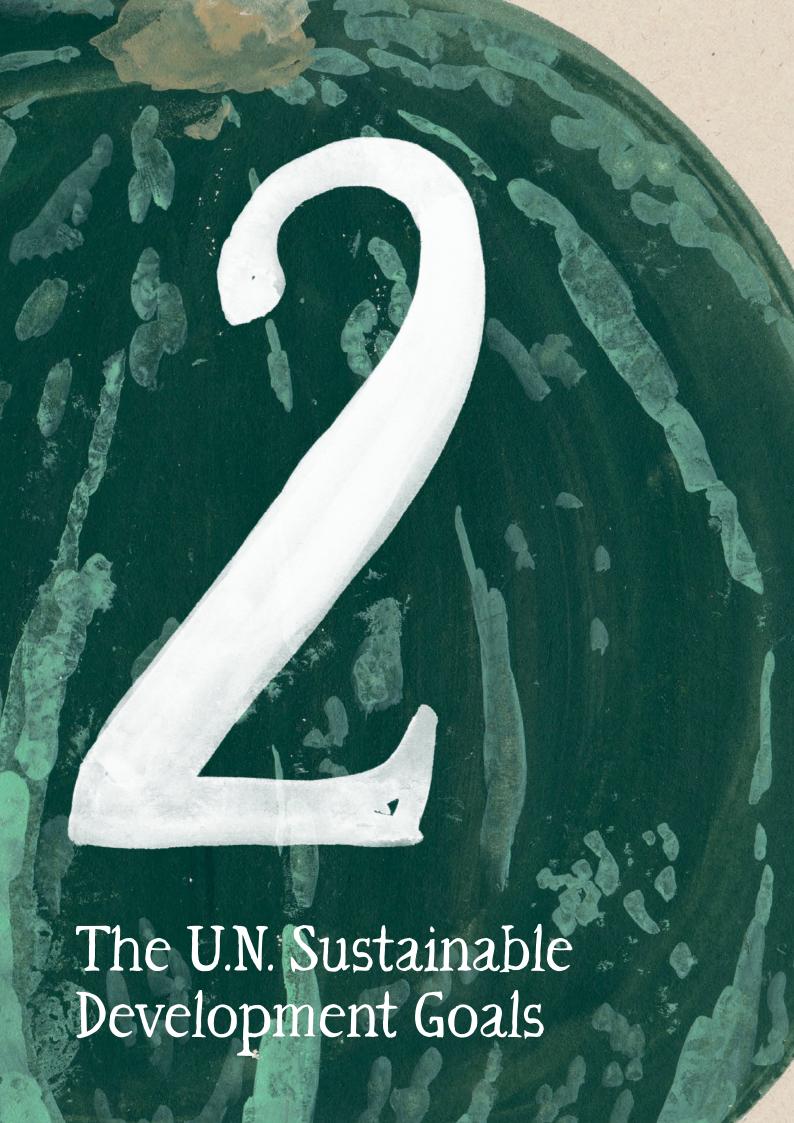
The report is split into four main sections: firstly, how does Riverford contribute to the UN Sustainable Development Goals? These are a good way of examining how our actions fit into the international picture of sustainable development.

Next, we've looked at our environmental sustainability ('Loving our planet'),
Riverford as an employer ('Enriching jobs & helping people grow'), and the impacts of our supply chain ('Responsible sourcing').

We hope you enjoy our first report – if you have any questions or feedback, please get in touch.

Zac Goodall, Sustainability & Ethics Manager at Riverford

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The U.N. Sustainable Development Goals

What are they?

In 2015, the United Nations published 17 Sustainable Development Goals (SDG) as part of the 2030 Agenda for Sustainable Development. These goals form an urgent call to action for all countries, both developed and developing, to help tackle the biggest issues humanity currently faces: from poverty and hunger, to climate change and biodiversity losses; from gender equality and decent working conditions, to clean energy and responsible resource consumption.

If that seems broad, it's because the SDG framework recognises that the world's biggest problems can't be solved in isolation – and least of all without effective collaboration between governments, non-governmental organisations (NGOs) and businesses.

Through Riverford's activities, we will have both direct and indirect impacts on the SDGs. Because they are all interlinked, progress in one is supported by progress in others.

We have identified the three SDGs that Riverford is best placed to work towards.

ZERO HUNGER

The U.N. Sustainable Development Goal 2

Achieving zero hunger and true food security is no small challenge; world hunger is on the rise again, after a prolonged decline until 2015. Drought, conflict and climate change-induced natural disasters are among the key contributors to the destabilisation of food security in vulnerable regions such as Sub-Saharan Africa (U.N., 2018).

Ways Riverford are working towards this goal:

Farming 100% organically

helps to ensure healthy soils and water sources, and high levels of biodiversity, which can increase food security.

488,000+
portions of fruit & veg

donated to hunger-focused charities every year, which would otherwise have gone to waste.

£393,000

raised for Send a Cow –
Riverford's charity partner, working
to improve the lives of rural
African farming communities.

RESPONSIBLE CONSUMPTION & PRODUCTION

The U.N. Sustainable Development Goal 12

Decoupling economic growth from unsustainable resource use and environmental damage is one of the greatest challenges of our time. Reversing the notion that consuming more, having more and using more resources are key to growth is no mean feat.

At Riverford, we're using our knowledge of sustainable food systems and packaging innovation to improve the ways we utilise food and other material resources.

>1,490

tonnes of food diverted from waste a year

>90%

of Riverford items are packed in reusable, recyclable or compostable packaging

ZERO

Introduced a zero packaging veg box

>3 TONNES

of plastic saved on average each year

CLIMATE ACTION

The U.N. Sustainable Development Goal 13

Global average temperatures have increased by 1.1°C since the preindustrial period (WMO, 2019). 175 countries ratified the Paris Climate
Agreement in 2016, agreeing to limit global temperature rise to well below
2°C this century. Despite these efforts, there's still a long way to go:
with conflict, drought, and disasters linked to climate change affecting
efforts to stabilise food security and sustainable agriculture, there are
still fundamental challenges that need addressing if humans are going to
reduce our impacts to anywhere near safe levels for our planet.

We're working hard to reduce Riverford's carbon footprint...



No air-freighted products



Reducing energy use in our operations



No products from heated greenhouses



Increase our solar capacity



Converting delivery vehicles from diesel to electric vehicles

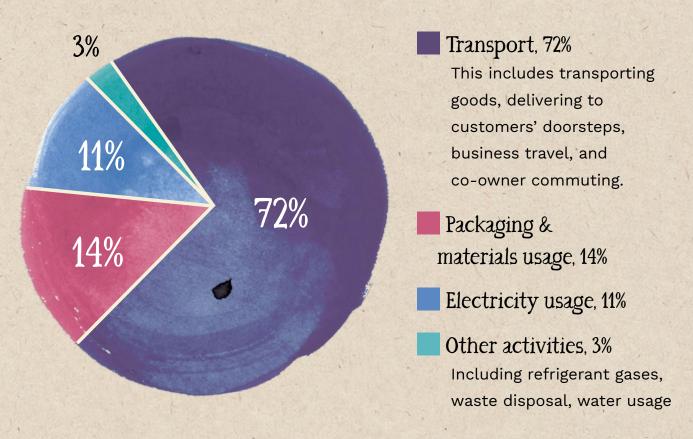


Cutting carbon

We're committed to reducing our carbon emissions wherever possible. We've recently undertaken a baseline study of our operational CO₂ footprint for the 2017/18 financial year, in order to focus on the most significant carbon-emitting activities at Riverford and begin reducing their impact.

Using baseline data from our 2017-18 financial year carbon footprint we will carry out annual GHG assessments to track our footprint. We have a target of 10% absolute reduction from our 2017/18 baseline annual footprint by 2023.

Working with the University of Exeter's Centre for Energy & Environment, our CO₂ footprint study has highlighted three broad areas of focus for reducing carbon emissions:



See the <u>Transport</u>, <u>Packaging</u> and <u>Electricity</u> sections of this report to see how we plan to reduce our CO2 footprint in these areas.



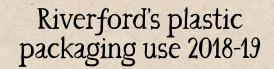
Our approach to packaging and materials is simple: if we don't need it, we don't use it. Where we can reduce our use of materials, we do, and packaging is carefully considered before use (often it's required to maintain food quality).

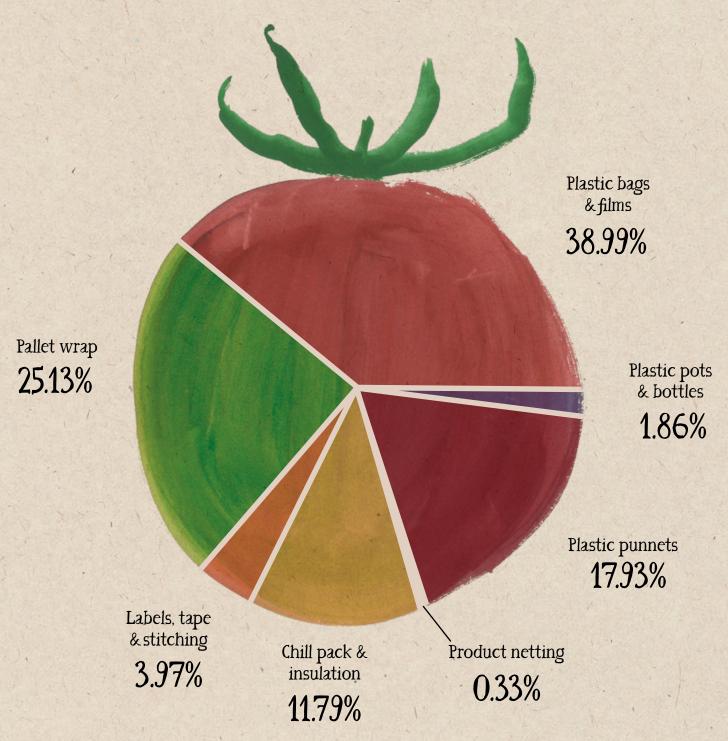
Reducing Riverford's plastic

We only use plastic when it's strictly necessary to prevent food waste. Leafy greens, salads and other juicy, tender produce will quickly wither and dehydrate without the proper packaging to protect them. By allowing the food to go to waste, we'd also be wasting all its embodied energy: the energy required to farm, transport and refrigerate it before it reaches the customer's plate.

Analysis

We're keeping a close eye on our plastic use. We analysed our plastic purchases for the 2018-19 financial year, and found that the largest plastic use at Riverford came from plastic bags and films, followed by pallet wrap (used to secure crates of produce in transit), then plastic punnets:







Reduction

An independent plastic packaging study – see riverford.co.uk/less-plastic – showed that our veg boxes contain 82% less plastic than equivalent packaged products from 7 major UK supermarkets¹.

SOURCE: Savanta – January 2020. Results based on comparing the plastic packaging used in Riverford's three most popular veg boxes across each of the weeks commencing 5th, 12th and 19th January with the plastic packaging used for comparable products from seven leading supermarkets.

Innovation

We have been working on innovative packaging solutions to reduce our plastic use, including compostable beech nets, and removing plastic bags altogether from some products.

Over 90%

of Riverford items are packed in reusable, recyclable or compostable packaging



We introduced our

ZERO packaging veg box

Removing packaging from products has saved us (on average):

604,000 plastic bags a year

1.9 TONNES of paper a year

These savings and solutions add up.

By December 2020,

our fruit and veg will

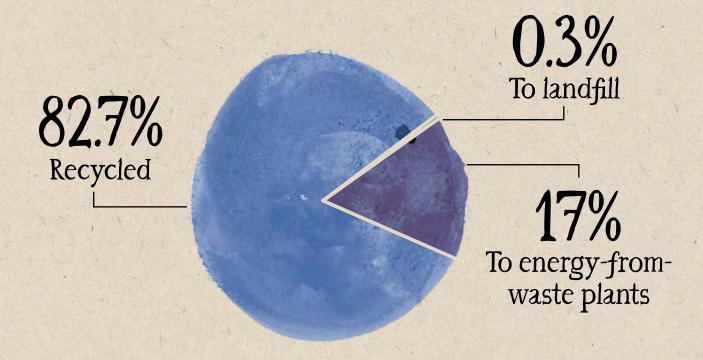
be 100% plastic free!

Waste & recycling

We reduce our waste as much as possible at every stage: from encouraging reuse and repurposing (like our paper punnets which can be reused as compostable seed trays, or our veg boxes which we collect to reuse multiple times), through to recycling with zero-to-landfill waste contractors.

The vast majority of our waste (82.7%) is recycled. 17% is sent to energy-from-waste plants – which produce heat and power by incinerating waste that would otherwise have been sent to landfill. Just 0.3% of Riverford's waste goes to landfill; our largest site (Wash Farm, Devon) sends zero waste to landfill.

How is Riverford's waste disposed of?







Our veg boxes are designed to be used up to 10 times! Each reuse means less cardboard is used to make new boxes.

At the moment
we only use each
box an average of
7 times, because
many are not
returned. We're
working to
encourage even
more customers
to return their
boxes and get the
maximum reuses
out of each one.

If all our customers returned their veg boxes, this would save almost:



Home compostable packaging

By December 2020, our fruit and veg will be 100% plastic free. Converting to home compostable plastic-like materials (they aren't actually plastic!) where possible is a key part of this plan.

We've been using compostable pulp punnets made from recycled paper and cardboard for over ten years. Our new focus is on home compostable films (used to seal punnets and replace plastic bags). Trials are underway over a huge range of fruit and veg to determine, from a quality perspective, what home compostable materials will be suitable to use on which fruit and veg.



Changing material, or removing altogether

We work hard to identify packaging that could be made more environmentally friendly, or removed altogether.

Following our packaging tests, each year we save on average...

3 TONNES of plastic

102,000+ paper bags

We also switched our meat trays from non-recyclable black plastic to clear, recyclable PET.

We're currently working with our suppliers to switch incoming produce from cardboard trays (which get recycled) into reusable crates.

Research & collaboration

We have been working with the University of Exeter to identify ways we can reduce our use of plastic pallet wrap (sometimes wrapped around crates of produce that are delivered to us). They have helped us identify how to optimise our use of pallet wrap, and purchase reusable pallet stabilisation equipment, which has the potential to reduce our carbon footprint.



FOOD WASTE

We hate seeing good food go to waste – which is why we have numerous outlets that prevent as much food as possible from going to landfill or anaerobic digestion.

All edible food at risk of going to waste (for example, fruit and veg that have been graded out because they're not quite up to scratch for customers) are consumed by people or farm animals, through the following pathways:

Co-owner canteen meals

(we served 48,245 meals to co-owners in 2017/2018)

Fed to livestock

Given away free to co-owners

The Riverford Field Kitchen restaurant

Food banks & charities

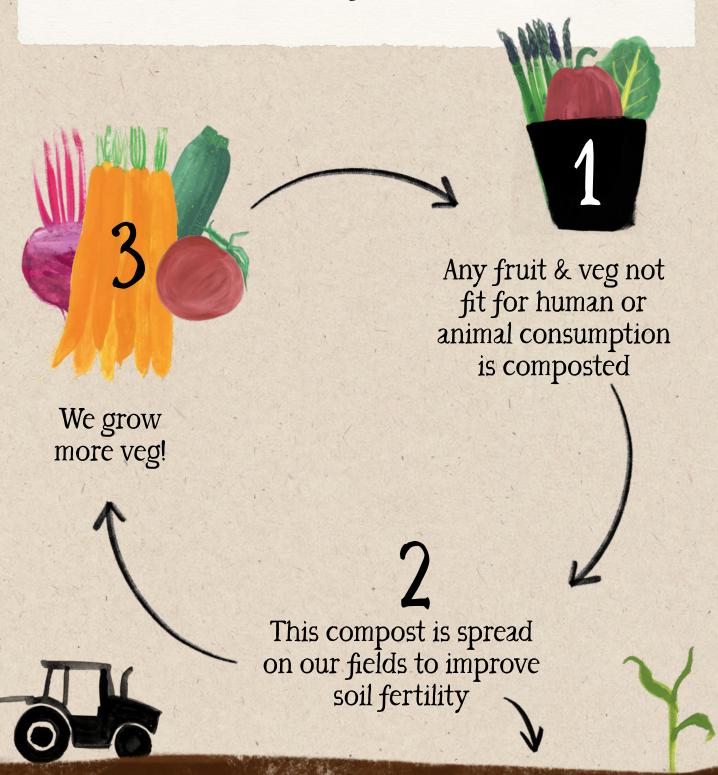
(we donate an average of 488,000 portions of fruit & veg a year)

This diverts over 1490 tonnes of food from waste each year!

Closing the loop on food waste

Cooked food waste from our canteen and The Riverford Field Kitchen restaurant is sent for anaerobic digestion, where it's turned into renewable energy (bio-gas) and digestate, which can be used as fertiliser.

Uncooked food waste:



TRANSPORT

Transport is integral to our home delivery business model. Without an effective chain of transport from supplier to customer doorstep, we can't deliver.

Perhaps unsurprisingly, transport makes up the majority of our carbon emissions. We examined our supply chain to see which stages of the food's journey have the highest carbon emissions...

CO₂ emissions in our supply chain:



Supply to Riverford packhouses

Packhouses to regional hubs

Hubs to customer doorsteps



The final step, to customer's doors, is the most energy-consuming; although distances are short, loads are smaller. We mitigate this by planning our delivery routes for maximum efficiency (that's why we deliver to every area on a set day every week) - and by 2023, we aim to convert >70% of our in-house vans to electric vehicles.

Reducing our emissions

We're reducing our transport emissions in the following ways:



Backloading lorries so they never run empty



Having 72% (on average) of our veg grown in the UK



Optimising our transport routes to reduce mileage



No airfreighted food



We aim to convert >70% of our in-house delivery vans to electric vehicles by 2023



Aside from fuels for transport, our largest energy use is electricity; this comprises 11% of our total carbon footprint.

Our electricity comes from Ecotricity, a 100% renewable energy provider. Ecotricity not only guarantee that all the power they produce is from renewable sources – they also invest in renewable energy products, increasing the market share of wind, solar and other renewables.

Refrigeration

Refrigeration makes up a large portion of our electricity use. We invested in highly efficient compressors to make sure electricity use is reduced, and we reuse waste heat from our refrigeration units at Wash Farm to heat other parts of the building. However, we know there are still improvements to be made; we are investigating ways to make our refrigeration systems more efficient.

Lighting

Lighting is also a big source of our electricity usage. We have already converted a significant proportion of our office and production area lights to LED, and are working towards 100% LED, replacing conventional bulbs with LED whenever they run out. We also have significant portions of our sites covered by automated lighting, with PIR sensors, to make sure that lights are only used when necessary.

Renewable energy

We recently increased the size of our solar array at Wash Barn (our main offices and production site) eight-fold.



Our Wash Barn solar panels cover 52,000 square feet. It's the largest subsidy-free solar installation in the South West of the UK.

Over the 40 year lifespan of this array, the carbon emissions saved will be over 5,500 tonnes. This is the equivalent of planting over 10,000 football fields worth of trees (Beco, 2019).

This will generate 400,000 kWh~ of electricity annually, saving 141 tonnes of CO₂ each year!



WHY ORGANIC?

Agriculture has one of the largest impacts on our planet of any human activity. While farming is necessary to produce food, and all farming will have an impact, we believe that organic is the best show in town when it comes to sustainable food production.

Organic isn't just about using less pesticides and avoiding artificial fertilisers; it's a holistic system that produces food while minimising detrimental impacts on soils, water, biodiversity, animal welfare and climate change.

CLIMATE

In the midst of a climate emergency, the need to reduce greenhouse gas emissions has never been greater. Healthy soils draw carbon down and store it, preventing it from being released into the atmosphere; in the UK alone, it's estimated that our soils store up to 9.8 billion tonnes of carbon. Organic farming supports healthy soils – helping to safeguard this finite resource and essential carbon store (Soil Association, 2018).

Conventional agriculture uses huge amounts of synthetic fertiliser and pesticides, which both require a lot of energy to produce and transport. Organic farming methods minimise greenhouse gas emissions by using natural fertilisers, closing nutrient cycles and avoiding pollution through runoff (Soil Association, 2018).

Many organic practices also maximise the return of carbon to the soil; for example, reduced tillage (disturbing the soil less), returning crop residues as natural fertiliser, growing cover crops, and integrating legumes that absorb nitrogen from the air and 'fix' it in the soil (Soil Association, 2018).

2



SOIL AND WATER

Organic farming encourages the use of natural fertilisers (e.g. farmyard manure or composted plants), which in turn builds the levels of organic matter in the soil (Soil Association, 2019). This is key for promoting a healthy 'soil food web': worms, arthropods, fungi and bacteria thrive in soils higher in organic matter. The presence of these organisms creates a healthy structure in the soil, with plenty of pores that create space for air and water. These in turn provide a steady release of nutrients to plants. Plus, the Soil Association's organic farming standards promote tillage methods that reduce soil erosion and degradation.

(Soil Association, 2019)

Organic practices also foster sustainable water management. The green manure and cover crops used by organic farmers instead of artificial fertilisers can reduce runoff and nutrient-leaching into waterways, while organic's emphasis on improving soil structure and organic matter levels means that the soil's water-holding capacity is improved. This means that less irrigation is required.

(IFOAM, 2018)







- No genetically modified feeds
- No routine use of antibiotics; disease is prevented by providing much better living conditions, and only sick animals are treated
- Natural grazing on organic forage and pasture
- No painful mutilations (such as beak-trimming in chickens)
- More space, inside and out

(Soil Association, 2019)



On average, plant, insect and bird life is up to 50% more abundant on organic farms, with up to 30% greater biodiversity, w compared to conventional farms

(Tuck et al, 2014).

Increased plant diversity, habitats for invertebrates, mammals and birds, and not using harmful pesticides all help to increase biodiversity on organic farms.

The lack of harmful pesticides, combined with generally more diverse and abundant flowers on organic farms, is also hugely beneficial for pollinators (Carrie et al 2018).



Local

We donate a significant portion of our graded-out and surplus fruit, veg and other organic food to local food banks and charities, including:

- FoodCycle Exeter
 - Food for Nought, Peterborough over
 45 tonnes of food donated since 2017
 - Buckfastleigh Food Bank
 - Paignton Community Larder
 - Stories on Our Plate (a charity providing culinary training for refugees)



Further afield Send a Cow Uganda

£393,000 raised!

To date, Riverford has raised £393,000 for our charity partner Send a Cow Uganda. Our support has been focused on two programmes, most recently the Orphans Project in the Rakai region.







Send a Cow work towards sustainable development in rural Ugandan communities, providing local livestock, seeds, and practical training in organic farming. Communities are supported through the processes of buying cowsheds, caring for the livestock, growing fodder, and maximising the use of their land for growing vegetables. Many families are able to produce enough dairy and fresh vegetables to eat, and more to sell, as a result of Send a Cow's work – some in as little as three years from the start of the project.



OUR IMPACT ON PEOPLE 34

People at Riverford

Since becoming employee owned in 2018, our People Team have been working hard on the culture of Riverford. We are determined to become an exceptional company, not just for our customers but as a place to work. As part of this cultural change, Riverford is going even further in caring for our co-owners through health and wellbeing initiatives.

Here are a few of the things we've got going on for co-owners...

- 10% of profits shared equally between co-owners
 - Free organic fruit and veg for all co-owners
- Heavily subsidised, home-cooked organic lunches
 - Free parties several times a year
- Six co-owners trained in the Grief Recovery Method
- 27 co-owners trained as Mental Health First Aiders
- Cycle to Work Initiative free lunch to anyone that cycles in
 - Flexible working
 - Remuneration committee (including three co-owners)

Exceptional working environment

Riverford is a beautiful place to work. Over the last few years, our numbers have begun to outgrow our facilities – so last year we finished a brand new open-plan office, and this year we plan to begin constructing a new canteen. We will also be investing in an onsite learning and training facility.

Healthy eating

'Live life on the veg' are our words to live by. With every organic lunch served at the co-owner canteen, there are meat-free and dairy-free options available, along with a choice of five vegetable sides and salads. There are bowls of fresh organic fruit scattered around the workplace for all co-owners to help themselves, and we also give free graded-out fruit and veg away to all every day, making it easy to get a healthy intake of fresh produce at work and at home.

We also try to inspire healthy eating through providing seasonal, veg-packed recipe cards around the office.

Cultural transformation programme

We've been investing in training to build our management and leadership capabilities, so managers can coach and support their teams to be the best they can be.

OUR IMPACT ON PEOPLE

Improved benefits

Our People Team have worked hard to deliver these improved benefits to our co-owners:

- Increased holiday by two days per year for all co-owners
- Improved pay for the lowest earners (5-9% increase for hourly earners)
- Pensions workshops
- Rewarding long service with two days extra holiday after five years

These benefits have contributed to a 15% reduction in staff turnover since 2018!



Training & capacity building

We want to share knowledge and create better decision-making across Riverford. To build co-owners' capacity and confidence, we've been delivering training and apprenticeships through our Learning & Development Programme. This covers apprenticeships in leadership and management, through to modular training sessions on personal and professional development.



2017-2018

66 hours of training delivered

67 co-owners attended at least one training session

2018-2019

255 hours of training delivered

177 co-owners attended at least one training session





Going forward, we've got plans to make Riverford an even more exceptional place to work:

- New canteen

- Increase profit share from 10% to 20%

- Financial planning workshops
- Career development plans (Grow with Riverford)
- Job swaps, giving co-owners the chance to work in different areas





Building long-term business on long-term relationships



If business is to be a force for good, it can't be built on short-termism; we're in it for the long haul. We've been working with some of our suppliers for 25 years.

We work with small growers, food producers and family farms as much as we can. We love finding growers that farm for flavour, rather than squeezing the last ounces of shelf-life out of a crop, or simply choosing flavourless varieties that travel well or are easy to package.

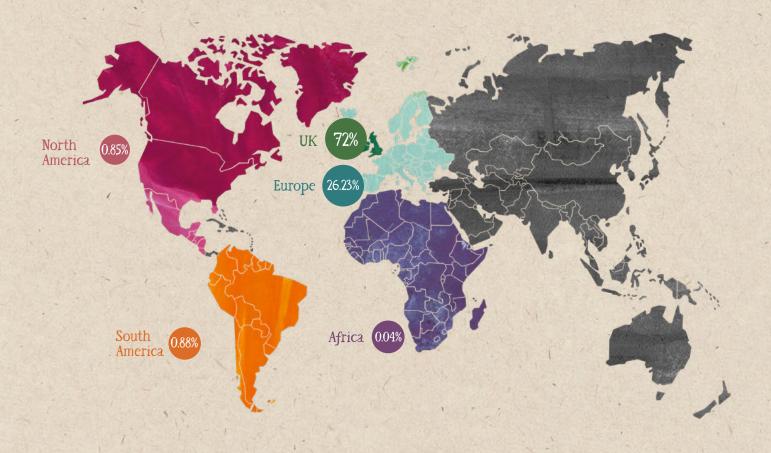
Fair to farmers

We also provide greater security for our growers and producers by...

- Accepting a huge range of fruit and veg sizes and shapes compared with the average supermarket.
- Accommodating growers' surplus wherever possible, whether it's by extending the volume of a product we'll take, or finding innovative ways to use up a glut.
- Putting in the labour to work through fresh fruit and veg that has come in
 with a high degree of quality issues, picking out the usable produce rather
 than simply rejecting the whole delivery. This is not only beneficial in terms
 of reducing food waste, but also means that our growers can enjoy a higher
 degree of financial security; supermarkets are likely to reject a whole delivery
 at a low percentage of quality defects.
- Not penalising growers if they have a bad year for yield or quality. Our growers
 can rest assured that blips in the supply will not result in us no longer working
 with them or reduced volumes in years to come.
- Planning in crops well in advance. This provides stability for us (allowing us
 to keep our veg box prices down), and security for our growers. We work with
 them to plan in agreed volumes of crops at fair prices, often over a year in
 advance and we always stick to those prices. We also collaborate with them
 to find the right crop for the right grower: choosing crops that play to their
 strengths, and varieties that suit their environmental conditions.



72% of our veg is homegrown



We try hard to buy UK-grown produce wherever possible – 72% of all our veg in the average year, in fact. The rest of our produce comes from our European growers, with a handful of growers further afield in the Americas and Africa.

We also source a lot of fruit - whilst significant amounts of our fruit comes from the UK and Europe, sourcing from the Americas, Africa, and New Zealand allows us to make the most of seasonal crops and staple favourites like bananas.

Innovation & Collaboration

Being part of a community of like-minded, smallscale growers and producers is a breeding ground for innovation. For example...

A long-term grower John Walter Symons successfully trialled edamame beans (a crop rarely grown in the UK, but which is well suited to conditions in South Devon). They were so successful they are now on our yearly program.



Our edamame producer, John.



Barnaby's owners Tim Stacey and Barnaby Harris

Our green tomato saison beer is made from surplus green tomatoes, developed with local South Devon brewer Barnaby's Brewhouse; it tastes great, but also helps to reduce food waste (and won Gold at the Taste of the West Awards!)

We are developing a growers' forum, in order to work on innovation across our supply base, as well as connecting growers with each other to share ideas and innovate amongst themselves.



One of our South Devon Organic Producers
(SDOP) co-operative farms

Some Riverford sourcing rules...

100% ORGANIC (OR WILD)

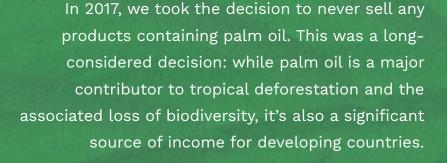
Since we were founded in 1987, Riverford has always been 100% organic. Not just when possible, or when it's cheap or convenient, but always. It's better for the environment, for animal welfare, for farmers (who aren't exposed to dangerous agricultural chemicals), and for the customer. The only things we sell that aren't organic are wild, such as wild fish or foraged wild garlic.





NO PALM OIL







Initiatives such as the Roundtable for Sustainable Palm Oil (RSPO) aim to provide a sustainable means of production and fair, financially stable livelihoods for palm-oil producers, particularly smaller farmers. However, sustainable solutions are a long way off yet; we believe that supporting palm oil production is not in line with Riverford's values, and the only reliable way to reduce palm oil's environmental impacts at this time is to buy none at all.

NO AIRFREIGHT

We never purchase airfreighted produce. This is down to the much greater CO₂ emissions released per tonne/km (a unit of freighting intensity) by airfreighted produce than by cargo ships or road freighting with HGVs.

Air freight can release up to 80 times the CO₂ emissions of sea freight.

NO HEATED GREENHOUSES

We never buy produce grown in heated greenhouses. The carbon output of growing tomatoes and other warm weather crops in artificially heated greenhouses in the UK is higher than transporting the same crops grown in Spain in unheated polytunnels. As an example, the carbon footprint of growing tomatoes in heated UK greenhouses can be anywhere from 2 to 10 times as much as growing in unheated polytunnels in Spain and trucking them to the UK.





WILD FISH

Globally, over the last 45 years, marine fish stocks being fished at unsustainable levels has increased by around 23% (FAO, 2018).

Fish for Thought, our fish suppliers, provide an alternative to the industrial fishing paradigm: they supply us with line-caught (the most sustainable method), seasonal mackerel and pollock from small, traditional fishers in the South West.

Fish for Thought

- 100% line-caught wild fish
- No damage to the seabed through trawling
- · No ghost nets
- · Massively reduced by-catch
- · All boats under 10m long
- Each fish can be traced back to the boat it was caught on



To sum it all up...

What we've achieved this past year:

8X

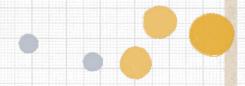
Increased our solar energy capacity by eight times



Introduced flexible working



>70% of our in-house vans to electric vehicles by 2023



Increased pay for the lowest earners
(5-9% increase for hourly earners)



Set up a remuneration committee



Pension workshops



Hosted climate talks to educate and inspire action against climate change among our coowners and customers



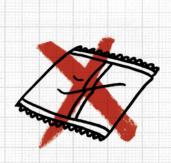
Completed our first
ever operational carbon
footprint study



Increased holiday days for all co-owners

To sum it all up...

Our aims for the coming year:



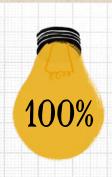
All fruit and veg 100% plastic free by December 2020



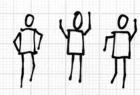
Work towards a 10%
absolute reduction in
our carbon emissions
by 2023 (based on the
2017-18 financial year
baseline)



Work towards increasing profit share for co-owners from 10% to 20%



Continue working towards 100% LED lighting in our offices and warehouses



Increase co-owner and customer engagement on climate change issues by hosting educational talks and events



Reduce pallet wrap
usage by introducing
reusable pallet
stabilisation equipment

Look out for next year's report to find out how we get on!

