



Co-operate

Our Sustainability Report 2023

co
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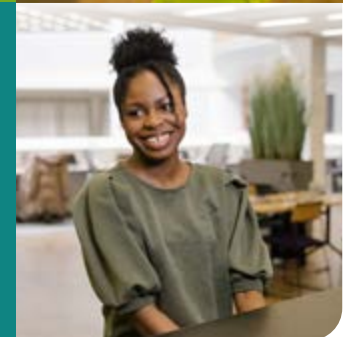
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Welcome to our 2023 Co-operate Report

This is our 18th report on our sustainability, ethics and community performance and impact.

The process of accounting, assurance and reporting helps to drive performance and provides crucial information to our members and other stakeholders.

We set ourselves 32 targets for 2023, 27 of which have been achieved or are 'on track'. Within this report, we set out 27 targets for 2024 and beyond, including 11 headline targets and commitments around our most material issues.

The content of this Report is shaped by our Vision priorities and our most recent materiality review. We support progress towards the UN Sustainable Development Goals (SDGs) as a framework that allows for genuine, long-term and collaborative action, and our targets are mapped against the SDGs in the tables throughout this Report.

We report in accordance with the Global Reporting Initiative (GRI) Standards, and our GRI Index can be found on our [website](#). Alongside external assurance, our report is reviewed by a subcommittee of our National Members' Council and approved by our Risk and Audit Committee and Board ahead of publication. We also put the Report to a vote by our members at our Annual General Meeting (AGM), alongside our Annual Report and financial results.

Further detail on how we measure against our targets and the scope of our reporting can be found in our [Basis of Reporting](#) document.

Reading the report

The features on the right will help you navigate the report, and estimated reading times are outlined below:

[2023 highlights](#): 2-minute read

[2023 Vision summary](#): 15-minute read

[Our people](#): 30-minute read

[Member-owners and communities](#): 30-minute read

[Our planet](#): 30-minute read

[Fairer business](#): 15-minute read




≡ **Navigation:** To navigate across various sections within the Report, you can use the header bar at the top of each page. To return to the contents page, click the menu button on the top left of each page.

✓ **KPIs:** Throughout the Report, you will find the relevant data tables within each section to show our progress over time. Where possible, we include four years of performance data to give year-on-year comparisons.

⊕ **Targets:** Our targets align with our Vision and address what we know is important to our members and other stakeholders. Progress against our targets is reported within the data tables of this Report.

📊 **Performance benchmarks:** We're committed to reporting transparently on our performance, be it ahead of or behind expectations. We include performance benchmarks throughout this Report, showing where we can improve as well as where we lead, to show how we compare to peers.

🔍 **Assurance:** We engaged DNV to carry out assurance of this Report as described in their [Assurance Statement](#). Data that was reviewed to a greater depth through this process is identified with the following symbol in the data tables. 

Strategy and highlights

- ▶ 2023 highlights
- ▶ About us
- ▶ CEO statement
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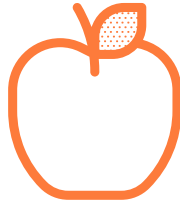
2023 highlights



We've met our target to increase the representation of ethnic minority leaders and now stand at **8%**



Over £23m-worth of funding has been brought together¹ by our partners and suppliers to support people from diverse backgrounds into apprenticeships



95% of Co-op own-brand products met their calorie reduction targets²



We are proud to have continued our impact through Fairtrade sourcing and in 2024 we are celebrating **30 years of Fairtrade**



Over 1m members joined us in 2023.

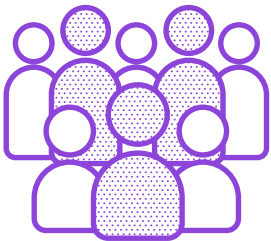
The most we've recruited in a single year since 2017

Working in partnership:

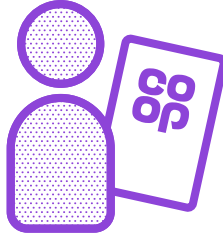


Barnardo's

Our colleagues, members and customers have gone BIG for Barnardo's and **raised £1.2m**



Our social activity created value for **4m people** in our members' communities, on issues member-owners care about



Our member-owners have taken action in support of our Vision over **2.5 million times**



Recognised at the Fairtrade Global Awards - **winning the Climate Leader award**



26% removed from plastic footprint since 2018



21% reduction in GHG emissions from our value chain (Scope 3) since 2016



29% reduction in food waste since 2022

¹ Since 2021

² Across 22 food categories, in line with or lower than the Office for Health Improvement and Disparities' reformulation programme

About us

We're a member-owned co-operative running an ethically responsible business. Every day we champion a better way of doing business for you and your community by offering a range of products and services which create value for our Co-op member-owners and their communities, reflecting our values and principles.

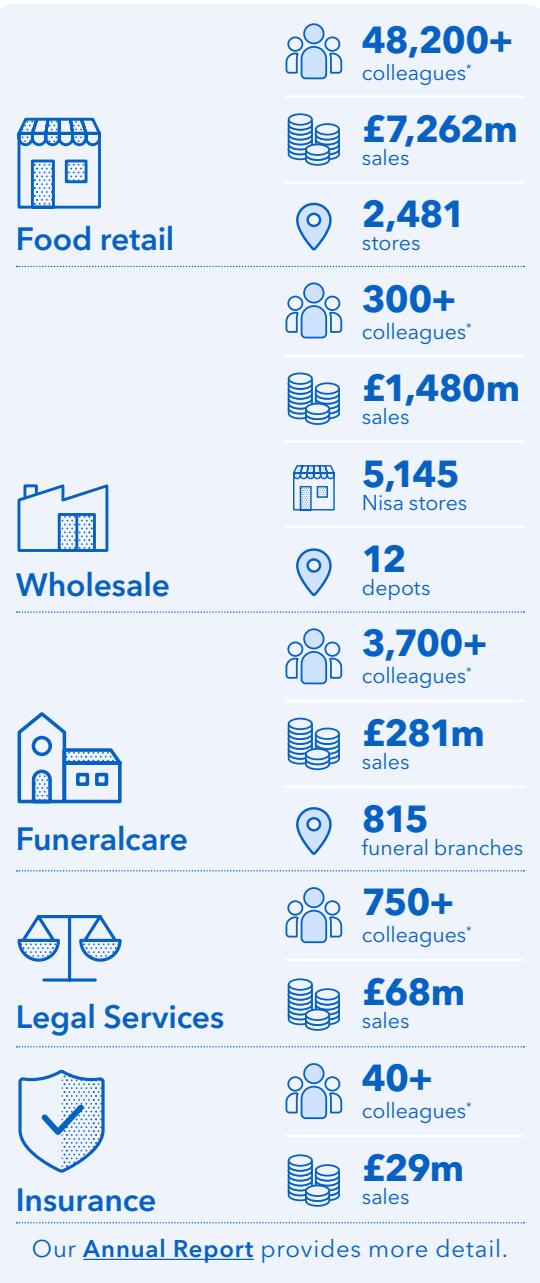
When you spend at Co-op it does good for you, your local community and communities across the country and around the world.

Our Co-op is the UK's largest consumer co-operative, with over five million active members and a presence in every area in the country.

We're a major food retailer and wholesaler; we're the largest funeral services provider in the UK; a major provider of regulated consumer legal services, particularly probate and wills, and a major provider of life planning and insurance products which support our customers when things go wrong.

Our businesses are all UK-based and our main support centre is in Manchester.

Since 1844, the co-operative movement has promoted organisations with a clear social purpose and our Co-op continues that tradition. A stronger Co-op means stronger communities; we're here to create value for our member-owners and the communities in which we trade and we can only do this by running a successful co-operative business.



Our Values and Principles are demonstrated throughout our report:

We're founded on the co-operative values of: self-help, self-responsibility, democracy, equality, equity and solidarity. Our members believe in the ethical values of honesty, openness, social responsibility and caring for others. We use these values to guide us in fulfilling our purpose.

The co-operative principles are guidelines by which we put our values into practice:

1. Voluntary and open membership
2. Democratic member control
3. Member economic participation
4. Autonomy and independence
5. Education, training and information
6. Co-operation among co-operatives
7. Concern for community



CEO statement

Our Co-op is built on strong foundations that were started with the Rochdale Pioneers back in 1844. We were created to give value back to our member-owners and society and it's why we exist today. We're owned by and run for the benefit of our millions of member-owners, making sure that everything we do creates value for them, their communities and causes that they really care about.

We're all too aware that 2023 has been another year of tragic worldwide unrest and economic turmoil, globally and in the UK. The impact of our Co-op can be felt even more powerfully during these challenging times and, over the past two years, we've worked hard to strengthen our business whilst delivering against our existing Vision of '*Co-operating for a Fairer World*'. Throughout the uncertainty, we are really proud that we were still there to support those who rely on our Co-op; our member-owners, colleagues, customers, partners and local communities.

Despite the external uncertainty, together we have achieved all of the incredible things outlined in this report. I want to take this opportunity to say a huge thank you to my amazing 56,000 colleagues and all the partners that we work with who came together co-operatively, to make it all happen.



Shirine Khoury-Haq
CEO, The Co-op Group

Throughout 2023, the work of our Local Community Fund has been more important than ever and has continued to support projects across the UK that our members care about. Since it launched in 2016, members have raised £107m for more than 36,000 unique community projects.

Our continued focus on social mobility has seen some fantastic progress this year, not just in support of our own colleagues, but through our advocacy and campaigning activity, and through Co-op Levy Share¹. In co-operation with suppliers and partners, we have helped place 2,000 apprentices using £23.3m pledged funds since its launch in 2021.

Our Co-op's commitment to tackling the climate crisis has remained one of our top priorities and I am proud that, in April, I stepped into the role of Co-Chair of the UK Government's Net Zero Council, which brings together ministers, business and finance leaders from across the economy to ensure that we're meeting our commitments to Net Zero and remain on target. I also continue my commitments to Chair the British Retail Consortium's Climate Action Roadmap Steering Group.

“I was also proud that the dedication and hard work of our Co-op was recognised at the first Fairtrade Global Awards, winning the Climate Leader award for our commitment to “innovate and generate impact to tackle the climate crisis”. ”

In 2024, we'll be celebrating 30 years of Fairtrade. We have supported Fairtrade since its beginning 30 years ago - three decades of standing with farmers and workers, supporting them to improve their livelihoods and invest in their communities. What we have achieved throughout this time is truly remarkable.

Our Vision '*Co-operating for a Fairer World*' has served our business well for the past five years. However, we now find ourselves in a very different world and economic backdrop to when it was first introduced in 2019. Our member-owners, colleagues and communities need our support more than ever as the cost of living crisis continues to have an impact.

Our Co-op is in a much stronger financial position now. We're fit to face the challenging times that we're in, and most importantly to set ourselves up now for future growth. We're in a position to look ahead, and plan how we will achieve even more value for our member-owners over the next decade. So that we're here for those who need us the most.

During 2023, together with our member-owners, National Members' Council and colleagues, and in line with our ambitious new strategy, we defined our new Co-op Vision. It supports our aspiration of returning to our heritage and Co-operative values by placing our member-owners firmly at the heart of all we do, by creating and returning value to them.

Co-operating to build more value for our member-owners every day

Everything we do must deliver value for our member-owners, that's why we exist. Our new Vision will support us to do this in three ways.

Firstly, by delivering economic value. This has been a key focus for us throughout 2023, as we invested £90m in lowering prices to support our member-owners during the cost of living crisis, giving them the best possible value through our member-specific pricing, products and services.

Secondly, we want to continue to enable our member-owners to create social value so that each time member-owners get involved in our community activity or select a cause, they will contribute to their local communities and to our shared ethical and sustainability commitments.

And finally, value through ownership. Our member-owners own our Co-op, and we will deliver value to them by creating opportunities to use their voice and get involved in how we run our businesses and the decisions that we take. For example, through our continued campaigning to improve safety in retail.

As we now move into 2024 and a new era of Co-operation, we remain committed to strengthening and growing our businesses. Because the more value we can create together, the more value we can give back. We will continue to be there to support those who rely on us, and together we will drive our Co-op forward for the benefit of our member-owners into the future.

¹ Bringing together suppliers and other employers to support apprentices

Our Vision

We're owned and run for our members, not a small group of shareholders. The more our members choose us, the more value we create for our 'member-owners' and their communities.

At the heart of our Vision is creating and returning value to our member-owners, and we will do this in three interlinked ways:

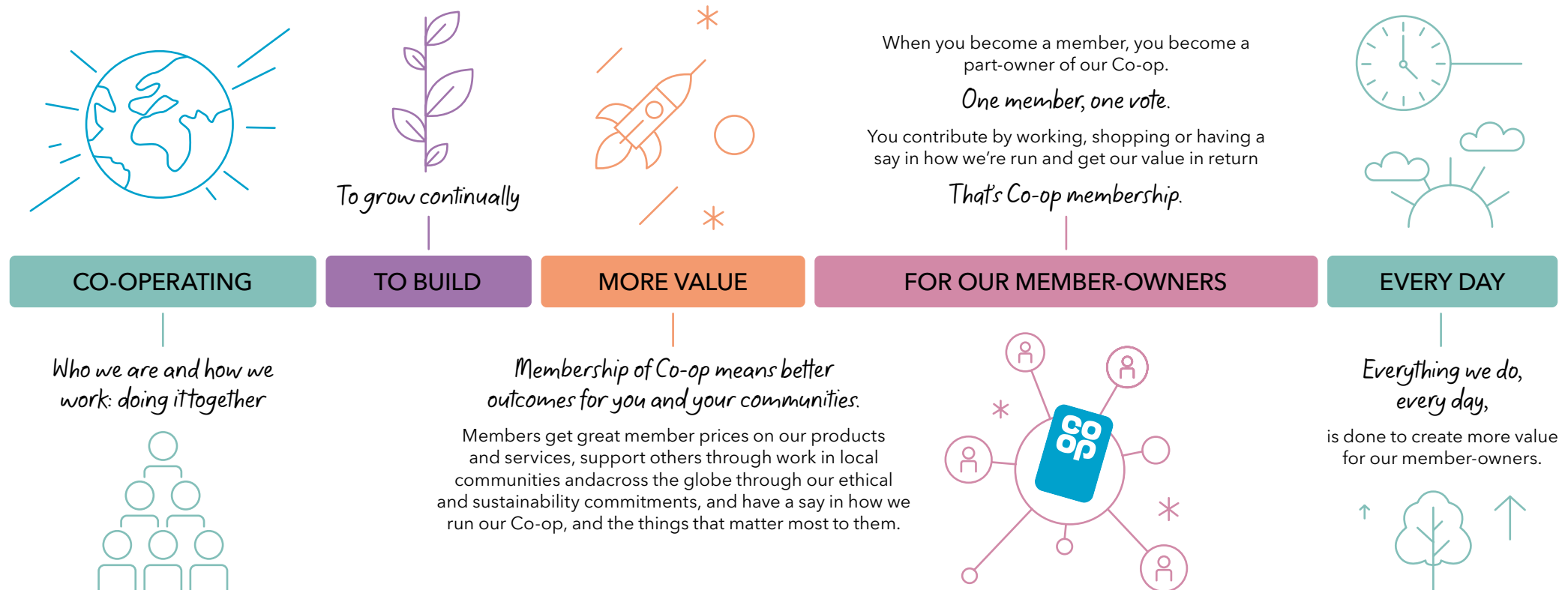
We will create better **economic value** through pricing of products, services and member-specific

propositions, as this is the area that member-owners tell us matters most to them in these economically challenging times. You can read more on how we are doing this in our [Annual Report](#).

Through creating better economic value, we will grow our Co-op together, allowing us to invest in **social value**; supporting communities who rely on us, ensuring that our ethics and values are embedded in all of our products and services and addressing the

challenges faced by our planet. This report outlines how we've delivered on this throughout 2023.

And lastly, the area of value that is unique to us as a Co-operative is **ownership value**. As owners of our Co-op, our members have a say on the things that matter most, how we run our business, the campaigns we deliver and the products and services we develop. You can see more on this in our membership section [here](#).



Delivering our Vision

Our long-term commitment to [Co-operative Values and Principles](#), as well as our insights into the needs of our member-owners and their communities have helped us to shape the commitments that will deliver our Vision.

Key strategies

In 2023, we delivered our Vision and Purpose through a number of key strategies, including our Sustainability Strategy, Climate Plan, Community Strategy, Funeralcare's focus on sustainability and Commitments to Diversity and Inclusion.

You can see an overview of progress against our key Vision strategies and campaigns in our [2023 Vision Summary](#).

Co-operation

A Co-op is a business or organisation that's owned and controlled by its members to meet their shared needs. We share a common set of values and principles with co-ops across the world, and are working to build partnerships that progress the principles of co-operation.

Co-operation - within the UK and with our overseas partners - is in our DNA, and provides a guiding principle in everything we do; from engaging our members, communities and customers on the issues we address through our campaigning and community strategies to sharing our expertise with our supply

chain partners and other co-operatives and businesses to reduce costs and cut carbon emissions.

More detail on our co-operative way of working is included throughout this Report.

Campaigning

Our Co-op was founded to address social injustice, and we continue to use our influence to campaign with and for our member-owners on the issues that matter most to them and their communities. In 2023, we engaged with the development of public policy across an enormous breadth of issues with the UK Government and the Devolved Administrations, and continued to engage with elected representatives across the UK and all political parties.

In 2023, we continued to campaign for [Climate Justice](#). Tackling the climate crisis must be an urgent priority for governments around the world, but we all - including every business and sector - have a part to play, which is why we were delighted that our CEO was invited to co-chair the UK Government's Net Zero Council this year.

Despite having seen legislation in the Scottish and UK Parliaments to tackle violence against shop workers come into force in 2022, an increase in the level of crime, including violence and abuse directed at our colleagues during 2023, led to the reinvigoration of our [Safer Colleagues, Safer Communities](#) campaign over 2023.

As the [award-winning](#) Co-op Levy Share scheme continues to go from strength to strength, our work to champion [Social Mobility](#) has accelerated further this year, through action such as making the case for the Equalities Act to be extended to include socio-economic background as a protected characteristic.



Engaging and collaborating with our stakeholders

We understand the importance of developing strong and meaningful relationships to help us achieve our Vision. These are just some examples of how we've worked with our stakeholders over the past year. You'll find more examples throughout this report, and in our [annual report](#).



Customers



Member-owners



Colleagues



Community



NGOs¹



Partners



Suppliers

The channels we use:

Our Co-op Collective panel (of 10,000+ members and customers), and other research tools and approaches.

We aim to create maximum value for our member-owners and their Co-op by working with member-owners in several ways, including supporting them to understand the issues behind ethical decisions and engaging them in our campaigns.

Our colleague-listening tools - Talkback, Colleague Voice, listening sessions, trial research panel, hackathons and ad hoc projects.

Experience and Impact surveys for our community causes funded by the Co-op Local Community Fund.

Engaging NGOs to inform our policies.

Collaborating with partners to achieve our climate goals.

Engaging with suppliers that are critical to our environmental commitments. And

The issues we explore:

We continued to involve our customers and members in important decisions for our Co-op. We engaged over 10,000 UK consumers, Co-op customers and member-owners to understand consumer attitudes towards ethics and sustainability, and how we can continue to be leaders and pioneers in this space.

Member-owners engaged with conversations around animal welfare, cost of living, peatland restoration and sustainability, Fairtrade, our community plan, our social mobility campaign, World Water Day, sustainable seafood and eating healthily.

In 2023, we consulted colleagues more widely than ever. We heard from colleagues across our Co-op on topics ranging from safety to our evolved Vision, and how we support communities.

Through our surveys we seek to understand more about the experiences of the causes we support and the social value we generate for our member-owners and their communities.

Engaging with the Science-Based Target Initiative, a coalition of leading environmental NGOs, to establish new climate targets after meeting our original targets early.

Working with The Waste and Resources Action Programme, who are coordinating 8 major retailers, to identify ways we can collaborate to reduce the environmental impact of our food and drink. As retailers, our individual actions are achieving meaningful change, though we recognise how much more we could achieve by working together.

Working closely with suppliers to understand their ambition and progress on decarbonisation, what best practice looks like and where we can best help accelerate progress.

The outcomes:

The research will be used as a vital reference point for our teams and suppliers in continuing to lead the way in being an ethical retailer.

Member-owners helped us to develop our social mobility campaign and helped raise the big issue of shopworker safety through signing petitions and writing to their local elected representatives.

Colleague feedback via a survey and Colleague Voice has been a core influence on the evolution of our new Vision statement. The work on safety has been an important input into our renewed campaign to raise awareness of the impact of rising crime on our store colleagues.

More than 84% of causes responded in 2023, informing future rounds of funding and enabling us to engage both colleagues and members with the difference they are making as Co-op member-owners.

We have committed to new, more ambitious science-based targets to ensure that we continue to be aligned to global warming no more than 1.5°C above pre-industrial temperatures.

A detailed analysis of gaps and barriers to progressing decarbonisation efforts has been undertaken. This has identified three key areas on which to focus collaborative efforts, and an agreement to bring together fragmented actions.

As a first step in supporting suppliers' decarbonisation efforts, we've developed guidance to increase understanding of actions they can take, as well as making Co-op's long-term priorities clear. We're also upskilling our commercial teams and encouraging consistent communication with the supply base. Detailed decarbonisation plans are being developed in collaboration with suppliers.

¹ Non-governmental organisations

Oversight of our responsible business approach

Our Board

Our Board determines the strategy for our Co-op, consistent with our Purpose, Values and Principles. Our Board is responsible for final approval of this Report. Our ethical decision-making tool is used to support decisions requiring Board and Executive approval. The tool prompts users to consider the following when making a decision: what our members would think of the decision; whether it creates commercial and social value for members; the potential impact on our communities; and whether members could understand what we have done and why. Our Risk and Audit Committee (RAC) is a committee of our Board that reports directly to the Board. Ethics, sustainability, colleagues and community are embedded in our risk framework, oversight of which sits with RAC. In addition, members of RAC review this Report; RAC considers our external sustainability report assurance feedback, as well as reviewing Internal Audit reports on aspects of our responsible business behaviour.

National Members' Council

Our National Members' Council is made up of 100 Co-op member-owners from around the UK. A key role for our Council is holding the Board to account on the strategic and operational decisions it makes. As part of its 'holding to account' role, it's responsible for reviewing and commenting on drafts of this Report.

Our Council committees: Membership, People and Communities, Sustainable Ethical Leadership and Modern Co-operative Leadership, as well as Business

Performance, work with our Board and senior leaders to hold to account and influence the decisions made on behalf of our member-owners. As our Co-op moves to a new strategy with membership at its heart, the Council will continue to support the Board in ensuring that the value we create for member-owners – social, economic or as owners – is front and centre.

To keep in touch with our member-owners, the Council holds Join In Live events every autumn, bringing together co-operators, directors and colleagues to talk about what's happening around our businesses and shape plans around our campaigns, membership and community activity.

In 2023, the Council fed into important decisions like support for our members, colleagues and communities during the cost of living crisis, the introduction of Member Prices on everyday staples and the future of Co-op Membership – helping the business to meet the needs of our members and the diverse communities we serve and support.

Embedding our Vision

In 2023, we delivered against our Vision of '*Co-operating for a Fairer World*'. Our Vision Activation Leadership Circle, made up of senior leaders from across our Co-op, was the overarching governance forum to ensure related strategies were executed in the most impactful way. Members of our Vision Activation Leadership Circle also sit on our Operating Board – our most senior leaders and decision makers, working collaboratively on the decisions and actions we need to take to run our

business effectively. They ensure that our member-owners, colleagues and Vision are at the heart of our organisation. Our Vision is embedded across business and operational plans.

In 2023, different groups developed policies and programmes across the three pillars of our Vision – for example, Sustainability Steerco, which oversaw issues such as Climate Change, Fairtrade and healthy & sustainable diets; and the People Leadership team, which oversaw issues such as our diversity & inclusion and colleague wellbeing strategies.

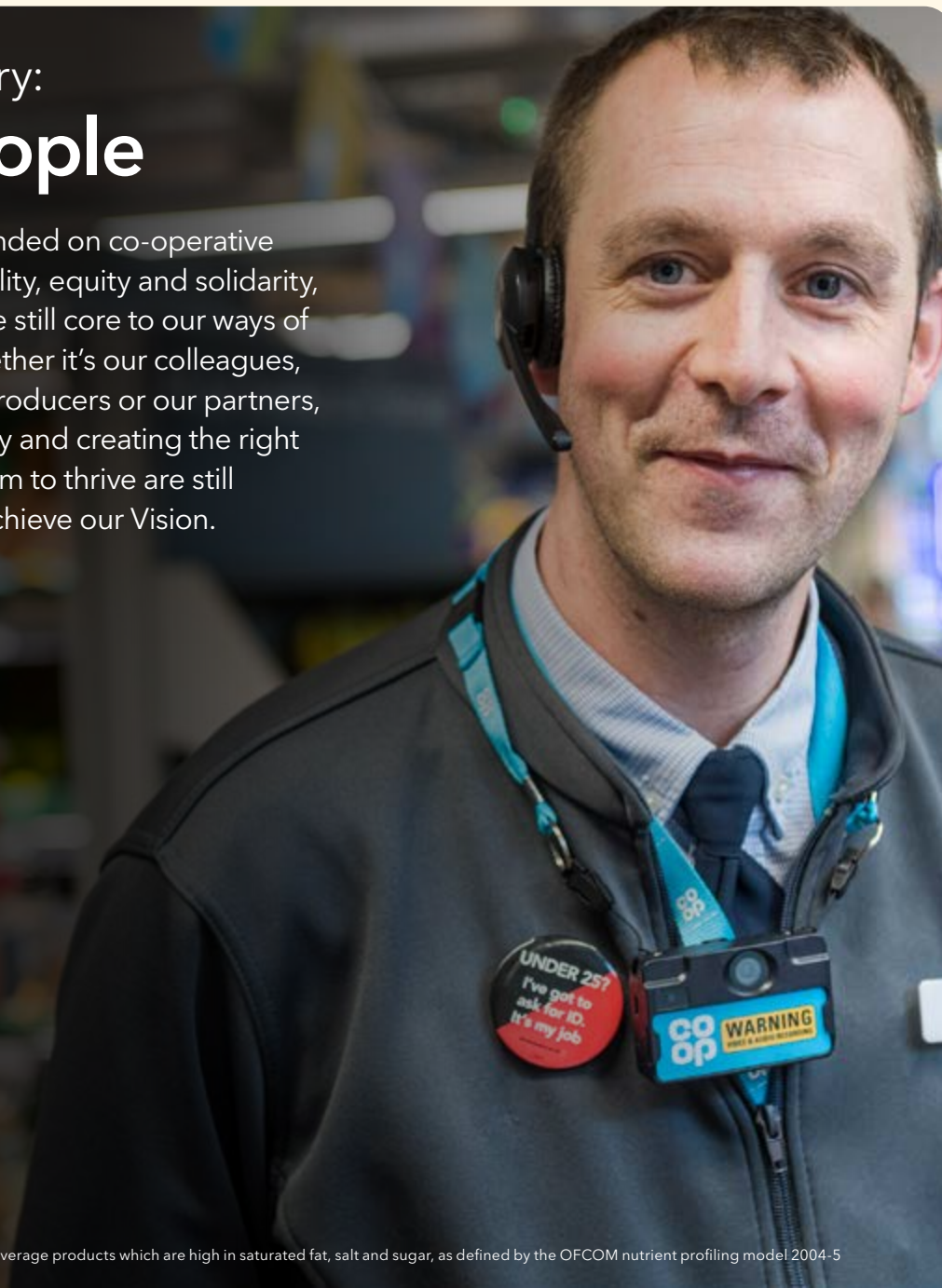
We use a Balanced Scorecard as the basis for the Bonus Plan for Co-op colleagues. The elements of our Bonus Plan scorecard are linked to doing what matters most for our Co-op. As well as financial metrics, these include Membership (membership is core to who we are and the vehicle through which we both create and share value), Community (supporting local communities creates much of the social value that makes our Co-op a better way of doing business) and Colleagues (colleagues play a significant role in ensuring we continue to deliver to our members, customers and communities).



2023 Summary:

Our people

Our Co-op was founded on co-operative values such as equality, equity and solidarity, and these values are still core to our ways of working today. Whether it's our colleagues, our suppliers, our producers or our partners, treating people fairly and creating the right environment for them to thrive are still essential for us to achieve our Vision.



✓ Headline KPIs



8% of our leaders are from an ethnic minority background.

LEVY
SHARE

£23m and **2,000**
apprentices achieved through
Co-op Levy Share.¹



7 of our core commodities
and categories have a
Fairtrade Commitment.



60% of Co-op own-brand
products are healthy (non-HFSS²).

🎯 Headline targets

We aim to increase our ethnic minority leadership representation to 10% by 2025.

By the end of 2024, an additional £9m will have been pledged by our suppliers and partners through Co-op Levy share to support people from diverse backgrounds into apprenticeships.

We will support our suppliers to improve human rights across our supply chains through the delivery of our global capacity building programme, reaching over 2,000 delegates at 35 events in 2024.

¹ Since launch in 2021

² HFSS is a shortened term for food and beverage products which are high in saturated fat, salt and sugar, as defined by the OFCOM nutrient profiling model 2004-5

We continued to progress our approach to Diversity and Inclusion (D&I) in 2023, focusing on driving better diversity in representation while promoting an inclusive culture. We've now met our target to increase the representation of ethnic minority leaders, which is now at 8%.

We also deepened our focus on Social Mobility, using our diversity data and lived experience of our colleagues to develop a nine-point action plan to help address barriers to entry and progression. This was supported by the ongoing success of Co-op Levy Share, which brings together our suppliers and other employers to support thousands of apprentices from diverse backgrounds. Since 2021, over 2,000 apprenticeships have now been funded through the programme to the tune of £23m pledged funds.

Insights from our colleague feedback channels helped us refresh our Wellbeing strategy this year, ensuring it addresses the needs of our colleagues and their families. As the cost of living continued to be a concern, we worked with colleagues to co-create support to improve financial wellbeing, such as trialling an automatic enrolment approach to rainy day savings and extending the 30% discount for colleagues on all Co-op own-brand food and household goods throughout the year.

Our colleagues continued to work exceptionally hard, providing a fantastic service to our members and customers. Once again, we've increased our pay rates to align with the Real Living Wage. In 2023, all our Customer Team members in our stores received a pay increase of 10.1%.

In 2024, we are incredibly proud to be celebrating 30 years of Fairtrade; we have supported Fairtrade since its beginning 30 years ago – three decades of standing with farmers and workers, supporting them to improve their livelihoods and invest in their communities.

In 2023, we were delighted to be recognised at the first Fairtrade Global Awards – winning the Climate Leader award for our commitment to “innovate and generate impact to tackle the climate crisis”. This award was in recognition of Co-op's Climate Plan, pledging our support for producers on the front line of the climate crisis and the work we've done through our Fairtrade Alliance for Climate Smart Supply Chains in Africa (FACSCA) and Productivity Improvement Programme (PIP).

We continued our broader ethical trade and human rights work with our suppliers, working collaboratively to protect the most vulnerable, protect workers and champion resilient livelihoods for everyone in our supply chain. In 2023, we successfully concluded the two-year 'Inua Dada' diversity and inclusion initiative launched in Kenya in partnership with our supplier, Flamingo Horticulture. The programme empowered nearly 5,000 female flower farm workers, focussing on training, enhancing economic empowerment, confidence and visibility of women.

Our Goods Not for Resale Responsible Sourcing Strategy sets out how we work collaboratively with our suppliers, embedding our Vision at every stage of the procurement lifecycle. In 2023, our suppliers donated over 500 hours of their time in support of our Vision, and pledged over £1.3 million towards Co-op Levy share.

We have an important role to play in helping our members, colleagues and customers lead healthy lives. In the 2023 Food Foundation's Plating up Progress report, Co-op was the only retailer to score green for 'encouraging healthy diets'. We've also moved up from amber to yellow on 'healthy and sustainable food sales'. These scores are due to our improved transparency, including reporting on HFSS¹ products and promoting Healthy Start vouchers.





Campaign - Safer Colleagues, Safer Communities

Since 2018, our Safer Colleagues, Safer Communities campaign has aimed to make our colleagues safer through our action as a business and through securing greater protection in law for shopworkers.

We were delighted that in 2021, following our successful campaigning, the Government agreed to make assaulting a shopworker – or anyone performing a service to the public – an aggravated offence. This became law in 2022 when the Police, Crime, Sentencing and Courts Act received Royal Assent.

Thanks to this, along with the specific offence of abusing or assaulting a shopworker, which the Scottish Parliament passed in 2021, shopworkers' rights across the UK now have greater protection in law.

However, our Co-op crime data reveals that retail crime within the Co-op has increased by 44% year on year, with nearly 1,000 incidents per day occurring across our 2,400 stores. Reports published in 2023 by both the British Retail Consortium and the Association of Convenience Stores indicated that retail crime has been a shared challenge across our industry.

Consequently, we reinvigorated our Safer Colleagues, Safer Communities campaign in 2023. Through a Freedom of Information (FOI) request to all 45 UK police forces, we found that from the first three months of 2023, the police failed to respond in 70% of serious retail crimes reported by Co-op stores.

We published these findings in July 2023, and were met with significant media support from across our sector, as retailers stood in solidarity with our Co-op. Since then, we have been campaigning for police support to

ensure shopworker safety and to encourage a greater ambition from policing to tackle retail crime.

Co-op has led the way in securing an immediate response from the Government, who published the first ever Retail Crime Action Plan in October. The plan includes a police commitment to prioritise attending the scene of shoplifting instances involving violence against a shopworker, where security guards have detained an offender, or where attendance is needed to secure evidence. The Co-op welcomes this and will be tracking how these commitments translate in the daily reality of our colleagues.

In November 2023 we again supported USDAW's¹ Freedom From Fear campaign and their Respect for Shopworkers Week. Co-op extended over 100 invitations to Members of Parliament and every Police and Crime Commissioner in order for them to have the opportunity to visit our stores to discuss the impact that retail crime has on our colleagues.

Our Peer Action Collective is supporting building safer communities, by empowering young people with lived experience of violence to deliver social action projects around education and positive activities.

In addition, our Local Community Fund supports hyper-local activities which have an impact on crime and antisocial behaviour.

Looking ahead to 2024, Co-op will continue to lobby Government and Police and Crime Commissioners actively on this agenda, seeking to ensure that the commitments that the police will tackle retail crime are delivered.

¹ Union of Shop, Distributive and Allied Workers

2023 Summary:

Member-owners and communities

We're owned by, and run for, our member-owners, not a group of shareholders. The more our member-owners choose us, the more value we create for them and their communities.

Our member-owners have a say in how the business is run, as well as on the issues we champion, the causes we highlight, the injustices we tackle and where we use our voice to help make a difference.

✓ Headline KPIs



2.5m

times members took action in support of our Vision¹.



5.02m

active member-owners².



£21.4m

raised to support local communities through members choosing Co-op.



4m

people benefiting in our members' communities, on issues member-owners care about³.



£1.2m

raised for our charity partnership with Barnardo's.

🎯 Headline targets

We aim to end 2024 with 5.5m active member-owners.

Our social activity will create value for 4m people in our members' communities, on issues member-owners care about.

We'll raise £5m by 2025 to bring communities together to support 750,000 young people.

We will invest £20m in our communities in support of our Vision and our broader Co-op principles.

¹ Taking action relates to when a member participates in (i) Choosing a cause (ii) Joining in (iii) Donating their personal reward (iv) Voting in our elections (v) Participates in our Co-op insight collective

² Active members are those who have traded with us in the past year in Co-op Food, Funeral and Life Planning, Insurance and Legal Services

³ Includes beneficiaries from our external partnerships with charities, our local community fund, our academies and through our Member Pioneers

Co-op membership is about much more than just deals and rewards; our members own our business. This means member-owners can have a say in how it's run, as Council Members and through our AGM and Elections, influence and shape the products we sell and the causes we support, and participate in their Co-op through Join In Opportunities.

More than 31,000 member-owners voted in our 2023 AGM and Elections – supporting our Co-op to champion member-owner value through its ethical and sustainable credentials, to create better futures for young people and to expand the ways our member-owners can shape and participate in our decision-making.

Over one million member-owners joined us in 2023, which is more than we recruited in a single year since 2017.

During 2023, member-owners participated in activity supporting our Vision more than 2.5m times, including selecting a local cause, getting involved through our Join In programme, voting and donating their personal reward.

When members choose us, they also contribute to our work in communities. That's what sets us apart.

By partnering with community organisations, local causes, charities and academies, our community plan has helped to create social value for member-owners and their communities in 2023 by providing access to food, supporting mental wellbeing, and creating opportunities for young people. This was supported by an investment of £21.4m raised through the Local Community Fund and Community Partnerships Fund.

Our Local Community Fund supports projects across the UK that our member-owners care about. Since it launched in 2016, member-owners have raised £107m for more than 36,000 unique community projects. In 2023, the Local Community Fund helped to fund almost 4,000 projects which in turn supported an estimated more than 1 million people in our member-owner communities across the UK.

Our Community Partnerships Fund supports strategic partnerships with like-minded organisations targeting communities where support can have the greatest impact. In 2023, the fund committed investment of £4.2m to support our community partnerships, such as our partnership with leading bereavement charity Cruse Bereavement Support, through which we're bringing communities together to support one another with grief.

The fund also supports Hubbub's Community Fridge network and Your Local Pantry, providing access to food while bringing people together to increase their resilience. In 2023, through our partnership with Hubbub, 386 Community Fridge locations were identified, and our Community Fridge network was visited over 1.3m times. We also redistribute food surplus through the Caboodle platform.

In March, we concluded the first cohort of the Peer Action Collective (PAC), reaching 6,861 young people, the findings from which were published and shared at Parliament. Young people made recommendations around access to opportunities, mental wellbeing support and safer spaces, including schools. In November, we launched the £4.5million Young Gamechangers Fund in partnership with the Co-op Foundation and the #iwill Fund; supporting young activists to lead social action across the UK.

All of which has made a significant contribution to our [Social Mobility Campaign](#).

We also launched our partnership with Barnardo's in 2023. Together, we'll raise £5m by 2025 to bring communities together to support 750,000 young people. Between March 2023 and March 2024, our colleagues, member-owners and customers went BIG for Barnardo's, and raised £2m.

Between 2020 and 2022, we raised £8.46m for Mind, SAMH and Inspire, to bring communities together to improve mental wellbeing. The partnership launched more than 60 new mental wellbeing services across the UK, supporting over 30,000 people.

You can read more about the ways we've been supporting communities this year through our Member Pioneers, Co-op Academies, Co-operate Platform, and our charity The Co-op Foundation in our Communities section.



Campaign - social mobility

At our AGM in 2021, member-owners called on us to 'Campaign and advocate for change, to tackle the inequality we see today and to challenge Government to address the root causes of these issues and to enable social mobility throughout our society'.

We believe in leading by example - setting standards that others may be encouraged to follow, and paving the way for future Government intervention.

In 2022, we began to ask our colleagues to share their socioeconomic background with us, and by the end of 2023, more than 70%⁴ of our colleagues had done so.

In 2023, we commissioned 'Making the Leap', a social mobility charity, to undertake ground-breaking research. We wanted to hear directly from colleagues who identify as coming from lower socioeconomic backgrounds about their experience of working at our Co-op and found that, for many colleagues, their socioeconomic background may be acting as a brake on opportunity and progressions.

The report helped develop a [new 9-point Social Mobility plan](#), supported by a Social Mobility taskforce to deliver it. Commitments include supporting our colleagues to become more financially resilient and to address the size of contracts and the number of additional hours worked to give colleagues a more secure income.

We're also campaigning to make socioeconomic background the 10th protected characteristic in the Equalities Act - meaning that class-based discrimination would be illegal. We've committed to publishing our first Class Pay Gap report in 2024 and to encourage other employers to do the same, partnering with the Social Mobility Foundation to produce a [Class Pay Gap reporting guide for employers](#).

We're continuing to create opportunities by championing apprenticeships, delivering hundreds of opportunities within our own business, and supporting other employers to do the same through Co-op Levy share.

Since its launch in April 2021, our levy share scheme has brought together a fund of over £23 million from 84 employers and matched nearly 2,000 apprenticeships. You can read more on the outcomes of Co-op Levy Share [here](#).

During 2023, we called on the Government to reform policy on apprenticeships so that employers can do more to support groups who would most benefit, sponsoring two pieces of research from [Policy Exchange](#). We also [worked with Votes for Schools](#) to find out what young people thought about the apprenticeship rate of the National Living Wage and held a Parliamentary event to share the findings with MPs.



Our partnership with the Youth Endowment Fund (YEF) sees us, alongside the #iwill Fund, invest in giving young people the chance to make their communities safer, fairer places to live through the Peer Action Collective (PAC). The findings from PAC were published and shared at Parliament. Young people made recommendations around access to opportunities, mental wellbeing support and safer spaces, including schools

We've continued to work with the [Purpose Coalition](#), established by Rt Hon Justine Greening, to share best practice and encourage other employers to take collective action to promote social mobility.

In 2023, we've once again been recognised as one of the leading businesses on the issue and have been ranked 44th⁵ on the [Social Mobility Employers' Index](#). We continue to be part of the Social Mobility Commission's Employer Advisory Group and the Department for Education's Business Engagement Forum.

⁴ An increase from 57% in 2021

⁵ 51st in 2022

2023 Summary:

Our planet

In 2023, we continued to see the devastating impacts of the climate emergency on our local and producer communities and our planet. We're running out of time to limit the worst impacts of climate change. We need faster action and co-operation across supply chains to reduce carbon emissions and protect people and the planet.

✓ Headline KPIs



59% reduction in Scope 1 & 2¹ greenhouse gas emissions since 2016.



21% reduction in Scope 3² greenhouse gas emissions since 2016.



26% reduction in our plastic footprint since 2018³.

🎯 Headline targets

We commit to reduce absolute Scope 1 and 2 emissions by 66% and absolute Scope 3 emissions by 48% overall by 2030 from a 2016 base year.

We will reduce food waste generated in our stores and depots by 50% by 2030, compared to 2022.

We will reduce our plastic footprint by 30% by the end of 2025, compared to 2018⁴.

100% of soy in our Co-op products, including that embedded in animal feed, will be deforestation-free and sustainable by 2025.

¹ Direct emissions from running our business

² Indirect emissions from our supply chain and products

³ Per 1% market share

⁴ Per 1% market share

It's been 20 years since we first mentioned 'carbon emissions' in our reports. Since then, we've been working hard to decarbonise our business by taking action such as installing better fridges in our stores, making changes to our transport network, and working with our suppliers to reduce supply chain emissions.

In 2023, we continued to deliver our climate plan and work towards our climate goals. We follow three principles in our response to climate change:

1. We need to rapidly reduce carbon emissions.
2. We need a fair transition to Net Zero for people across the world.
3. We need to work together to change our whole system of production for the benefit of all.

After reaching our near-term carbon-reduction targets early, in 2023 we committed to new and more ambitious targets. Our targets have been validated by the Science-Based Targets Initiative, a coalition of leading environmental NGOs⁵, and our reporting reflects our performance against these targets.

Since mid-2022, we've successfully implemented, measured, and verified over 22,000 new energy saving measures, with over 16,000 of these measures implemented in 2023.

Reducing the carbon footprint of our supply chain and products is our biggest climate-change priority. These indirect emissions made up more than 90% of our remaining carbon footprint in 2023. We have significantly increased our work on these Scope 3 emissions in 2023, working closely with suppliers and other partners to agree shared targets, milestones, and investments, to reach ambitious carbon-reduction targets and limit global warming. There are three main actions we've taken in 2023:

1. Developing new supplier guidance and plans.
2. Building climate change into our financial goals.
3. Reducing the carbon intensity of meat and dairy.

We are proud to be a part of the coalition of retailers for WWF's Commitment for Nature, committing to play our part in supporting the WWF's ambition to halve the environmental impact of UK shopping baskets by 2030. In November 2023, the second-year report [What's in Store for the Planet 2023](#) launched and illustrated the need for faster action.

In 2023, we also started a partnership with Solidaridad, a social CSO (Civil Society Organisation), to support smallholder palm oil farmers in Sarawak, Malaysia.

You can read more on how we are working towards our commitments to protect the planet in the [climate](#), [resource use](#), and [sustainable sourcing](#) sections of our report.



⁵ Non-governmental organisation

Campaign - Climate Justice

Our Co-op's Climate Justice campaign launched in May 2021, and we continue to believe that the twin climate and nature crises are the gravest threat facing our global society. We're working to reduce our environmental impact whilst advocating for strong political leadership on this agenda, not least because nobody gets to Net Zero until we all get to Net Zero.

Taking action

Everybody has a part to play in tackling the climate crisis – from households to governments. Helping our member-owners and customers to understand the steps they can take at home and in their communities is a key part of our Climate Justice campaign, and in 2023 that included supporting the Climate Coalition's Great Big Green Week. We were delighted to see Co-op colleagues, customers and member-owners writing Letters to Tomorrow – sharing their hopes for a greener, cleaner, fairer future.

At the same time, it's clear that governments, industries and large businesses have a critical role to play in accelerating the transition to Net Zero. In April 2023, our CEO agreed to co-chair the UK Government's Net Zero Council, which unites ministers, business and finance leaders from across the economy to bring together sectoral roadmaps to Net Zero. Shirine also continued to chair the British Retail Consortium's Climate Action Roadmap Steering Group.

It's testament to our Co-op's legacy and enduring credibility on the sustainability agenda that Shirine has been asked to take on these leadership roles, both of which enable us to continue to push for further, faster progress to Net Zero.

People and Planet

Those who have the least resources to respond to the climate crisis are being hit worst by its impact, even though it's these communities who have historically contributed the least to the advance of global heating.

Through our leading partnerships with organisations including Fairtrade, The One Foundation and Water Unite, we're investing directly in the communities around the world that we source from. We hear from those communities clearly that the impact of the climate crisis is in need of urgent attention. That's why we convened parliamentarians and experts for a roundtable in March 2023 to share the findings and recommendations from our report, [Water Security for People & Planet](#) (see our section on International development).

In September 2023, alongside the Co-op Foundation, we published [Gen Z\(ero\): a pathway to a greener fairer future?](#) which explores the perspectives of young people throughout the UK on the journey to Net Zero. We wanted to

understand their thoughts on how we can work towards a just transition as it is young people who will eventually lead the pathway to Net Zero. We shared the research through fringe events during Party Conference season.

Greening the grid

It's clear that decarbonising the grid needs to remain a top priority for the Government as a key enabler for every household and business in reducing their carbon footprint. We've been increasingly focused on becoming more 'energy smart' (see the case study in our climate change section) and have continued to make the case for renewable energy as the answer, whether the question be energy resilience, driving economic prosperity, or Net Zero.

Through 2023, we have been working to the strategy we set out in 2022: to reduce our overall energy consumption, to increase the proportion of our energy procured via corporate Power Purchase Agreements⁶; and to investigate opportunities for self-generation. We announced a 15-year corporate Power Purchase Agreement for the entire output of a 34-megawatt solar farm, where we'll source electricity from the Eastgate Solar project. Featuring 62,500 solar panels, this project alone provides enough electricity to supply up to 7.5% of Co-op's total electricity needs per year.

⁶ i.e., committing to purchasing energy directly from wind and solar farms – signing deals which will unlock the investment needed to drive additional green energy capacity onto the grid

Our people

- ▶ Our people
- ▶ Health and safety
- ▶ Ethical trade and human rights
- ▶ Fairtrade
- ▶ International development
- ▶ Responsible procurement
- ▶ British farmers and producers
- ▶ Community buying
- ▶ Building sustainable inclusive partnerships
- ▶ Healthy living

Our people

We're working to create the conditions where every colleague is proud of their Co-op and uses their full potential to help achieve our Vision. We're continuing to focus on the wellbeing of our colleagues, creating an inclusive environment, and opening up opportunities for skills and employment to those who need them the most.

Colleague wellbeing

Wellbeing continues to be one of our key people priorities. We've used insights from our colleague surveys and feedback channels to refresh our Wellbeing strategy – ensuring it is firmly pointed at the needs of our colleagues and their families.

In 2023, we brought this to life in various ways, including:

- Carrying out a pilot in Funeralcare to identify presenteeism as a trigger for mental health absence. Personalised reports help direct colleagues to sources of support, while anonymised data highlights hot spots for managers to deliver targeted support.
- Continuing our cost of living support for colleagues, extending the 30% discount on all Co-op own-brand food and household goods throughout the year and into 2024. You can read more on this [here](#).

- Supporting our colleagues with savings. We joined up with Nest Insight, Wagestream and Harvard University to participate in a trial of an automatic enrolment approach to rainy day savings. [The first reports from that work have been published this year.](#)
- Working with colleagues through focus groups and our colleague voice network, to co-create support to help everyone at our Co-op acquire the skills and behaviours needed to improve financial wellbeing.

Our colleagues told us that one of their priorities was easy access to our wellbeing services, so we began a review of our Health Wellbeing suppliers to ensure that we could deliver the right services in a holistic way. As a result, we:

- Launched 'Care Concierge'; a confidential telephone advisory service and digital platform that can help colleagues understand, choose and calculate the cost and payment methods for different types of later life care for their loved ones.
- Ran several wellbeing campaigns on our YuLife App, which incentivises colleagues for healthy behaviours. £252,000 has been earned in 'YuCoins' by colleagues to spend on personal rewards.
- Ensured easy access to our virtual GP service which maintained consistent usage with around 1,481 colleagues and their families receiving timely support.

In 2023 we increasingly worked in partnership with our Colleague Networks to raise awareness of wellbeing issues, running campaigns such as Time to Talk Day, Mental Health Awareness Week, Breast Cancer Awareness Month, Talk Money Week and World Mental Health Day.

Looking to the coming year, we'll be building on our strategy, ensuring decisions are made based on needs data, developing a new wellbeing dashboard to provide a more personalised approach, and measuring return on investment to ensure the best experiences for colleagues, while also delivering value for member-owners.



Diversity and inclusion (D&I)

We understand that progress can only be achieved when diversity and inclusion activities run in parallel. Our data framework has enabled us to drive diversity in representation by building focused interventions. This has been matched with promoting an inclusive culture in which diversity can thrive, nurturing pro-active advocacy across our colleagues and leaders.



We have been shortlisted in the Retail Week Awards for the **Responsible Retailer Award** for our work on Social Mobility.

Pay gap reporting

We're committed to being open and fair in how we pay our colleagues.

Our [Gender Pay Gap](#) has seen significant improvement with reductions in both our median and mean pay gaps since we started to report data in 2017. From a mean pay gap of 34% in 2017, it has reduced to 13.4%¹.

In 2023, we published our second [Ethnicity Pay Gap](#) report, which shows improvement in our mean pay gap from 3.1% down to 1.8%, and continued to lobby for the Government to make ethnicity pay gap reporting mandatory for businesses.

We're planning to publish our first Class Pay Gap report in 2024 as part of our commitments to social mobility.

Our D&I Strategy focuses on driving better diversity in representation and an inclusive culture. Themes include:

Diverse representation at all levels

- We've met our target to increase the representation of ethnic minority leaders, and we now stand at 8%².
- We've launched a new development programme for women; which includes workshops, StrengthScope assessments, and group coaching to support women with their personal development and career progression. In 2024, we'll launch a further two cohorts aimed at women, and ethnic minority colleagues, along with a new women's apprenticeship scheme for logistics colleagues.

Inclusive leaders

- We've rolled out inclusive hiring training to all people managers across the business and have mandated disability awareness training for leaders in 2024.
- All Member of the Operational Board continue to have diversity and inclusion objectives as part of their end-of-year performance review.

Social justice stance

- In 2023 we deepened our focus on Social Mobility and in June, on Social Mobility Day, we launched our report [Social mobility, inclusion and belonging at the Co-op](#).
- Our data suggests that socio-economic background can act as a brake on progression and performance for colleagues. We commissioned societal change charity [Making the Leap](#) to talk to colleagues at all levels who identify as being from a lower Socio-economic background about their experiences of working at the Co-op. The outcomes helped us develop a [nine-point action plan](#) which includes the creation of a Social Mobility Taskforce, accountable for ensuring we deliver on our commitments.



¹ 13.4% relates to 2022 Gender Pay Gap report

² 14% of all colleagues identify as belonging to an ethnic minority group

Equitable processes and practices

- We conducted an internal disability smart audit against the Business Disability Forum's standard. The outcomes are helping us create actions to improve disability inclusion.
- We've continued to improve our recruitment processes. We now send out interview questions to all candidates ahead of interview, and are in the process of trialling diverse interview panels for senior roles³.
- We're reviewing our trans and non-binary practices with 'Global Butterflies' to attempt to remove barriers relating to tax when someone changes their gender marker.

Performance benchmark

We have been ranked at 44 in the Social Mobility Employer Index (2022: 51) and are the only Food Retailer to be featured in the Top 75 list.

Inclusive behaviours

- We've rolled out our 'all colleague code' to each area of the business to address the challenges of non-inclusive behaviours and practices.
- We've seen engagement levels rise across all diverse groups since 2022 according to our colleague engagement survey Talkback, which reports a positive improvement of (+3pts).

Building skills at our Co-op and in our communities

Co-op Levy Share

Launched in 2021, bringing together our suppliers and other employers to support thousands of apprentices, Co-op Levy Share continues to go from strength to strength.

The programme is designed to tackle underrepresentation and to support opportunities for individuals from diverse backgrounds. Since launching in 2021, over 2,000 apprentices have been funded through Co-op Levy Share. **30%** are from ethnic minority backgrounds, **65%** are female, **24%** have a caring responsibility, and **16%** declare a disability.⁴

We continue to advocate for apprenticeships as a career choice, delivering advice and guidance for our colleagues and for pupils across our Co-op Academy Trust. We're supporting the development of new apprenticeships for the Department for Education, working with other employers on trailblazer groups, such as the new Embalmer Apprenticeship. We also sit on the Apprenticeship Diversity Champions Network, are patron sponsors of the Multicultural Apprenticeship Alliance, and are active members of the North West Apprenticeship Ambassador Network.

We achieved Bronze Membership of The 5% Club, a dynamic movement of employer-members working to create a shared prosperity across the UK by driving 'earn and learn' skills training opportunities.



We're proud to have reached our target of **£23m of pledged funds by the end of 2023**, working collaboratively with **84 employers** to make this happen.



Co-op Levy Share

Sahar Makki is one of the apprentices supported by Co-op Levy Share at C4Care in Stockport. The organisation supports individuals with care needs in their homes. Co-op Levy Share has enabled more carers to access relevant apprenticeships so that they can further their own careers and bring more income into their own households.

³ (Work levels 1-4)

⁴ Diversity data collection commenced in February 2022

Co-op Apprenticeships

We currently have almost 500 colleagues either enrolled or in the onboarding stage of an apprenticeship, with 181 colleagues successfully completing an apprenticeship programme with Co-op last year.

In 2023 we expanded our apprenticeship programmes, increasing our offer to 40 apprenticeship standards ranging from level 2 to level 7, with plans to add additional new standards in 2024. Our increased offer includes our first colleague enrolling onto a Chef programme, completing the level 4 Senior Culinary Chef standard.

We've seen strong participation in our Funeralcare programmes with 142 colleagues now enrolled on an apprenticeship. 2024 will see the launch of 2 new standards in Funeralcare; the Mortuary Technician Level 3 and the Embalmer level 5.

Our LGV apprenticeship continues to support the pipeline of new drivers in logistics in addition to a Team Leading programme and the new Heavy Vehicle Maintenance Technician standard.



Development and leadership

Our talent development agenda strengthened significantly in 2023, with a new development offering and a drive to manage talent through robust Career Conversations, to enhance our colleague experience.

We launched our new Development Hub with over 300 hours of learning available for our colleagues, no matter what the role or business area is. We recognise that not everyone learns in the same way so we have created and curated a library of resources that will suit everyone's needs, from project management through to digital skills, and from 5-minute bursts to complete courses, with videos, animations, podcasts and workbooks.

Our Race at Work programme, which began in 2021, was completed in 2023 with over 200 senior leaders attending to become more inclusive leaders and committing to making change happen.

We also created a Co-operative Listening Framework to guide leaders on listening to involve, listening to understand and listening to act. This resulted in a positive impact on colleagues' perception of leadership capability, reflected in our 2023 Talkback results, indicating that 75% of colleagues said their manager actively listened to them.



Our leadership index is plus 50 (2022: plus 46).
This is 19 points above industry benchmark.

Colleague engagement and experience

Having engaged colleagues who are connected to our Co-op and feel valued for their contribution is fundamental to our ongoing success. We measure colleague engagement and experience through our listening channels such as Talkback and Colleague Voice, which highlight where we need to focus to improve the everyday experience of our colleagues.

Talkback 2023 results revealed strengths in colleague experience, such as our Manager Recommendation Score which has risen again, and now sits 19 points above the Retail benchmark. Colleagues also continue to feel positive about our inclusivity, with 82% feeling Co-op is a place where people from diverse backgrounds can succeed. We've seen that engagement in our Vision presents an opportunity to drive greater colleague engagement and we have lots planned in this space for 2024. Demonstrating action on feedback is also key, and whilst we improved our score in 2023, we recognise there's more we can do in the coming year.

This year, we continued to activate our Colleague Value Proposition (CVP) with the colleague promise 'A different way', which clearly describes what it's like to work at our Co-op in a way that inspires existing colleagues and attracts potential co-workers. Work focused on building on areas that colleagues highlighted as the 'benefits' of working for Co-op and identifying points of difference, such as some of our award-winning People Policies. In 2024 we'll evolve our CVP to make sure it's aligned to our new vision and strategy.

The #BeingCoop Awards returned for another year, celebrating the difference our colleagues make and how they're bringing our Vision and Purpose to life. Categories reflect what matters to our Co-op such as the Community star, Inclusion, and Co-operating for a Fairer World awards.

Reward

Our colleagues continued to work exceptionally hard, providing a fantastic service to our member-owners and customers. Once again, we've increased our pay rates to align with the Real Living Wage. In September we announced that the colleague discount of 30% for all colleagues on own-brand products (excluding alcohol) has been indefinitely extended. This is a major investment into supporting our colleagues.

We also made an additional one-off winter recognition payment of £30 loaded on colleague membership cards in December to all colleagues who don't participate in our Bonus Plan⁵. We also continue to look at ways to be more inclusive in our approach to pay.

Our pay ratios can be found in the report of the Remuneration Committee in our 2023 Annual Report.



We saw improvements in our colleague engagement in 2023, with our engagement score now sitting at **72%**. (2022: 68%)



In 2023, all our Customer Team members in our stores received a **pay increase of 10.1%**.



Our Colleagues have told us that our **30% colleague discount** on own-brand products was making a significant difference to the price of their shopping.



⁵ Around 50,000 colleagues



Engagement with Trade Unions

We have formal recognition agreements with trade unions Unite and Usdaw across all areas of our business. We actively encourage colleagues to become union members, but also respect the right of colleagues not to join a union. We communicate and consult with each union regularly to maintain positive and constructive relationships.

Whistleblowing

To ensure we do the right thing by our Values and Principles, we operate a whistleblowing procedure. The policy is included in the Code of Business Conduct and is available on our website. An external independent company operates a hotline and weblink known as “Speak Up”, that allows colleagues and suppliers to raise concerns confidentially about business practices or wrongdoing.

In 2023 we received 273 reports through this process (2022: 297). As well as whistleblowing reports, the external provider also takes calls requesting feedback, providing additional information and seeking advice. In addition to the reports made via the external provider, 39 reports were made direct to Co-op colleagues (2022: 37). We have a procedure for recording and investigating whistleblowing reports, a summary of which is presented to our Risk and Audit Committee.

Pensions

Our pension scheme, Pace DC, is available to all our colleagues from day one of joining the Co-op, including those who do not meet automatic enrolment criteria, and our automatic enrolment offer exceeds the minimum required. In 2023, 40,000 colleagues were in the scheme, which equates to 70% of all colleagues. Our pension schemes are also responsible for the pensions of colleagues who have left the business, and in 2023 this comprised 41,500 pensioners (2022: 41,250) and 72,250 deferred pensioners yet to retire (2022: 72,000).

🎯 2024 targets

We aim to increase our Minority Ethnic leadership representation to 10% by 2025.

By end of 2024, £9m will have been pledged by our suppliers and partners through Co-op Levy share to support people from diverse backgrounds into apprenticeships.

We aim to achieve a colleague engagement index score of 74%, as measured through our colleague survey.

Our people data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
Wellbeing			I know how to access Co-op's wellbeing support if needed	-	73%	70%	82%		
			Question amended in 2023. Previous question was <i>The Co-op provides me with resources to help me manage my wellbeing</i>						
			% colleagues downloaded wellbeing app	Lifeworks - 41	Lifeworks - 43	Lifeworks - 40 YuLife - 26	YuLife - 34		
			Calls received to colleague assistance programme	1,052	2,356	2,158	2,129		
			Cases covered through colleague assistance programme	1,052	1,368	1,336	2,264		
			Time to refer to Occupational Health from 1st day of absence				108.5		
			Absence rate (%)	3.8	4.4	4.9	4.5		
			Financial support given to colleagues via Wagestream (£m)	-	4.7	12.4	19.6		
			Number of colleagues saving with Wagestream	-		4,227	5,020		
			Number of GP appointments provided by our Virtual GP Service	-	658	1,200	1,481		

Our people data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved








Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
Inclusion & diversity	We will increase our Minority Ethnic leadership representation from 7% to 8% by 2023 and 10% by 2025	 We achieved the 2023 target of 8% of our leaders from an ethnic minority background	% of colleagues who feel "Co-op is a place where people from diverse backgrounds can succeed"		78	81	82	We aim to increase our Minority Ethnic leadership representation to 10% by 2025	
			Number of colleague networks	5	6	6	6		
			Number of members in networks	2,000	2,000	2,747	3,500		
			% colleagues who feel that they have experienced bullying, harassment or discrimination	14	Internal (7%) External (12%)	Internal (6%) External (8%)	Internal (6%) External (8%)		
			Reporting has been amended to separately record internal (by a colleague or manager) and external (by a customer) bullying, harassment or discrimination. 2021 gives the baseline for future reporting.						
			Gender balance of hires	47% men, 53% women	48% men, 52% women	53% men, 47% women	52% men 48% women		
			% female colleagues in leadership roles	37	42	42	40 		
			% of our leaders from an ethnic minority background	4	6	7	8 		
			% colleagues identify as non-heterosexual	8	8	8	8		
			% colleagues identify as having a disability	7	8	25	19		
			% colleagues identify as belonging to an ethnic minority group	11	11	14	14 		
			% colleagues have dependant or caring responsibilities	30	30	31	25		

Our people data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
Apprenticeships	We aim to have reached a cumulative total of £23m of pledged levy funds, and 1,750 apprentices supported by the end of 2023	At the end of 2023, we reached a total pledge value of £23.3m and have matched 2,045 apprentices since the launch of the Co-op Levy Share service in 2021	£ pledged to Co-op Levy Share by partners and suppliers (since 2021)			15.8	23.3	By end of 2024, an additional £9m will have been pledged by our suppliers and partners through Co-op Levy share to support people from diverse backgrounds into apprenticeships	
			Apprentice starts	367	278	320	325		
			Total apprentices on programme (at end of year)	1,232	472	473	426		
			% apprentices male and female	36% male 64% female	46% male 54% female	43% male 57% female	42% male 58% female		
			Funeralcare: Number of apprentices	685	91	146	134		
			Support Centre: Number of apprentices	88	100	66	89		
			Food: Number of apprentices	341	246	183	148		
			Logistics: Number of apprentices	50	26	64	40		
			Legal Services: Number of apprentices	68	9	14	15		
Leadership			Leadership Index	72%	74%	Plus 46	Plus 50		
			In 2022 we changed our leadership KPI to our manager recommendation score, using the question "How likely would you be to recommend your line manager to a colleague?" Our MRS for 2023 is +50, which is +6 year-on-year and now 19 points above benchmark.						
Engagement & recognition	We aim to achieve a colleague engagement index score of 70%, as measured through our colleague survey	In 2023, our engagement score was 72%	Overall engagement score (%)	76	72	68	72	We aim to achieve a colleague engagement index score of 74%, as measured through our colleague survey	
			Total colleague headcount at year end	63,324	60,232	57,219	56,071		
			Total voluntary turnover (%)	17	25	30	25		

Our people data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
Pension scheme			No. of pensioners	45,000	44,000	41,500	41,500		
			No. of deferred pensioners	60,500	64,500	72,000	72,000		
			% colleagues in a pension scheme	67	72	71	70		
Speak Up			Whistleblowing reports through Speak Up	235	265	297	285		
			Number of whistleblowing reports made direct to Co-op colleagues	26	32	37	42		
Health and Safety			Reportable accidents (colleagues total)	233	250	203	210		
			Reportable customer accidents	18	18	14	23		
			Non-reportable customer accidents	1,920	1,709	1,481	1,716		
			Non-reportable accidents (colleague total)	5,897	5,718	5,157	4,537		
			Reportable accidents (per 100,000 colleagues)*	340	415	355	375		
			Non-reportable accidents (per 100,000 colleagues)*	6,280	5,012	9,014	8,097		

* These figures project how many reportable accidents our Co-op would have experienced if we employed 100k people. Calculating this incident rate supports benchmarking activity

Health and safety

Protecting the health and safety of our colleagues and members of the public is always a priority.

Protecting colleagues

We've resumed campaigning to highlight the impact of violent crime against colleagues by engaging with the Government and external parties, including National Business Crime Centre (NBCC), the British Retail Consortium (BRC) and police forces across the UK. The Home Office has announced new commitments as part of the Retail Crime Action Plan, where the police have made a number of commitments to tackle this growing UK-wide issue. To support this, we are asking our colleagues to report every incident of crime on our incident management system 'MySafety', and ensuring colleagues are utilising security equipment such as body-worn cameras. These tools support our colleagues during an incident and also aid the investigation process post event.

How we manage safety

Our 'MySafety' system is accessible to all colleagues. Since its introduction in 2018, we've seen colleagues report all manner of safety and crime-related incidents. Every one of these incidents presents a learning opportunity that helps us reduce the likelihood of reoccurrence. It also enables us to identify colleagues that need post-incident support.

We have long-standing Primary Authority¹ partnerships in place that cover health and safety, food safety and fire safety issues. These partnerships enable us to ensure we are doing the right thing consistently across all our locations, ensuring we make our Co-op as safe a place as we can for both colleagues and members of the public.

We'll continue to carry out regular assurance activities across our businesses and supporting functions in 2024. These will help us assess our compliance with established policies and processes and continuously improve what we do.



210

Reportable accidents
(colleagues)
(2022: 203).



375

Reportable accidents per
100,000 colleagues
(2022: 355).



4,537

Non-reportable accidents
(colleagues)
(2022: 5,157).



8,097

Non-reportable accidents
per 100,000 colleagues
(2022: 9,014).

¹ The Primary Authority scheme enables a business to form a legal partnership with a local authority of its choosing. The Primary Authority (i.e. its chosen local authority) then provides that business with assured advice on complying with various regulations that other local regulators must respect.

Ethical trade and human rights

Our focus is to provide support for our suppliers, work collaboratively to protect the most vulnerable, protect workers and continue to champion resilient livelihoods for everyone in our supply chain.

Every day, all around the world, growers and producers face challenges caused by low wages, irregular income, and an uncertain future.

We are committed to ensuring the wellbeing of people throughout our supply chains. We focus on labour rights, including fair reward and safe and decent working conditions, as well as protection from forced labour, modern slavery and harsh or inhumane treatment. Our primary responsibility is to our Co-op brand suppliers and supply chains, where our influence can create positive change.

In 2023 we continued to focus our work around five strategic priorities:

- Driving innovation in due diligence and transparency.
- Embedding ethical trade into core business activities and winning hearts and minds.
- Building capacity and resilience in our supply base.
- Tackling modern slavery and mitigating human rights risks.
- Empowering workers and enhancing livelihoods.

These priorities will remain a focus of our work into 2024 and beyond.

Collaboration is essential to ending human rights violations through working together and sharing what we know. In 2023, we continued to work with partners such as the [Food Network for Ethical Trade \(FNET\)](#), [Responsible Recruitment Toolkit \(RRT\)](#), [Stronger Together](#), the [Modern Slavery Intelligence Network](#), [Unseen's Helpline Business Portal & Modern Slavery and Exploitation Helpline](#) and the [Seafood Ethics Action \(SEA\) Alliance](#).

You can read more on our [website](#) and in our [Modern Slavery Statement](#).

Driving due diligence and transparency

We're founding members of the Ethical Trading Initiative (ETI) and have integrated the [ETI Base Code](#) into our [Sound Sourcing Code of Conduct](#). Rooted in the conventions of the International Labour Organization, this internationally recognised code of labour practice guides our commitment to ethical and responsible treatment of workers.

We drive improvements in working conditions, ensuring that the workers who make our products are treated responsibly and ethically. Co-op Food has a robust programme of assessing and monitoring high-risk supplier labour rights issues. Where issues are raised, we expect swift action through the implementation of detailed action plans, and we support our suppliers to address the root causes of issues. Our programme covers all our tier 1 and tier 2¹ supplier sites – 3,212 sites in 63 countries, across six continents employing almost 900,000 workers.

We require all Co-op own-brand suppliers² in our food business to join [Sedex](#) (Supplier Ethical Data Exchange³), with tier 1 sites in high-risk countries needing an independent audit prior to approval. Read more in our [Human Rights Position Statement](#).

We use a risk-based approach to supplier audits, utilising Sedex Self-Assessment Questionnaires (SAQs), worker profiles, use of temporary workers, country of origin and industry sector, and external intelligence from experts, trade unions and NGOs. We've published our plans to mitigate the most significant human rights risks in our supply chain [here](#). In defined high-risk categories, we go beyond tier 1. For example, we collect data on our growers due to high levels of casual labour and seasonality in those supply chains.

In 2023, we continued to innovate in due diligence and transparency by:

- Supporting 8,043 improvements to working conditions through our comprehensive monitoring programme spanning 3,212 sites and involving up to almost 900,000 workers.
- Conducting an internal audit on modern slavery to enhance our management systems.
- Supporting collaborative independent human rights investigations in high-risk supply chains, such as fishers on transit visas working aboard UK vessels, gender-based violence in Kenya, and cases of child labour in Turkey.

For further details, please see our [Modern Slavery Statement](#).

¹ 682 tier 1; and 2,530 tier 2. A tier 1 site is a production site where goods are finished, ready for supply to, or sale by, the end company. A tier 2 site is a production site that supplies goods or materials to a tier 1 site for incorporation into the finished product. Sites 'beyond tier 1' include sites at tier 2 and further down the supply chain, depending on the nature and complexity of the supply chain

² Defined at the Co-op as Bakery, Beer, Wine and Spirits, Dairy, Frozen, Food to go, General Home and Leisure, Grocery Edibles, Grocery Impulse, Home and Personal Care, Produce and Protein

³ Sedex is a web-based database where suppliers upload labour standards information, including self-assessments and site audit reports



In 2023 we reached over **6,452 delegates** and over **1,513 suppliers** in the UK, Spain, and Kenya through global capacity-building activities.

Embedding ethical trade and winning hearts and minds

We systematically assessed the capability of our suppliers to manage human rights within tenders, particularly in high-risk categories. This ensures that ethical considerations are woven into the fabric of our supply chain relationships. This year, we published a revised [Human Rights & Ethical Trade Position Statement](#) and a new [Grievance & Remedy Policy](#) to improve our framework for addressing and resolving ethical concerns.

We continued to engage our colleagues to ensure a deep understanding of ethical trade principles through training on ethical trade and modern slavery. We continue to assess the capability of suppliers to manage human rights in high-risk categories in all key strategic tenders, and have in place regular cross-functional ethical trade reviews.

Building capacity and resilience in our Co-op Food supply base

We acknowledge the importance of collaboration and knowledge-sharing within our supply chain in addressing the root causes of human rights issues. Our ongoing commitment is to prioritise the development of capacity and resilience among our suppliers worldwide to deal with human rights issues.

Our Food business has a programme of supplier workshops in key sourcing countries. These workshops communicate our values, expectations, and strategy; provide guidance on local labour law; highlight the requirements outlined in our Sound Sourcing Code of Conduct and share best practice in addressing common labour standards issues.

In 2023, we reached over 6,452 delegates and over 1,513 suppliers in the UK, Spain, and Kenya through global capacity-building activities. For further details, please see section on Training and Collaboration of our Modern Slavery Statement for further details on our capacity programme.

Empowering workers and enhancing livelihoods



CASE STUDY

'Inua Dada' diversity and inclusion initiative

In 2023, we continued to support the 'Inua Dada' diversity and inclusion initiative launched in Kenya in partnership with our supplier, Flamingo Horticulture. Meaning 'uplift women' in Swahili, the programme empowered nearly 9000 female flower farm workers. In collaboration with Flamingo, a Fairtrade flower certified supplier, and key stakeholders, Co-op

addressed gender imbalances in managerial and technical roles. The initiative focused on training, enhancing economic empowerment, confidence, and visibility of women. Strategies included financial literacy training, diversifying income streams, and health interventions, while specialised courses in agriculture, agronomy, and mechanics boosted self-confidence.

On-farm 'leadership hubs' at partner farms enabled peer support networks for income-generating initiatives and women's empowerment principles. The programme showcases our commitment to fostering inclusive workplaces and empowering women in our supply chain.

You can learn more by watching this [video](#).

Alongside other major UK retailers, we've signed a commitment⁴ to work together to close the living wage gap in international banana supply chains by the end of 2027. As a leading Fairtrade retailer, we are already taking significant steps to meet living wage and recognise collaborative industry action is needed to address wage gaps for all workers.

In 2023, we signed up to the UN Women's Empowerment Principles (UN WEPs), a holistic framework for businesses to promote gender equality and women's empowerment. We commit to this agenda at the highest levels of our company and endeavour to work collaboratively with multi-stakeholder networks to implement business practices that empower women. Read our company profile [here](#).



In 2023, we signed up to the **UN Women's Empowerment Principles** (UN WEPs), a holistic framework for businesses to promote **gender equality and women's empowerment**.

⁴ IDH's Living Wage Commitment

Mitigating human rights risks

This year, we furthered our efforts to eliminate illegal and unfair recruitment fees in our global supply chains. In 2023, we provided free access to modern slavery and responsible recruitment training for suppliers and labour providers in our supply chain through our sponsorship of Stronger Together and the Responsible Recruitment Toolkit. This reached 359 delegates in 5 training courses across 23 training sessions. We also continued our work to understand and map the use of recruitment fees in our supply chain.

Following a rigorous process of analysing and prioritising our labour rights risks and as part of our commitment to greater transparency, we identified 8 priority areas of activity covering 17 sourcing countries. See our [website](#) for detail on what the priorities are, the supply chain and products, and how we're responding to the issues. These priorities are reviewed annually using insights from trusted partners and external sources to ensure they remain fit for purpose.

We continue to implement our Human Rights and Trade Policy, which identifies the exceptional circumstances under which we will suspend trade with a nation state or designated region.

Our approach to ethical trade and human rights for our goods not for resale can be found [here](#). For full details of our approach to Ethical Trade and Human Rights in food supply chains, please see our [Modern Slavery Statement](#) and [website](#).



🎯 2024 targets

We will carry out an independent review of our priority human rights focus areas and continue to publish the steps we are taking to mitigate the root causes of issues identified.

We will support our suppliers in improving human rights across our supply chains through the delivery of our global capacity building programme, reaching over 2000 delegates in 35 events in 2024.

We will champion the role of women and vulnerable people in our supply chains, and in 2024 we will continue rolling out training to address issues of gender-based violence in the supply chain and support collaborative initiatives to address their root causes.

We will continue to work collaboratively to eliminate illegal and unfair recruitment fees in our global supply chain.

Ethical trade & human rights data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved











Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	2024 Target	SDGs
Supply chain transparency	We will champion the role of women and vulnerable people in our supply chains, and in 2023 we will support the rollout of training to address issues of gender-based violence in the supply chain.	 <p>In 2023, we continued our work to increase visibility of gender data across our supply chains. This included sharing the findings of a pilot to understand how standard audit methodologies can be more effective at identifying risks of gender discrimination in supply chains in collaboration with Tesco and Partner Africa.</p> <p>We have been engaging in various Ethical Trading Initiative (ETI) working groups on gender-based violence and gender data, as well as collaborating in sector-specific initiatives and investigations (See our Modern Slavery Statement).</p> <p>Through our global supplier engagement programme, we embedded focused training to address gender inequality in key focus countries and continued to champion diversity and inclusion with suppliers.</p>	We will champion the role of women and vulnerable people in our supply chains, and in 2024 we will continue to roll out training to address issues of gender-based violence in the supply chain and support collaborative initiatives to address the root causes.	 
	We will continue to work collaboratively to eliminate illegal and unfair recruitment fees in our global supply chain.	 <p>We continued our work to understand and map the use of recruitment fees in our supply chains. A key focus in 2023 continues to be the impact of the seasonal workers' scheme on workers in the UK and we collaboratively commissioned a study to map existing commitments to responsible recruitment and the Employer Pays Principle (EPP) in the global tuna processing sector (see page 11 of Modern Slavery Statement). We are working collaboratively to address growing issues we have been identifying (See our Modern Slavery Statement).</p> <p>We rolled out free training on responsible recruitment through our ongoing support of the Responsible Recruitment Toolkit which reached 359 supplier delegates in five training courses, 23 training sessions and global events in key sourcing countries.</p>	We will continue to work collaboratively to eliminate illegal and unfair recruitment fees in our global supply chain.	
	We will carry out an independent review of our priority human rights focus areas and continue to publish the steps we are taking to mitigate the root causes of issues identified.	 <p>We continue to report against the steps we are taking to mitigate the risks in our supply chain on our website in line with our commitment to transparency. In 2023 our risk assessment processes were independently reviewed through our modern slavery internal audit on our processes.</p> <p>We will continue to engage with wider group of stakeholders in 2024 to ensure that our priorities continue to reflect the changing human rights risks in our global supply chains.</p>	We will carry out an independent review of our priority human rights focus areas and continue to publish the steps we are taking to mitigate the root causes of issues identified.	 

Ethical trade & human rights data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
Supply chain transparency			Number of supplier sites globally (Tier 1 and Tier 2)	2,480	2,620 (733 Tier 1, 1,887 Tier 2)	2,838 (734 Tier 1, 2,104 Tier 2)	3,212 (682 Tier 1, 2,530 Tier 2)		
			% high-risk Tier 1 suppliers completing self assessment in sedex	100	100	100	100		
			% high-risk Tier 1 sites audited	99	99	100	100		
Supplier capacity building			Number of supplier engagement events	35	82	91	121	We will support our suppliers to improve human rights across our supply chains through the delivery of our global capacity building programme, reaching over 2,000 delegates at 35 events in 2024.	
			Number of individuals engaged via supplier engagement events	6,872	7,208	6,557	6,452		
			Hrs. of engagement at supplier engagement events	16,361	9,427	6,551	10,044		
			Number of sites reached through supplier engagement events	4,166	1,441	1,106	1,513		
			From 2021 we have included all virtual events in the scope of our events programme, which includes Stronger Together and Responsible Recruitment training sessions which were not included in the 2020 number of event figures. This is because our events programme has evolved to improve accessibility for individuals. Whilst we continue to see events and training being delivered online (72 events were delivered online in 2022), in 2022 we saw more events once again being delivered in-person or in a hybrid format rather than virtual formats which had been adopted through Covid. This has meant that individual, more regular online events attended by a higher volume of people were replaced with in-person events which were less regular but slightly longer, with a slight drop in the number of attendees due to the accessibility of in-person vs. online. In 2022 we launched a two-year diversity and inclusion programme in Kenya (see case study). Due to differences in the ways the data has been collected, this project is reflected in the number of individual and number of supplier figures, but not the numbers of events and hours of engagement figures.						

Ethical trade & human rights data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Number of sites and workers on Sedex and location of audits in 2022/23	Sites	Workers	Audits	Issues
Africa	956	292,356	692	3,987
Asia	279	38,428	89	399
Europe	1,397	354,101	594	2,335
North & Central America	52	18,294	38	310
Oceania	15	1,917	1	2
South America	513	185,478	202	1,010
Grand Total	3,212	890,574	1,616	8,043

Status of improvement actions identified in valid audits in 2022/23	Total improvement: actions raised		Improvement: actions completed and verified		Improvement: actions completed by supplier (verification due in 2023)		Improvement: actions due for completion in 2024		Overdue improvement actions	
	Critical/Major	Minor	Critical/Major	Minor	Critical/Major	Minor	Critical/Major	Minor	Critical/Major	Minor
Exploitation of labour	93	98	90	97	2	0	1	1	0	0
Freedom of association	31	229	24	223	2	0	4	6	1	0
A safe & hygienic working environment	2,838	1,499	2,524	1,394	154	37	152	64	8	4
Child labour	30	29	25	23	2	2	3	4	0	0
Living wages to be paid	399	365	317	329	37	11	37	20	8	5
Working hours are not excessive	500	308	363	274	60	10	69	19	8	5
No discrimination	45	53	37	49	5	1	1	3	2	0
Regular employment	576	94	506	83	33	2	32	9	5	0
No harsh or inhumane treatment	174	27	148	25	15	0	10	2	1	0
Other Issue Types	430	225	351	198	40	9	38	18	1	0
Sub Total	5,116	2,927	4,385	2,695	350	72	347	146	34	14
Total	8,043		7,080		422		493		48	

Fairtrade

Driven by our passionate members, we have championed the Fairtrade movement since 1994, supporting trade justice through better prices, working conditions and terms of trade.

At Co-op, we recognise Fairtrade as the gold standard of ethical and sustainable certifications. Fairtrade is more than a logo – it is a movement for trade justice. Through the Fairtrade Standards, Minimum Price, Fairtrade Premium, producer voice and campaigns, it delivers a unique proposition.

In 2024, we are incredibly proud to be celebrating 30 years of Fairtrade; three decades of standing with farmers and workers, supporting them to improve their livelihoods and invest in their communities.

30 years on, the challenges facing farmers and workers are greater than ever. The climate crisis is having a devastating impact on our food system as well as communities across the globe, with unpredictable weather patterns impacting food supply and producer livelihoods.

Now, more than ever, we know that working with farmers and workers to achieve climate justice is essential, to safeguard food security and support communities to adapt and

mitigate the worst effects of climate change. Climate justice recognises that the climate crisis is a humanitarian issue as much as an environmental one. That's why we put people and planet at the heart of our Climate Justice campaign and are standing side-by-side with farmers by investing in climate adaptation and resilience.

Our objective to be the UK's biggest supporter of Fairtrade is underpinned by a three-pillar plan covering:

- Sourcing – we will grow the contribution we make to Fairtrade producers.
- Innovation – we will build on our Fairtrade leadership, strengthening producer communities around the world.
- Communications – we will champion Fairtrade, helping customers' understanding and campaigning on the issues that matter most for producers.



“The climate has definitely changed. Today we can't predict the climate as we used to before, like our elders did. Today we have a lot of rain in certain parts of the year and severe drought in others. Thanks to being with Fairtrade, today we have the tools to fight the effects of climate change.”

Albeiro, Fairtrade Banana Farmer, Manager and Member of COOBAFRIO Co-operative in Colombia (pictured)

CASE STUDY

30 years of Fairtrade

"Co-op are incredibly proud to have pioneered Fairtrade since the FAIRTRADE Mark launched in 1994. 30 years of Fairtrade signifies 30 years of the difference our Co-op member-owners have made through using their voices to champion Fairtrade from the very beginning. This also signifies 30 years of a different way of doing business through co-operation.

As a co-operative, we have supported Fairtrade co-operatives all over the world to make an impact by improving livelihoods and the environment. From launching the world's first own-label Fairtrade product in 2000, to more recently making an industry-first commitment in 2022 to source 100% of our South African wine as Fairtrade, we are dedicated supporters of the movement. Our Co-op is proudly committed to building on our Fairtrade success to continue strengthening producer communities around the world."

Shirine Khoury-Haq,
CEO, The Co-op Group

Co-op's support for Fairtrade

"It's been a game changer. Co-op has shown what authentic, responsible business can be. Whole category conversions to Fairtrade are a huge step forward for producers, but they can present numerous logistical challenges.

It's not easy working across long global supply chains to reach the first mile - the men and women who grow the food we rely on every day. Some companies don't have that level of ambition. But Co-op have shown what can be done, by making bold commitments and then working hard to follow through. Co-op's governance is one of a kind too: its members have given a clear mandate to the Co-op business to lead."

Mike Gidney, CEO of Fairtrade Foundation

Co-op's Fairtrade leadership

At Co-op, we have been championing Fairtrade for 30 years.



1992

We were the first retailer to start selling ethically traded Cafédirect coffee, which became one of the **world's first** Fairtrade certified products in 1994



2000

We were the **first retailer** to bring Fairtrade bananas to the UK, and to launch an own-brand Fairtrade product; our milk chocolate bar



2003

We were the **first UK retailer** to make all our coffee Fairtrade



2016

We were the **first UK retailer** to make all our own-brand chocolate Easter eggs Fairtrade (excluding Free From)



2008

We were the **first UK retailer** to switch all Co-op own-brand hot drinks, bagged sugar and cotton wool to Fairtrade



2004

We partnered with Traidcraft to launch the first fairly traded wine in 2001, which became the **world's first-ever Fairtrade wine** in 2004



2017

We were the **first UK retailer** to source all the cocoa used as an ingredient on Fairtrade terms



2018

We were the **first UK retailer** to commit to sourcing all African roses on Fairtrade terms



2022

We were the **first retailer** to move all own-brand and branded South African wine to Fairtrade



Sourcing

We are continuing to drive impact through our sourcing of Fairtrade ingredients and unique sourcing commitments to Fairtrade producer organisations.

- 100% of our Co-op own label bananas, tea, coffee, chocolate, bagged sugar, African roses, and cocoa (including as an ingredient¹) are Fairtrade, and we are the world's biggest seller of Fairtrade wine (volumes sourced are detailed in the data table at the end of this section).
- In 2023, we continued to be Fairtrade leaders in the UK. For example, we are the biggest sellers of Fairtrade flowers and wine.
- Despite another volatile year for global supply chains, overall in 2023 we maintained steady volumes of Fairtrade ingredients sold despite some drops in categories caused by availability issues. We continue to champion Fairtrade with our market overtrade increasing in 2023².

Innovation

In 2023, we delivered outcomes across four multi-year Co-op Future of Food Sourcing projects, investing in support for improved livelihoods and climate change resilience of Fairtrade farming communities:

- Tea, coffee, and flowers: Partnering with Fairtrade Africa to support 8,250 producers in Kenya, Ethiopia and Rwanda in adapting to climate change (see case study [here](#)).
- Bananas: Partnering with CLAC Fairtrade Producer Network, Fairtrade Foundation and Fyffes to improve soil health and productivity in Colombia, supporting smallholder resilience and livelihoods (see case study [here](#)).

- Cocoa: Partnering with Fairtrade Africa to support women with training, and strengthening their leadership to support better livelihoods in Côte d'Ivoire, as part of the Women's School of Leadership. In 2022-23, 84 students participated in this programme. Find out more about our support for the WSOL on our [website](#).
- Flowers: Partnering with our supplier, Flamingo Horticulture, who are delivering a programme 'Inua Dada' (meaning 'Uplift Women' in Swahili), to improve women flower workers' earning potential through training and income diversification initiatives in Kenya. Read more in our section on ethical trade and human rights.

For more information on our programmes and our impact, see our full case studies [here](#).

Communications

Through our strong relationships with producer organisations, we campaign on the issues that matter most to them and amplify their voices:

- Co-op won the Climate Leader Award at the first Fairtrade Global Awards 2023 – we were recognised at the first Fairtrade Global Awards, winning the Climate Leader award for our commitment to "innovate and generate impact to tackle the climate crisis". Read more [here](#).
- Fairtrade Fortnight 2023 – we delivered another successful Fairtrade Fortnight campaign, landing over 100 Fairtrade Live events in stores which reached over 6,000 members and customers. We also had a reach of 4.26 million on social media posts³ and 26,000 members participated in a Fairtrade quiz.

- Advocating for Climate Justice – since 2021, we have led the call for climate justice, advocating for farmer-focused climate action. During Fairtrade Fortnight, we amplified the voices of Fairtrade farmers and workers to educate our customers and increase awareness on why action is needed.



Lilian, Fairtrade Flower Worker at Rainforest Farmlands Kenya Limited in Kenya

¹ In the case of Fairtrade cocoa being unavailable, we pay the equivalent Fairtrade Premium to fund Fairtrade Africa's Women's School of Leadership in Côte d'Ivoire

² Compared to 2022, occurring when a retailer's market share in Fairtrade is higher than its market share in grocery

³ That mentioned both Co-op and Fairtrade



CASE STUDY

Co-op wins Climate Leader Award at the first Fairtrade Global Awards

In 2023, we were delighted to be recognised at the first Fairtrade Global Awards – winning the Climate Leader award for our commitment to “innovate and generate impact to tackle the climate crisis”. We were particularly honoured to be judged by a panel comprised of farmers and representatives from the three Fairtrade producer regions. This award was in recognition of Co-op’s Climate Plan, pledging our support for producers on the front line of the climate crisis and the work we’ve done through our Fairtrade Alliance for Climate Smart Supply Chains in Africa (FACSCA) and Productivity Improvement Programme (PIP). These programmes help implement climate-smart farming techniques designed to mitigate against climate shocks, crop diseases, the rising cost of living, food insecurity and natural disasters, while promoting sustainable production and diversification.

- FACSCA – since 2021, we have partnered with

Fairtrade Africa (FTA) as the first UK retailer to invest directly into the Producer Network’s climate strategy, ensuring a farmer-centric approach to adapting and mitigating the very worst effects of climate change and channelling funding to areas of greatest need. In 2023, FACSCA has continued to work with 12 at-risk Fairtrade producers in Co-op’s tea, coffee, and flower supply chains in Kenya, Ethiopia and Rwanda, reaching 7,873 smallholder farmers and workers, as well as directly impacting over 9,300 people to date. Read more [here](#).

- PIP – small-scale banana farmers are facing challenges such as the impacts of climate change, loss of soil fertility and growing threats of pests and diseases. To address this, Co-op has co-funded three phases of the PIP since 2019⁴, to support small-scale banana farmers in Colombia and Dominican Republic. The programme is improving

the fertility and productivity of banana farms in a sustainable way, using bio-fertilisers. As a result, smallholder farmers’ incomes have increased, the environmental footprint of banana production has reduced and they are more resilient to extreme changes in climate. Read more [here](#).

“Through FACSCA, we have been taught about how to plant indigenous trees, indigenous vegetables, [the] use of organic fertilisers and how to place drainage in the farm. Now when I go to the farm, I get good yields and thus I have money for food and children’s clothes. There is a huge difference.”

Emily, Fairtrade Tea Farmer and Member of FINTEA Growers Co-operative Union in Kenya (pictured)

⁴ Delivered by CLAC (Fairtrade Latin American and Caribbean network)

Fairtrade data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
Fairtrade	Our ambition is to be the UK's biggest supporter of Fairtrade - in 2023 we will define our methodology for demonstrating this.	In 2023, we continued to drive impact within our Fairtrade supply chains through our sourcing, programmes and campaign activity. In 2024, we are re-setting our Fairtrade targets.	Number of core commodities and categories with a Fairtrade Commitment	7	7	7	7		
			Our commitment to Fairtrade continues across seven core categories - 100% of our tea, coffee, bananas, chocolate, bagged sugar & African roses are Fairtrade, and we are the biggest retailer of Fairtrade wine in the world.						
			Amount of Fairtrade ingredients we sell via our Fairtrade products (volume measured in tonnes/litres/stems)	53,617 Mt 14.1 million litres 41.4 million stems	49,517 Mt 16.7 million litres 53.3 million stems	48,967 Mt 16.1 million litres 52.4 million stems	43,126 Mt 14.7 million litres 71.3 million stems		
			Demonstrates material impact to Fairtrade producers. They benefit from Fairtrade Standards, voice, Minimum Price and Premium with every Fairtrade purchase.						
			Number of Fairtrade lines in our range (Own Label and Branded)	329	383	464	422		
			Shows extent of full range of Fairtrade products. Includes seasonal lines. We introduced new Fairtrade lines into our Own-brand and Branded ranges in 2023.						
			Minimum number of Fairtrade lines in any Co-op store (Own Label and Branded)	63	71	90	93		
			Ensures a minimum Fairtrade range available in any store						
			Consumer awareness of our Fairtrade leadership (highest perceived leadership)	25%	23% (highest perceived leadership compared to rest of grocery market)	-	-		
			This demonstrates Fairtrade leadership perception by the general public. Research most recently conducted by ICM for the Co-op Ethical Leadership Survey in 2021.						
			Fairtrade overtrade	391	416	450	462		
			Fairtrade market share among UK convenience stores (%)	80 (vs 59.4 convenience market share)	81.5 (vs 60.2% total convenience)	84.1 (vs 59.2 total convenience grocery market share)	82.9 (vs 59.1% total convenience market share)		
			Fairtrade market share among UK total grocery market (%)	21 (vs 5.5% total grocery market share)	21.1 (vs 5.1% total grocery market share)	22.4 (vs 5% total grocery market share)	21.7 (vs 4.7% total grocery market share)		
			Overtrade is the direct comparison between the market share in Fairtrade vs market share in the total grocery market. An overtrade occurs when a retailer's market share in Fairtrade is higher than its market share in grocery						



International development

In 2023, the water security crisis captured global attention – with a landmark report highlighting how, owing to poor water governance and climate change, global freshwater demand will exceed supply by 40% by 2030¹.

Water security is a priority for Co-op. For years we've invested above and beyond 0.7% of our pre-tax profit in international development projects, supported by our pioneering water security donations with our partners The One Foundation and Water Unite.

Our Co-op invests directly in water security programmes within our own supply chain, develops solutions for the lack of water security in key sourcing locations, and responds to disasters to provide emergency relief. We are proud of the impact of our partnerships with The One Foundation and Water Unite, and our collaboration through WRAP's Roadmap towards water security for food and drink supplies (see more information on water security in our sustainable sourcing section).

We believe that investing in water security – sustainable, resilient water resources and services – is one of the best ways to address climate vulnerability and inequalities. See case study (right).



Over £22m of water security donations have been generated through the Co-op's sales of water since 2007 (The One Foundation and Water Unite), changing the lives of more than **three million people**.

CASE STUDY

Parliamentary roundtable Water Security for People & Planet Report

The Taskforce on Climate-Related Financial Disclosures identifies water security as one of the most material climate related risks relevant to the food industry. Whether it's too much water, too little water, or water that's polluted, water security is an issue impacting communities across the globe today and will only impact more of us unless we take radical steps to tackle the climate crisis.

On World Water Day 2023, we held a parliamentary roundtable with attendees including a range of parliamentarians and experts from Oxfam, The Rivers Trust, WWF, WRAP, The One Foundation and Water Unite to urge action on water security.

The event discussed the recommendations in Co-op's [Water Security for People & Planet Report](#), highlighting our longstanding partnerships with The One Foundation and Water Unite. Through the roundtable we highlighted the need for governments to prioritise water security. A crucial building block in our efforts to tackle the climate crisis, water security is also critical to the delivery of all the other Sustainable Development Goals, from health through to education.



A:SEV7N (Jordan Summers)

¹ Reference: Global Commission on the Economics of Water, Turning the Tide, Collective Action Report

The One Foundation

Our Future of Food commitment to clean water for all remains a core part of our international development work. We raise donations through sales of Co-op own-brand bottled water to support projects bringing clean water, sanitation and hygiene (WASH) solutions to communities living in some of the most extreme poverty. We've donated over £19.3m in the past 16 years and over £2.1m in 2023 alone. In partnership with The One Foundation, these funds helped to drive water security and deliver safe water and improved sanitation to over 469,700 people living and working in Kenya, Rwanda, Ghana, and Malawi during 2023. Over the last 15 years, over three million lives have been changed through this partnership.

Ten per cent of our donations to The One Foundation are ringfenced to provide direct emergency support through partners of the Disasters Emergency Committee (DEC). We've now donated over £1.5m in response to crises ranging from famines, war, and viruses through to natural disasters. In 2023, we supported DEC Appeals and emergency responses that are providing emergency water, sanitation and hygiene provision to communities impacted by the devastating earthquake that struck Turkey and Syria at the start of the year, as well as to families impacted by the drought and famine crisis in East Africa.

CASE STUDY

The One Foundation

Over the last seven years, we have been working with The One Foundation and Co-op's Fairtrade banana producer communities in the Volta region of Ghana to develop locally owned and managed water stations. This year, construction has begun on a sixth fully optimised water station which, upon completion, will be equipped with water source capacity for 500 household connections.

These water stations are supporting people like Julius:

“Life was so difficult in terms of water. A lot of schoolchildren were going to school late, but they can now go to school very early because of safe water. Health is one of the issues that concerns us. So, when you get clean, safe water it will help you overcome ill health issues, like waterborne diseases. This water is good for us. You have done well bringing safe water into our community.”

Julius, School Teacher, Volta Region (pictured).

The six water stations are mainly supporting women and children, who are often responsible for travelling long distances to collect unsafe water. These demands limit their education and work opportunities, so investing in the expansion of safe water not only enhances the long-term sustainability of the water stations, but also transforms lives.

The six water stations are providing over 14,000 people with safe, clean water.



A:SEV7N (Jordan Summers)



CASE STUDY

Water Unite and Co-op – Sanivation, Kenya

Significantly more Kenyans have access to safe drinking water (59%) than to basic sanitation (29%). An estimated five million people practise open defecation and only 25% have hand-washing facilities at home².

To address this crisis, Sanivation partners with local utilities and governments to deploy sustainable sanitation solutions and solve complex societal sanitation challenges using a circular economy approach. Through developing treatment plants across East Africa, they can meet the increased demand for waste management which cannot be managed by the existing urban infrastructure, which is typically underfunded. By processing the waste into a solid fuel or briquette, they have provided a low carbon,

affordable bioenergy product, while simultaneously managing the spread of diseases. As of November 2023, Sanivation helped to serve 49,702 people by safely managing 1,048 tonnes of faecal sludge and selling 692 tonnes of briquettes. This approach has also saved the equivalent of 1,457 tonnes of CO₂ and 14,925 trees.

“Co-op and Water Unite have allowed us to partner with new local governments and take an innovation that allows cities to be clean, healthy and productive to new locations, and be able to ensure that waste is being treated properly.”

Andrew Foote, Co-Founder of Sanivation

Water Unite

Through our branded bottled water sales, we are a pioneering partner of Water Unite, a global non-profit organisation funding innovative and scalable solutions to tackle the global and interrelated problems of water conservation, sanitation, and plastic pollution. Water Unite uses an innovative funding model to leverage investment in the systems needed to keep clean water flowing, and to tackle plastic pollution. In 2023, over £615,000 was donated to Water Unite together with our branded³ water suppliers and over £3,475,000 has been raised since 2017.

Our funding has helped support innovative local entrepreneurs working to tackle water, sanitation, and plastic waste issues in developing countries across Africa and Asia.



In 2023, **over £615,000** was donated to Water Unite together with our branded water suppliers and over **£3,475,000** has been raised since 2017.

² Reference: <https://www.unicef.org/kenya/water-sanitation-and-hygiene>

³ Not own-branded water

International development data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
International development and clean water			£ raised for One Foundation (since 2007) (£m)	13.3	15.1	17.2	19.3		
			£ raised for Water Unite (since 2017) (£m)	2.1	2.5	3.1	3.72		
			£ raised for Disasters Emergency Committee (DEC)	50,000	140,000	1.2 m	161,000		
			Our £ raised for DEC has returned to levels consistent with 2021 after the 2022 peak driven by funds raised in response to the invasion of Ukraine.						
			Fairtrade & Sustainable Sourcing Projects	Data not available	298,400	384,779	285,000		
			International community investment (£m) Cash	2.82	3.6	4.1	3.1		
			This reduction is due to the end of our ClimateCare scheme. We continue to back climate-related community investment through domestic initiatives (see page X for more details).						
			International community investment (£) Colleague time	4,000	2,000	1,000	0		
			This reduction is due to the end of our ClimateCare scheme. We continue to back climate-related community investment through domestic initiatives (see page X for more details).						
			International community investment (£) Leverage (donations by members, customers and suppliers)	0	0	1.1 m	61,000		
			Our leveraged funding has reduced after the 2022 peak driven by funds raised in support of the DEC appeal in response to the invasion of Ukraine.						
					International investment as a % of pre-tax profit	2.6	6.3		
			For years we've invested above and beyond 0.7% of our pre-tax profit in international development projects and are committed to for the years to come.						

Responsible procurement

Our Goods Not for Resale (GNFR) Responsible Sourcing Strategy sets out how we look to embed our Vision at every stage of the Procurement lifecycle, which for us means Category Planning, Strategic Sourcing and Supplier Management.

We're continuing to deliver against our strategy through:

Effective due diligence and risk management

We ask potential suppliers a range of due diligence questions covering areas from sustainability and human rights to diversity and inclusion.

For suppliers in categories which are considered to be high ethical risk - from a human rights and modern slavery perspective - we use tools such as the Sedex Members Ethical Trade Audit (SMETA), the Sedex Self-Assessment Questionnaires (SAQs) and Ecovadis Scorecards to monitor performance.

Meaningful contracting and supplier management

Our approach to supplier management focuses on driving honest and collaborative relationships to protect human rights and the environment, whilst also supporting the communities we serve. We consider our suppliers and our supply chain as an extension of our business and want to ensure that we work with partners who share our values.

This year we refreshed several supplier-facing policies including:

- Supplier Anti-Bullying, Harassment and Discrimination Policy which sets out our expectations of suppliers and provides guidance on what to do if a supplier were to experience bullying, harassment or discrimination from anyone at the Co-op.
- Supplier Travel Policy to help reduce carbon emissions from our suppliers travelling for business purposes.
- Sound Sourcing Code Of Conduct (SSCC)¹ which sets out the workplace and employment standards that we expect of all our suppliers.

Driving collaboration

Our Social Value Charter encourages collaboration from our suppliers, specifically on activity to support our Vision.

This year, suppliers including Bunzl, HH Global, Mitie, SOCOTEC, Marsh, Grayce, PwC, Rullion, Softcat, ADR and Link Contracting, have supported our Co-op Academies by attending careers fairs, assisting with mock interviews, volunteering and delivering workshops.



Our suppliers overall **donated over 500 hours** of their time in support of our Vision in 2023.

We're also continuing to work in partnership with Minority Supplier Development UK (MSDUK) and SEUK (Social Enterprise UK) to achieve our supplier diversity strategy.

Our suppliers have the opportunity to support our Vision across several different areas, and we encourage them to do this wherever they can whilst delivering against their contractual commitments.



These areas include:

Ethical trade and human rights

Our Ethical Trade Programme now includes 85 suppliers which are in categories considered to be high risk and we monitor their approach to managing these risks in SEDEX.

¹ Based on the Ethical Trading Initiative (ETI) Base Code and International Labour Organisation (ILO) standards



CASE STUDY

Co-op and Dentsu

Co-op and Dentsu have had a social value commercial partnership since 2018.

In Autumn 2023, Dentsu and Generation-C delivered the latest iteration of The Code; Dentsu's Social Impact accelerator programme for the next generation of diverse young creatives and empowered digital citizens, piloting a creativity, innovation, green skills, and climate curriculum. The Rise Up Challenge asks students to develop a creative digital advertising campaign in response to a real client brief and encourages them to share their ideas on how to confront the climate crisis. Due to the success of the programme we are looking to rollout to our Co-op Academies.

In 2023, we delivered modern slavery awareness training with Unseen and Stronger Together to improve our team's knowledge and to support category managers to manage ethical risks across our supply chain, and we also shared resources from Stronger Together and Responsible Recruitment Toolkit with our suppliers.

Our quarterly Ethical Trade Newsletter helps keep colleagues informed of risks highlighted in the media.

Supplier diversity

We continue to embed our Supplier Diversity Strategy and are members of the Social Enterprise UK 'Buy Social Corporate Challenge' and Minority Supplier Development UK (MSDUK).



This year we spent £4.9m with Social Enterprises and £1.4m with Not for Profit organisations. To support our 9-point social mobility action plan, we surveyed our suppliers to understand socio-economic diversity in the UK workforce; part of a research project led by the Purpose Coalition and the Centre for Inequality of Levelling Up (CEILUP). The outcomes will help shape a strategy to enhance social mobility.

Sustainability

In 2023, we developed Sustainability Guidance for GNFR Suppliers, outlining our key sustainability priorities and ways in which our suppliers can play their part. We also reviewed our Sustainability Due Diligence Questions to ensure we're capturing the right information about the sustainability credentials of our suppliers.

The winner of the GNFR Supplier of the Year award, Weatherhead, has reinvented our store strip-out

process and created an industry-leading Equipment Rescue Centre (ERC), embedding a circular economy. The ERC has provided a saving to date of £528,000 resulting in a 169.8-tonne carbon reduction.

Social value

In 2023 we continued to capture the social value activity in our supply chain.

Youth and employment

Our suppliers have continued to support our youth and employment priorities throughout 2023, including:

- Suppliers pledging over £1.3 million towards our Co-op Levyshare scheme, supporting over 100 apprenticeships.
- Software supplier SAP securing €25,000 to roll out "Apps for Good" across Co-op Academy Schools, providing tech and climate change innovation courses to young people.
- Resourcing partner Rullion working with The Back2Work Group to support our commitment to diverse and inclusive recruitment.

🎯 2024 target

In 2024, we will seek to understand the carbon reduction plans of our strategic and critical suppliers in greater detail. We want to understand how many of these suppliers have

- a) 1.5°C aligned science-based Net-Zero targets.
- b) a published inventory of scope 1, 2 and 3 GHG emissions.
- c) a plan to reduce the carbon consumed in providing services to our Co-op.

British farmers and producers

Our long-standing commitment to British sourcing has helped us to build strong relationships with farmers and producers. For over a decade, we successfully used our established farming groups and the Farming Pioneers programme to collaboratively tackle pressing issues like climate change and sustainable sourcing, all while maintaining exceptional animal welfare standards.



Co-op farming groups

Our long-standing commitment to delivering 100% British fresh and frozen protein has helped maintain our strong farmer relationships, ensuring access to high animal welfare standards for everyone, regardless of their budget. In the past decade, our Co-op farming groups have helped us engage directly with our British suppliers, covering over 400 producers. As the industry changes, we are evolving our approach to encompass all our fresh meat and dairy supply chain. This expanded partnership will improve our supply chain data, offering more detailed insights into animal welfare and the environmental impact of the products we sell.

Climate change

Through our Co-op Dairy Group (CDG), we have strong ties with UK farmers, and we are working together to address issues facing the sector. As a convenience retailer, a major source of our carbon emissions come from selling large volumes of fresh milk, making it the biggest contributor to our Scope 3 footprint¹. In 2023, by partnering with the dairy consultants Kite, we provided detailed sustainability plans to over 140 farms with the aim of reducing the carbon intensity of milk by 30% per serving by 2030.

Recognising that beef has a high carbon footprint, we're collaborating with farmers across the United Kingdom to measure and reduce greenhouse gases. In partnership with our red meat supplier, Dunbia, we take this further with an innovative Beef Sustainability Pilot that rewards beef farmers for reducing their carbon intensity with verifiable actions.

After 11 years of working with different environmental specialists, including AB Agri and Promar, we've set ambitious targets for dairy and beef production to minimise our environmental impact while supporting the British farming community (read more [here](#)).

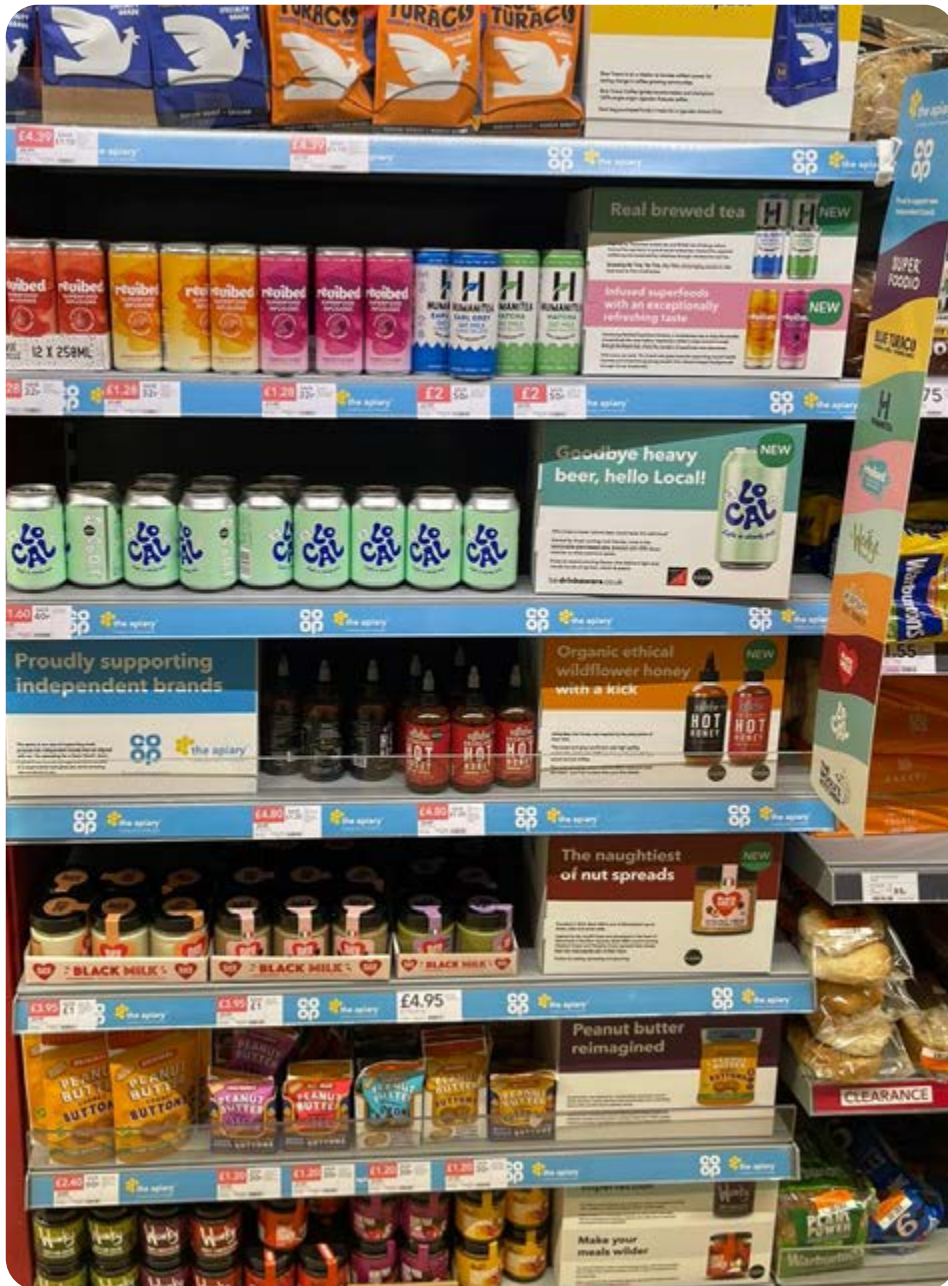
Engaging our farmers and producers

We have continued with farmer engagement through on-farm meetings and webinars. Our Farming & Fisheries 'X' (formerly Twitter) account, with nearly 5,000 followers, comprises of producers, suppliers, industry stakeholders, and NGOs. It facilitates supplier interaction and promotes industry events, such as Sustainable Seafood September and Agricultural Mental Health Week. As a key sponsor, we champion Open Farm Sunday, an annual event that enables our farmers to open their doors to the public, showcasing their remarkable contributions.

Farming Pioneers

After eight successful years, our Farming Pioneers programme, which has played a pivotal role in nurturing the talents of over 100 young farmers and growers aged 21 to 35, has come to an end. The programme took young farmers through a comprehensive 30-month training initiative, and empowered them with essential business skills like lean management and succession planning, while addressing critical topics such as mental health. The programme's achievements are evident in the diverse range of business opportunities and training experiences it has provided to these aspiring farmers and the successes they have had after finishing the programme.

¹ Indirect emissions, mainly from our supply chain and products



Community buying

Our customers tell us that access to products that are relevant to them is important. Our approach to community buying aims to deliver ranges with a conscience that meet the needs of our customers in the communities where they live, while supporting greater diversity in the supply base.

Local sourcing

Our insights tell us that customers associate local products with those that are high quality, better for the environment and support the local community. Locally sourced products also often support smaller and more diverse businesses. Through our local strategy, we work with local teams and suppliers to deliver the products our customers expect to find in their stores.

World foods

Our world foods range offers authentic products that meet the needs of our customers from a cultural perspective. From products that support cultural and religious celebrations, such as Ramadan, Carnival or Diwali, to everyday essentials like ghee and noodles, the world foods range is set to grow over the next year to include a kosher range.

The Apiary

Co-op's purpose-led incubator scheme supports small businesses that align with Co-op's Vision and values. Now in its third year, it has supported 16 businesses towards a retail listing in Co-op. The scheme is underpinned by a vibrant community of founders, and a network of mentors and ambassadors, offering collaborative skill-sharing, insights and practical support to purpose-led businesses and under-represented founders.

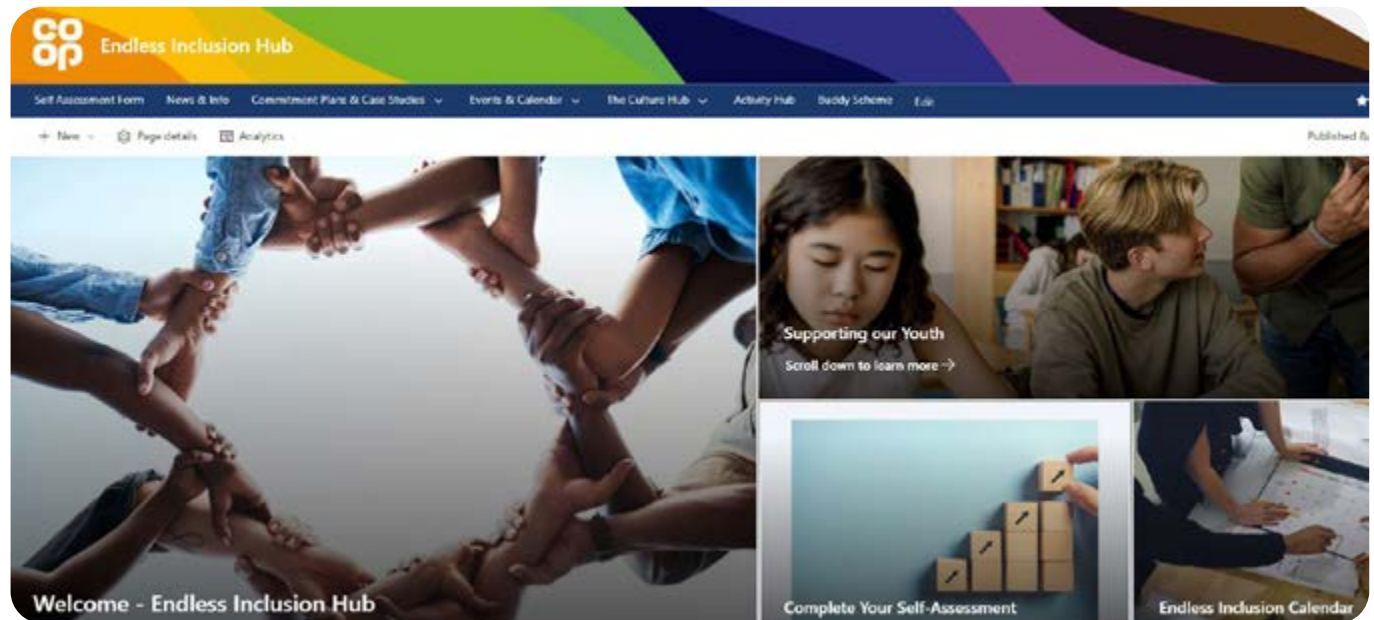
Building sustainable inclusive partnerships

Our Goods For Resale (GFR) strategy sets out how we build endless inclusion into supplier behaviours and internal operations, to create sustainable inclusive partnerships.

We've made a commitment to drive social value for our colleagues, customers, and communities, to enable our industry and beyond, to be truly inclusive.



Launched in 2021, our Endless Inclusion Hub is an online platform available to all our supplier partners, providing a community founded on collaborative shared learning. Supplier partners have access to a wealth of resources, tools, case studies, cross retail events and a shared inclusion calendar to help progress diversity, equity, inclusion and belonging in retail. Supplier partners are benchmarked at the start and reassessed annually to ensure we're continuously moving the dial on both our business and partnership plans. Since launch, supplier progression has gone from strength to strength.



Sustainable inclusive partnerships

We're driving sustainable, inclusive partnerships across Co-op, so we can achieve greater social impact across the retail sector and the communities we serve. In partnership with Endless Inclusion Hub members, we celebrated our first-ever collaborative National Inclusion Week in 2023, amplifying best practice across the retail sector.

In 2024 the Endless Inclusion Hub will become a critical business tool which aligns GFR & GNFR supplier partners together to achieve broader D&I impact. We're also developing further tools and resources to support our small supplier partners through the Apiary Incubator scheme, which enables new founders to get 'retail ready'.



87% Food suppliers onboarded (2022: 37%).



88% of partners¹ have a new or improved plan.



39,952 platform engagements (2022: 19,800).



First retailer to embed inclusion commitments within supplier 'ways of working' guidelines.



First retailer to embed inclusion considerations within commercial category strategies, so we can deliver products and services that reflect the diversity of our Co-op members.

¹ At stage 1 & 2

Responsible procurement data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved





Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
Buying our goods and services	We will continue to explore opportunities to promote and encourage the use of diverse suppliers, within our own and our wider supply chains, as well as continuing to encourage our suppliers to play their part in 'Co-operating for a Fairer World'.	 See P.51 for progress against target						<p>In 2024, we will seek to understand the carbon reduction plans of our strategic and critical suppliers in greater detail. We want to understand how many of these suppliers have</p> <p>a) 1.5°C aligned science-based Net-Zero targets</p> <p>b) A published inventory of scope 1, 2 and 3 GHG emissions</p> <p>c) A plan to reduce the carbon consumed in providing services to our Co-op</p>	
Supporting British farmers			<p>% Co-op branded fresh and frozen meat is British</p> <p>% Co-op branded eggs, milk, and cream is British</p> <p>Number of British protein farmers in our Farming Groups</p> <p>We have undergone significant change in our approach to our farming groups and we have reduced the number of groups. We are maintaining the groups in Beef, Lamb & Dairy but for our Egg, Chicken and Pig farmers we will be collecting data and working with the key suppliers covering the full supply chain.</p> <p>Number of British primary protein farmers in our supply chain</p> <p>Beef, Lamb, Dairy, Chicken, Egg, Pig and Salmon Farms</p> <p>Independent audits across Farming Groups</p> <p>Following changes to our farming group model, we used this as an opportunity to renew the Beef & Lamb group by asking new farmers to join the groups. New farmers were not audited in 2023 but we will plan audits for 2024.</p>	100	100	100	100		
				100	100	100	100		
				344	310	N/A	152		
							7,945		
				181	285	N/A	145		

Healthy living

We have an important role to play in helping our member-owners, colleagues and customers lead healthy lives. We do this through the products we sell, our campaigns, and by inspiring healthy, sustainable behaviours in communities.

We are committed to designing products with quality, health and sustainability in mind.

Healthy, sustainable diets

In 2021, we joined the WWF's Retailers' Commitment for Nature, committing to play our part in supporting the WWF's ambition to halve the environmental impact of UK shopping baskets by 2030. As part of this, we committed to reporting on our sales split of animal versus plant protein and we are continuing to explore the data¹.



In the 2023 Food Foundation's Plating up Progress report, **Co-op was the only retailer to score green for 'encouraging healthy diets'**. We've also moved up, from amber to yellow on 'healthy and sustainable food sales'. These scores are due to our improved transparency, including reporting on HFSS² products and promoting Healthy Start vouchers.



CASE STUDY

GRO

We know how important accessibility is to supporting our customers make plant-based choices. Therefore, this year, we have honoured our commitment to range ten GRO product lines in over 1,000 stores each.

At the end of 2023, our GRO brand comprised of 32 products. We are now developing the future of GRO to ensure we are meeting the changing needs of our customers. We recognise that more of our customers are now looking for plant-based options, so it's essential that we deliver a variety of delicious, innovative, plant-forward products.

We're also looking at ways to introduce new customers to our plant-based range. We currently have around 700 plant-based products in our stores, and we aim to increase the number of plant-based products in GRO and other Co-op ranges by using plant-based ingredients more frequently.

Healthier products

We are committed to increasing the amount of fruit and vegetables we use in our Co-op own-brand products and continue to take a responsible approach to reducing the amount of salt, sugar and calories in our Co-op own-brand products.

By the end of 2023, 96% of our Co-op own-brand products already met the Office for Health Improvement and Disparities 2024 maximum salt

targets (2022: 95% of Co-op own-brand products met the targets).

At the end of 2023, 95.8% of Co-op own-brand products across 22 food categories met their calorie reduction targets, which are in line with or lower than the Office for Health Improvement and Disparities' reformulation programme (2022: 94.5% of Co-op own-brand products met the targets).

¹ Definitions of animal & plant protein and fruit & vegetable sources can be found in the 'Co-op's approach to health & wellbeing' section on our Co-op website.

² HFSS is shortened term for food and beverage products which are high in fat, salt, and sugar, as defined by the OFCOM nutrient profiling model 2004-5

Accessibility

We help our customers to identify healthy products in store and to make healthier and more informed choices. Our traffic-light labelling provides front-of-pack, colour-coded nutritional information at a glance. At the end of 2023, 60% of Co-op own-brand products were healthy (non-HFSS) in accordance with the Government's nutrient profiling model. (2022: 58% of Co-op own-brand products were healthy). 86% of our Co-op own-brand food and drink sales in tonnes were from healthy products (non-HFSS), excluding non-food and alcohol.

We make healthier options more affordable through price investments and promotions and use our communication channels to promote healthier lifestyle choices. In 2023, we began to incentivise the sale of healthy products, such as fruit and vegetables, through our Co-op Member Prices scheme, by lowering their prices for Co-op Member-owners.

Co-op has had a Marketing to Children Policy in place for many years. In 2022, we developed a Marketing to Parents policy to ensure that we are marketing products that children will consume as responsibly as possible, for example, through back-to-school campaigns.

From February to August 2023, we promoted the Healthy Start scheme on our in-store radio channel. We also supported the scheme on till and TV screens in store at different stages throughout 2023.

Price parity

A key commitment to our customers is that all of our Co-op own-brand products which are 'reduced' or 'light' alternatives to a standard product will be no more expensive (based on price/kg).

Inspiring healthy behaviour change

We are committed to working with partners to inspire healthy, sustainable behaviour change in communities. In 2023, we ran an in-store campaign to highlight healthier choices by calling out the nutritional benefits of products, such as 'high fibre', on communications at the shelf.

We supported the Veg Power campaign again in 2023, working alongside other retailers to encourage children to eat more veg and the 'Eat them to defeat them' campaign was supported on Co-op in-store radio. We are an official partner of Parkrun, using the partnership to reach and engage with a passionate community to promote health and wellbeing.

As part of our support for the Peas Please campaign, we continued to encourage customers to eat more vegetables by giving inspiration on how to complete their meals with vegetables through front-of-pack photography, and through social media activities such as promoting recipes which contained at least one of your five a day. In summer 2023, 73% of our Food to Go salads and 51% of our ready meals contained at least one of your five a day.

In 2023 we have continued to promote the Government's 'Better Health' campaign on our website.

Alcohol and tobacco

We sell e-cigarettes and smoking cessation products in most of our stores. In 2022 we adopted our new Responsible Sourcing Policy for E-Cigarettes, to ensure that our vaping products are targeted towards existing adult smokers as a cessation aid. We're also committed to selling alcohol responsibly. We work in partnership with the Drinkaware Trust and provided £265,681 of funding to them in 2023.



2024 targets

We will continue to report on the percentage of Co-op own-brand products which are non-HFSS.

We will continue to report on the percentage of our Co-op own-brand food and drink sales tonnage (excluding non-food and alcohol) which comes from healthy products (non-HFSS).

Co-op own-brand products which are 'reduced' or 'light' alternatives to a standard line will continue to be no more expensive, based on price per kg.

Healthy living data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved








Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
Healthy living	We will continue to report on the percentage of Co-op own-brand products which are non-HFSS.	 We continued to report on the percentage of Co-op own-brand products which are non-HFSS, which has increased.	% of Co-op own-brand products that are healthy (non-HFSS)	-	-	58	60	We will continue to report on the percentage of Co-op own-brand products which are non-HFSS.	
			% of Co-op own-brand food and drink sales tonnage (excluding non-food and alcohol) which are from healthy products (non-HFSS).	-	-	-	85.6	We will continue to report on the percentage of our Co-op own-brand food and drink sales tonnage (excluding non-food and alcohol) which comes from healthy products (non-HFSS).	
			% Co-op own-brand products that meet their calorie reduction target, which are in line with or lower than the Office for Health Improvement and Disparities' reformulation programme.	-	-	95	95		
			% Co-op own-brand products that meet their Public Health England 2024 maximum salt target	-	94	95	96		
	Co-op own-brand products which are 'reduced' or 'light' alternatives to a standard line will continue to be no more expensive (based on price/kg).	 All products that are 'reduced' or 'light' alternatives to a standard line met our commitment to be no more expensive in 2023.	Number of Co-op own-brand products that are 'reduced' or 'light' alternatives to a standard line that do not meet our commitment to be no more expensive (based on price per g/ml)	1	1	0	0	Co-op own-brand products which are 'reduced' or 'light' alternatives to a standard line will continue to be no more expensive, based on price per kg.	
	We will ensure there are ten GRO products in over 1,000 Co-op stores by the end of 2023.								



Member-owners and communities

- ▶ Membership and co-operation
- ▶ Communities

Membership and co-operation

We're owned by and run for our members, not a small group of shareholders. The more our member-owners choose us, the more value we create for our member-owners and their communities.

We're founded on a set of values and principles describing a different, fairer and better way of doing business. We use these values and principles to guide us in fulfilling our Vision and Purpose.

Our Membership

Co-op Membership is about much more than just deals and rewards. Membership is a share in the business. This means member-owners can have a say in how it's run, from the products we sell to the causes we support.

We share our profits with local communities through our Community Partnership Fund and a dedicated £4m fund to support existing Local Community Fund causes. Through the Co-op App and online, member-owners are able to choose which community cause they support and can donate any available reward balance to them, too.

Member-owners can also 'Join In' to help shape the products and services we sell and vote on important issues at our Annual General Meeting (AGM).



With Co-op Membership, member-owners always save more with Member Prices in our Food stores and across our family of businesses such as Co-op Legal Services, Insurance and Funeralcare, as well as weekly personalised offers and prizes via games in the Co-op App.



Over 1m member-owners joined us in 2023, the most we've recruited in a single year since 2017.

We supported our member-owners through the cost of living crisis by making sure they always save more across hundreds of everyday essentials, like bread, milk and eggs. By buying member priced items in

our food stores, our member-owners have made over £35m in savings this year.

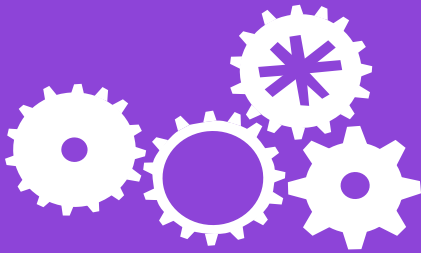
We've also seen member-owners using personalised offers more than ever before, redeeming over 21m last year, which is worth £9m in savings.

In 2023, we ran six games in the Co-op App to give our member-owners the chance to win prizes, from money off their shopping to tickets to Glastonbury Festival. Also, thousands of people joined Co-op Membership to get presale access to tickets for events at Co-op Live ahead of the venue opening its doors in April 2024.



Member Pioneers community litter pick

How our governance works



Member-owners: As a co-operative, we're owned by individual members and other co-operatives, not by shareholder investors. This means that as well as being rewarded for trading with us, our member-owners have an opportunity to have their say on key issues including who represents them on our Council and Board.



Council: Responsible for holding the Board to account. Acts as a guardian of our Values and Principles, our Purpose and our constitution.



Board: Responsible and accountable for determining strategy and holding the Executive to account.



Executive: Key members of management running the business on a day-to-day basis in accordance with the strategy determined by the Board.

How member-owners control and influence their Co-op

Co-op Board

Our board consists of up to 13 directors, of which four are Member Nominated Directors (MNDs). All of our Board directors are member-owners themselves and they must meet both membership and eligibility requirements. Our MNDs are elected through a direct ballot of our member-owners as part of our AGM and Elections. Our Independent Non-Executive Directors are appointed by the Board and subsequently put forward for election by member-owners at our Annual General Meeting (AGM).

National Members' Council

Our National Members' Council is made up of 100 Co-op Member-owners from around the UK, including colleagues, and it meets four times a year. In 2023, the Council fed into plans and discussed important issues for our Co-op, like support for our member-owners, colleagues and communities during the cost of living crisis, the introduction of Member Prices on everyday staples and the future of

Co-op Membership - helping the business to meet the needs of our member-owners and the diverse communities we serve and support.

A key role for our Council is holding the Board to account on the strategic and operational decisions it makes. This year, Council has made changes to the way it works to help it focus on the issues and themes that matter most to our member-owners. Our Council committees: Membership, People and Communities, Sustainable Ethical Leadership and Modern Co-operative Leadership, as well as Business Performance now work with Board Member-owners and senior leaders at every meeting to hold to account and influence the decisions made on behalf of our member-owners. As our Co-op moves to a new strategy with membership at its heart, council will continue to develop measures to enable it to hold the Board to account for ensuring that the value we create for member-owners - social, economic or as owners - is front and centre.

To keep in touch with our member-owners, the Council holds Join In Live events every autumn, bringing together co-operators, directors and colleagues to talk about what's happening around

our businesses and shape plans around our campaigns, membership and community activity. This year, our member-owners had the chance to ask questions of our Board and leaders about our interim performance. We shared the latest on progress on animal welfare since the member motion was passed at our 2023 AGM and asked our member-owners to help shape the future of Co-op Membership. For more information on the work of our National Members' Council, read the Council Annual Statement in our [2023 Annual Report and Accounts](#).



President and Vice Presidents of the National Members Council

AGM

Our member-owners vote on motions at our AGM, which are put forward by our Board, Council or our member-owners.

642 member-owners attended the 2023 AGM (500 in person and 142 online) and were able to hear about the Co-op's annual performance and put their questions to the Board. More than 5,000 member-owners have since viewed all or parts of the meeting on our website.

This year, prior to the meeting we held two virtual Join In events, which were designed to allow member-owners to discuss and debate the issues put forward as part of the AGM agenda before they cast their vote. 179 member-owners joined us for these events.

In 2023, member-owners voted on the following motions - full motion wording can be found [online](#).



31,000 member-owners voted in our 2023 AGM and Elections (2022: 33,188).

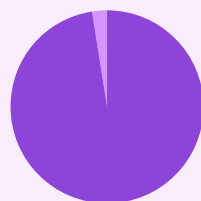


1.5% voter turnout among eligible member-owners (2022: 1.61%).

Motion for our Co-op to champion member value through its ethical and sustainable credentials

For: 32,118 Against: 810
(97.54%) (2.46%)

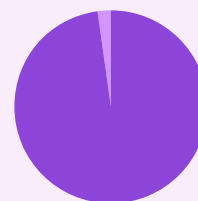
Withheld: 1,992



Motion for our Co-op to innovate and expand the ways our member-owners can access to exercise their rights to shape and participate in our Co-op's decision-making

For: 32,199 Against: 642
(98.05%) (1.95%)

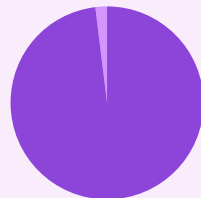
Withheld: 2,065



Motion for our Co-op to create a fairer world for our young people

For: 32,447 Against: 633
(98.09%) (1.91%)

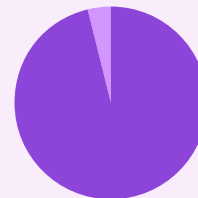
Withheld: 1,873



Motion from Member-owners for Co-op on Animal Welfare

For: 31,226 Against: 1,181
(96.36%) (3.64%)

Withheld: 2,401



At our 2023 AGM, members voted in favour of a motion which asked us to consider options to **strengthen our animal welfare policies and practices** in relation to chicken. Our Board supported and recommended that members vote in favour, which they did, with a fantastic **96% majority**. You can read more on our progress against this commitment [here](#).



Member-owner participation

Members own our Co-op, and shape our business activity through formal, democratic channels, like the Annual General Meeting and by getting involved in 'everyday' participation opportunities.

We aim to increase the number of times member-owners participate in our Co-op and to create maximum value for our member-owners and their Co-op by working with member-owners in four themes.

1. Co-creating products and services

Member-owners supported the development of our Valentine's, barbecue, and ready meal strategies this year. We saw the launch of a new wines where labels and tasting notes had been designed by member-owners. They also supported our work on labelling and provenance by testing new QR codes on our tinned tomatoes and providing vital feedback.

2. Bringing member-owners closer to the community programme they fund

This summer, we ran a campaign designed to showcase the breadth of community activity that's made possible thanks to their support. The campaign had 183,000 connections by member-owners and included member-owners telling their stories of the work being undertaken across our programmes including the Local Community Fund, Member Pioneers and our Co-op Academies.

Over 45,000 member-owners joined in to support Time to Talk Day this year, the largest conversation on mental wellbeing in the UK. Member-owners gained access to resource packs, helpful hints on how to start conversations and, through our website Co-operate, were able to link to local groups tackling the issue near them.



3. Standing up for what we care about

We have continued to support member-owners to understand the issues behind ethical decisions, engaging them in campaigns and giving them tools they need to make a difference. Member-owners engaged with conversations around peatland restoration and sustainability, Fairtrade, World Water Day, sustainable seafood and eating healthily.

Towards the end of the year member-owners helped us to develop our social mobility campaign and helped raise the big issue of shopworker safety through signing petitions and writing to their local elected representatives.

4. Helping member-owners understand our unique co-operative model

This year saw the introduction of our first online motions discussions; designed to help member-owners discuss and debate the motions to our AGM before they cast their vote. We also introduced a series of blogs and participation opportunities to help member-owners understand the unique Co-op they own and the ways they can participate in key elements of our democracy.



National Members' Council at Co-op Academy Belle Vue



During 2023, member-owners participated in our Join In opportunities over **1,000,000** times across 86 opportunities. This represents an increase of 27% on our target for the year.



CASE STUDY

Join in

We helped almost 32,000 member-owners to understand more about how they could reuse and recycle their pumpkins following the scary season, thanks to our partnership with Hubbub.

Thousands of member-owners also joined with their Co-op to learn more and celebrate the impact of our work as part of Sustainable Seafood September.

A focus on young member-owners

Made up of six member-owners aged 16-25, our Co-op Young Members' Group (CYMG) acts as an advisory panel to make sure young people are better represented in our Co-op. This year, CYMG were instrumental in submitting a joint [motion](#) with our Member Council, calling to increase youth voice and influence in Co-op, which was voted for overwhelmingly by member-owners at our AGM.

Since then, we've increased the spaces where CYMG can share their voices and influence decision-making, with young member-owners taking seats

on our Values & Principles Committees and working with senior leaders and elected member-owners on cross-cutting issues like sustainability and co-operative leadership.

CYMG have helped fundraise and raise awareness for our partnership with Barnardo's whilst helping us to develop key campaigns and activity like Time to Talk Day, Fairtrade Fortnight and Power of Youth Day. In 2024, the group will continue to make sure they are in the right spaces to influence our Co-op and to enable more young people to get involved.



Membership and co-operation data

We have continued to evolve how we measure and report participation in our Co-op and are now able to measure a more comprehensive view across a wider range of channels including:

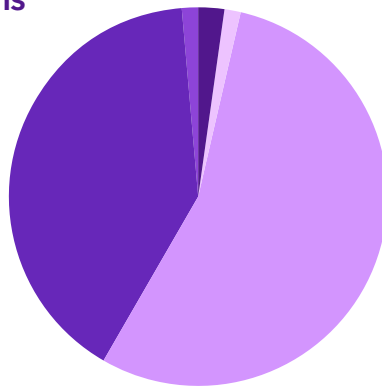
1. Choosing a community cause
2. Participating in a Join In activity
3. Donating their personal reward to the Co-op Foundation
4. Participating in the Co-op Collective insight group
5. Voting in our AGM and elections

In 2023, member-owners participated across these opportunities 2.5 million times (2022: 1.9m). This represents an increase on last year of 32%.

How we measure participation:

Total Participations 2,510,725

- Co-op Collective: 58,571
- Donations of personal reward: 35,655
- Selected a cause: 1,370,617
- Join In: 1,014,754
- Voted: 31,128



Co-operation among co-operatives

We're working to build partnerships that push the principles of co-operation forward and work together to help co-operatives and other social businesses thrive and survive.

It's our ambition to be at the forefront of this movement using our scale and influence to help others. We continue to be the largest funder of the Co-operative Movement and its institutions, providing over £1.6m of funding to a diverse range of organisations (see [here](#) for further details).

In 2023, we took part in initiatives such as:

- Highlighting the co-operative sector's national campaign Co-op Fortnight, promoting an 'Altogether different way to do business'.
- Continuing to participate in Social Enterprise UK's corporate challenge, seeking to increase the number of social enterprises in our supply chain.
- Supporting the Plunkett Foundation's Rural Business Awards and joining a new Co-operative Retail Societies Network to support community-owned businesses.

Our Co-op also has independent Society Members (ISMs), which are other retail co-operatives operating food stores and other businesses around the UK. We supply food and non-food products to the ISMs on a wholesale basis through a jointly-owned organisation called Federal Retail Trading Services (FRTS). We also collaborate closely with the ISMs on a range of activities, including our campaigns and social value activities.

Giving member-owners what they need to play a part through education and training

Co-operative Member Education, Training and Information is one of our co-operative principles. Members own our business and have a say in it, so it's important that they understand more about what makes us different and how they can use their membership to do good things. In 2023, 24,528 member-owners took part in opportunities on our Join In platform on topics like 'What's it like on our National Members' Council?' and 'What gets your vote?'.

2024 targets

The National Members' Council will continue to take action to ensure that we increase the % of candidates from diverse backgrounds who stand for election to the Council, including ethnicity, disability, age and social mobility, in order to be reflective of our Co-op's members and communities.

Our Co-op aims to end 2024 with 5.5m active members.



Membership data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
Membership numbers	We aim to end 2023 with 4.5m active members		We recruited over 1m new members in 2023, ending the year with 5m active members.	Number of active members (million) (those who have traded with us in the last year in Co-op Food, Funeral and Life Planning, Insurance and Legal Services)	4.34	4.23	4.31	5.02	We aim to end 2024 with 5.5m active members.
			Number of new members (m)	0.4	0.5	0.5	1.2		
			Number of active (see definition above) young members, aged 25 and under	162,696	181,978	211,176	362,333		
Membership scheme			Amount earned by members for themselves through our membership scheme (£m) (amount redeemed in brackets).	50 (45.5)	20.7 (22.9)	£28.7 (25.8)	£24.6 (£24.8)		
			See Community section for data on the amount earned by members for their communities						
			Rewards include all payments in and out of wallet - which will include wallet clear-down and employee payments						
Member engagement			Number of members voting at our AGM and elections	47,862	53,863	33,188	31,128		
			Voting levels have decreased over recent years, which is in line with decreasing voting levels across many organisations. As part of our focus on making membership more valuable to our member-owners, we are looking at ways to increase engagement and to empower our member-owners to have their say through the channels which best suit them, which includes, but is not limited to, through the AGM and voting						
			AGM and election voter turnout among eligible ¹ members (%)	2	2.4	1.6	1.5		
			Members participating in Join In live events in communities across the UK	463	291	347	546		
			Members participating in our Join In programme online (number of opportunities to join in brackets)	243,544 (88)	266,738 (83)	309,277 (78)	377,238 (80)		
			Number of action taken through Join In		581,836	774,074	1,014,754		
Financial support for co-operatives			Financial support for representative and affiliated bodies of the co-operative movement (£m) (See breakdown on next page)		1.6	1.6	1.6		
Democracy	The National Members' Council will take action to increase the % of ethnic minority candidates standing for election to the Council, in order to be reflective of our Co-op's Communities		In 2023, there were 9 candidates standing for the Members' Council election who identified as an ethnic minority, 5 of whom were elected to Council, (56% success rate vs 14% in 2022). We carried out actions to emphasise the current composition of the Members' Council in the election materials.					The National Members' Council will take action to increase the % of ethnic minority candidates standing for election to the Council, in order to be reflective of our Co-op's members and Communities	

¹ To be eligible to vote, you must be at least 16 years old and have spent a minimum of £250 at Co-op over a 12-month period. See more details here

Breakdown of financial support for the co-operative movement (£) in 2023

Organisation	
Co-operatives UK	740,037
Co-operative Party	598,600
Co-operative Press	106,000
International Co-operative Alliance	72,553
Social Enterprise UK	20,195
Woodcraft Folk	25,000
Co-operative Heritage Trust	15,000
Co-operative College	1,000
People's History Museum	8,000
Robert Owen Museum	3,000
New Lanark Museum	3,000
Plunkett Foundation	12,650
Society for Co-op Studies	2,000
Total	1,607,035

Communities

Concern for community has always been one of the core Co-operative principles. We don't ask our customers or member-owners to choose between great products and services and doing the right thing for their communities, we enable them to do both.

When members choose us, they also contribute to our work in communities and this is what sets us apart – it's our Co-op difference. Our approach is shaped by our Co-op Vision and is brought to life by our colleagues, member-owners and communities who work together to build better futures.

We know that co-operation is key to making a difference in communities and we partner with and support a wide range of local and national charities and community organisations in our members' communities.

Our Vision is 'Co-operating to build more value for our member-owners every day', and in 2023 we created social value by providing access to food; supporting mental wellbeing; creating opportunities for young people; and empowering communities to tackle climate change and protect nature.

Putting community at the heart of membership

Our work in communities is powered by Co-op member-owners and, in 2023 when our member-owners chose Co-op, they helped raise funds to support their local communities through:

- the Local Community Fund – helping thousands of local community causes.
- the Community Partnerships Fund – creating partnerships and resources to support local communities across the UK.

Co-op membership also means member-owners can get involved in opportunities such as supporting our community activities, campaigning on issues or helping to develop Co-op products.

You can find out more about opportunities to participate [here](#).

Local Community Fund

Our [Local Community Fund](#) (LCF) supports projects across the UK that our member-owners care about. Since it launched in 2016, member-owners have raised £107m for more than 36,000 unique community projects.

The fund continues to support hyper-local, grassroots organisations, with over half of causes supported in 2023 having an annual income of £25,000 or less. The Local Community Fund supports diverse community projects that in turn support a wide range of beneficiaries including low-income families (65%), people with disabilities (61%), ethnic minorities (49%) and LGBTQ+ communities (38%).



£107m raised by member-owners through the Local Community Fund since 2016 (2022: £97m).



1 million people supported by projects in our latest Local Community Fund payout.



1.19m members chose a Local Community Fund cause in 2023 (2022: 1 million).



In the latest round of the Local Community Fund, more than 2,500 local projects are promoting mental wellbeing (**56%**), supporting access to food (**18%**), providing opportunities for young people (**19%**) and addressing climate change and biodiversity (**7%**).

Community Partnerships Fund

The Community Partnerships Fund supports strategic partnerships to deliver our community plan with like-minded organisations including Hubbub and Your Local Pantry (access to food), Cruse Bereavement Care (mental wellbeing support) and Youth Endowment Fund (opportunities for young people), targeting communities where support can have the greatest impact.

In 2023, the fund distributed £4.2m to support our community partnerships and committed a further £3.5m to support activity in 2024. You can read more about the partners we're working with [here](#).

We know that other support that helps to strengthen and connect communities is important to our member-owners, including our [Member Pioneers](#), [Co-operate](#) (our online community hub), support for [Co-op Academy schools](#), as well as our local store and funeral home Community Donations Policy. Which is why, in 2023, the Community Partnerships Fund also supported investment in these areas.

Our Warm Spaces Funding boost, which provided local community groups with vital support during the coldest months, supported 588 projects with a £1m donation and £1.4m match funding via our partnership with Crowdfunder, benefiting an estimated 61,235 people.

The Community Partnership Fund helped establish our partnership with RSPB, the National Trust and WWF to create Nature Neighbourhoods. The project is supporting 18 local communities to bring together local residents, businesses and decision makers to create long-term grassroots action plans for nature restoration and climate action. Nature Neighbourhoods are also being supported by our Member Pioneers to help tackle the big environmental issues in their local communities.



Community Wellbeing Index

The [Community Wellbeing Index](#) is an online tool that provides insight into the wellbeing of 28,000 communities across the UK. By entering a postcode, the Index allows users to view scores across many different measures - from the quality of education, housing affordability and public transport links, to the amount of green space and the number of community centres in an area - providing a useful snapshot of the strengths of that community and any challenges that it may be facing.

Our member-owners and communities helped us build the Index, and we use it to inform our community strategy. We refresh our data annually to ensure that it remains a reliable indicator of the things that matter most for local communities. In 2023, we have updated the Index data to include selected measures from the 2021 census for England.¹

We've shared the Index with a wide range of stakeholders during 2023 and will continue to do so in the coming year.

The UK Average Community Wellbeing score is:

52

People

53

Education and learning

Place

54

Culture, heritage and leisure

Relationships

53

Relationships and trust

49

Health

49

Transport, mobility and connectivity

51

Equality

51

Economy, work and employment

55

Housing, space and environment

49

Voice and participation

¹ Other UK nations have yet to release their results

Access to food

The cost of living crisis has put additional pressures on family budgets and increased the need for emergency food support. At Co-op, we understand the need to support emergency responses, but also initiatives that go beyond immediate food aid to provide sustainable solutions.

We redistribute food surplus through the Caboodle platform but also partner with Hubbub's Community Fridge network and Your Local Pantry to help drive community approaches to tackling food insecurity that prioritise dignity. Both partnerships provide access to food while bringing people together to build skills, improve mental wellbeing and increase their resilience. Read more [here](#).

Our partnership with Hubbub



Our partnership with Hubbub has three elements: community fridges, food hubs and a new investment fund. A community fridge is a space that brings people together to share food, learn new skills and prevent fresh food from going to waste. In 2023, through our partnership with Hubbub, 386 Community Fridge locations are now identified, and our Community Fridge network was visited over 1.3m times. There are now over 600 fridges in the network.

Food hubs are places where local residents come to learn new food and growing skills, access affordable food and connect with their neighbours. The original partnership ambition to develop 60 hubs has been exceeded by developing 164 hubs, working in collaboration with other funders.



Community Fridge network
visited over **1.3m times**.

By the end of 2024, we'll have launched 25 new Community Fridges across the UK and identified a further 25 fridges. The third element is our new Investment Fund, to help community fridge host organisations meet challenges they're facing through cost of living and move beyond food redistribution. By the end of 2024, 210 investment fund grants will have been allocated, supporting the resilience and development of local food projects.

Our partnership with Your Local Pantry



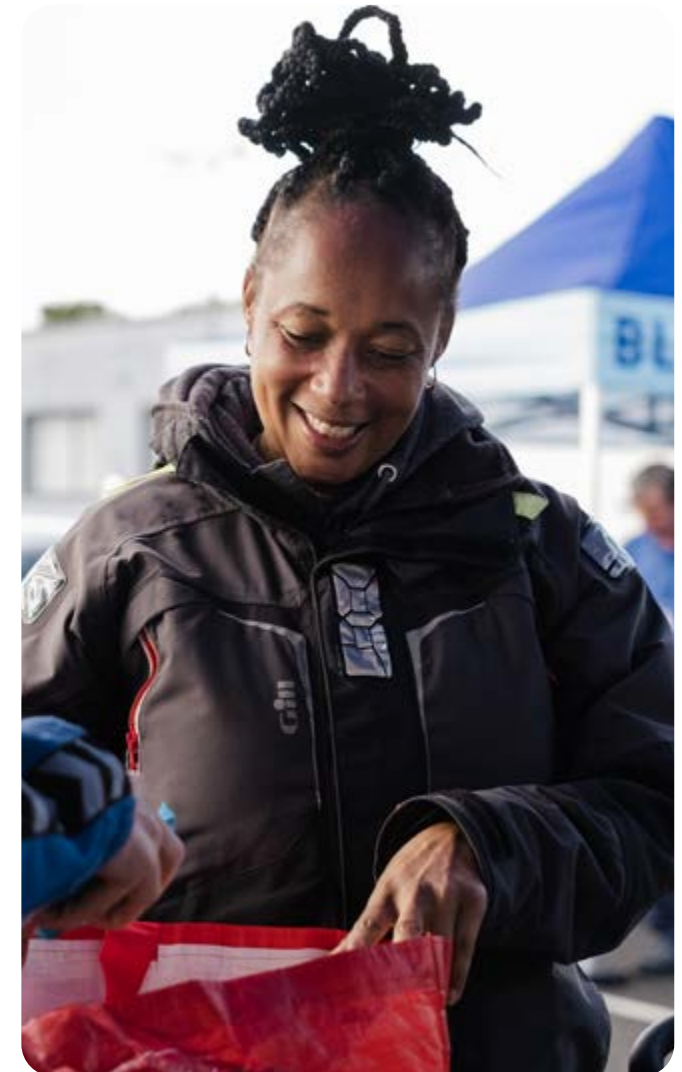
In September 2022, we announced our partnership with Your Local Pantry, to add 150 pantries, tripling the number of locations within three years. Your Local Pantry is a network of membership food shops across the UK. Like Community Fridges, they promote sustainable and dignified approaches to tackling food insecurity. By the end of 2024, the ambition is to have added a total of 125 pantries.

Cost of living challenges mean there has been more demand on redistributed food than ever before, but commercial efficiency and sustainability initiatives have also led to reduced surplus food availability for community redistribution.



Pantry members **save £21**
on every shop.

We've therefore readjusted our milestones and in 2024, we'll focus on developing new locations and creating efficiency of shared services through pantry clustering and focused growth.



Mental wellbeing support

The pandemic and now the cost of living crisis have had significant impacts on mental wellbeing. Our partnerships have responded to support our member-owners and their communities by signposting people to information, activity and support for mental wellbeing; directly supporting people through new services; enabling more conversations about mental health; and bringing communities together to support one another with grief. You can read more [here](#).

Our partnership with Mind, SAMH and Inspire

Between 2020 and 2022, we raised £8.45m for Mind, SAMH and Inspire, to bring communities together to improve mental wellbeing. The partnership launched more than 60 new mental wellbeing services across the UK, supporting over 30,000 people with:

- 81% feeling their wellbeing improved
- 82% feeling better able to cope with challenges
- 70% feeling more connected to peers
- 77% feeling more closely connected to community



In addition, our partnership signposted more than 3.5m to information, activity and support for mental wellbeing from 2020-23; for example, through Co-operate, Member Pioneers and Funeralcare bereavement activity.

Since 2022, we have also partnered with Mind, SAMH and Inspire and Rethink Mental Illness on Time to Talk Day, the UK's biggest mental health conversation. In 2023 we drove over three million conversations, including more conversations amongst young people and people from diverse backgrounds.

Our partnership with Cruse Bereavement Support

At the start of 2023, we launched a new partnership with the leading bereavement charity Cruse Bereavement Support, to bring communities together to support one another with grief.

Aligning with our Funeralcare business and forming part of our aftercare strategy, over 15,000 people have accessed our new bereavement resources on Co-operate and our pilot activity engaged 2,800 people, with 86% reporting improved mental wellbeing. In 2024 we will roll out support by training community groups across the UK to engage a further 5,000 people.

By the end of 2025, we will have:

- Enabled over 7 million conversations² as part of our Time To Talk Day partnership with Mind, SAMH, Inspire and Rethink Mental Illness
- Engaged 7,000 people in community-led bereavement support³.

Cruse
Bereavement
Support



Since 2020:



Supported 30,000

people with their resilience and mental wellbeing through 60 new community services set up across the UK.



Over 3.5 million

people signposted to information, activity and support for mental wellbeing.



5 million

mental health conversations supported through Time To Talk Day.

² Since 2020

³ Since 2021

Opportunities for young people

More than a third of young people in the UK feel the odds are stacked against them⁴ and nine out of 10 young people's aim is to cover the basics of daily life, such as having enough money to pay for food, rather than focusing on what their dream job or career might be⁵.

We want to provide solutions that will make a difference to the lives of the next generation, but we know that we can't do this alone. By sharing capabilities, resources and funding with partners, we'll enable young people to change their lives and play an active role in changing the world around them for the better.

The Peer Action Collective (PAC) provides 10-25 year-olds impacted by violence with a voice and the opportunity to make their own communities safer and fairer places. In March 2023 we concluded the first cohort of the PAC reaching 6,861 young people, against a target of 6,420. This included providing paid employment to 170 young people as Peer Researchers. The research findings from PAC were published and shared at Parliament. Young people made recommendations around access to opportunities, mental welling support and safer spaces, including schools.

We have extended our partnership with the Youth Endowment Fund to continue delivering PAC, with a £2.5million Community Partnerships Fund investment matched by other funders⁶ to a total £7.5million. The second PAC programme will reach 11,000 young people, with 70 young people employed as Peer Researchers and Social Action Leads.



Also in 2023 we concluded our partnership with UK Youth, supporting the #iwill movement in Scotland and Northern Ireland. The partnership exceeded its target by engaging 3,347 young people in social action. You can read more [here](#).

In November 2023 we launched the Young Gamechangers Fund in partnership with the Co-op Foundation and the #iwill Fund. The £4.5million Fund will support young activists, campaigners, disrupters, co-operators, and social entrepreneurs to lead youth-led social action across the UK.

In 2024, we aim to:

- Support 1,375 young people across England and Wales to build safer and fairer communities through the Peer Action Collective
- Award £600,000 of grants to young gamechangers through the Young Gamechangers Fund.



Our Barnardo's partnership

We launched our partnership with Barnardo's in 2023 to bring communities together to support young people. Together, we'll raise £5m to help 750,000 young people access basic needs, improve their mental wellbeing and create opportunities for their future. Between March 2023 and March 2024, our colleagues, member-owners and customers went BIG for Barnardo's, and raised £2m.

Our partnership is developing an innovative approach using shareable content to connect young people directly with communities, charities and other support organisations on platforms used by young people. We'll also be delivering on-the-ground support in the communities that need it most with 20 services launching in 2024. All services will be co-produced with young people, with a Youth Advisory Group established for the partnership and young people engaged in design of all local services. Read more on this [here](#).

Working in partnership:



Barnardo's

⁴ FINAL REPORT Covid the shadow on a young generation.pdf(ctfassets.net)

⁵ Youth Opportunities Tracker: Fairer Futures, Co-op & Barnardo's, May 2023 files.smartsurvey.io/3/0/8LF3UQF1/COOP_INFOGRAPHIC.pdf

⁶ Including #iwill and Youth Endowment Fund



Co-op Academies

[The Co-op Academies Trust](#) (CAT) is one of the largest multi-academy trusts serving the North of England, with 32 primary, secondary, special, and post-16 academies. The Trust provides an education based on Co-operative Values and Principles for 19,500 young people and aims to inspire a new generation of high-achieving, ambitious, skilled, and confident co-operators.

The Trust draws on the Co-op's wider social value priorities as well as supporting careers education and encouraging social action. Now in its 11th

year, the Trust is made up predominantly of schools which had Ofsted Ratings of Inadequate or Requires Improvement before joining. We are proud that most schools within the Trust are now Ofsted Rated Good or Outstanding.

School improvement is the best way that the Trust can offer young people the best opportunities. The Trust created a new Community Development Team in September 2023, in line with Co-op's wider community plan, together we are supporting our academies to deliver:



Access to food: Co-op Academy Failsworth was the first academy to host a Community Fridge and we now have Community Fridges at Co-op Academy Priesthorpe, Manchester and Oakwood, supporting over 150 families a week.



Mental wellbeing support: our academies continue to deliver a full Trust approach to wellbeing, developed with support from Mind, ensuring mental wellbeing continues to have as high a priority as physical health. The Trust got involved in Time to Talk Day in 2023 and 2024.



Opportunities for the future: our Careers Education, Advice, Information and Guidance (CEAIG) activity goes from Primary to Secondary to post-16. We are continuing to develop our support for careers education in line with the Gatsby Benchmark and exploring ways to develop student employability skills. We have supported all of our secondary academies to achieve the Quality in Career⁷ and as of July '23, nine have been successful.

Our Careers Uncovered initiative provided over 2,500 students with the opportunity to develop their knowledge of different careers. In 2023, we continued to deliver the Co-op Young Business Leaders Programme at Connell College, developing employability skills and work readiness, we also launched our Primary World of Work programme to support Careers Related Learning in our Primary academies.

We provide governance expertise from our business, which includes over 85 sponsor governors, and are working in partnership with Leeds Beckett University to enable our academies to work towards the Anti-Racist Schools Award.

⁷ C+K Careers | [Quality in Careers Standard Quality in Careers Standards \(secondary schools\)_Oct 2022.pdf\(ckcareers.co.uk\)](#)

Helping communities to co-operate across the UK

Member Pioneers

Member Pioneers make great things happen in our communities. Working together with Co-op member-owners, colleagues, local causes and Co-operate, our online community hub they bring our Co-op Vision to life locally, connecting contacts in their communities to increase co-operation and create social value for our member-owners and communities. They play a key role in driving activity across access to food, mental wellbeing and opportunities for young people as well as supporting with activities around our ethical and sustainability agenda like Fairtrade Fortnight and Big Green Week.

Like Member Pioneer Philip Peberdy, in West Byfleet, Surrey, who in 2023 supported the planning and opening of a community fridge, connecting the community with local Co-op stores. In its second week the fridge supported 60 families and stopped 168kg of food being wasted. Or Geena Ware, Member Pioneer in Ammanford, Carmarthenshire, who organised a Giant Fairtrade banana split activity for over 100 people to promote Co-op's commitment to Fairtrade and celebrate Ammanford's status as a Fairtrade town.

In 2023, Member Pioneer Co-ordinators delivered over 300 Live Local events across the UK to engage Co-op member-owners. Themes ranged from Fairtrade to Sustainability to bring our Vision to life. Member Pioneers also buddy with our National

Members' Council as part of our wider activity to encourage greater member participation. In 2024, we will continue to embed our Vision through local networks on the ground. For more information, visit communityspirit.co.uk, or to find your nearest Member Pioneer Co-ordinator, click [here](#).

Member Pioneers:

**900**

Member Pioneers and Member Pioneer Co-ordinators based in communities across the UK (2022: 1,000).

**121,000**

hours invested supporting our community plan, engaging local community causes and supporting national campaigns (2022: 116,000).

**62,000**

people a month engaged with on average by Member Pioneers (2022: 51,000).

**300**

Live Local events delivered, engaging over 200,000 people.



Marjorie - Co-op LCF Huddersfield Gospel Choir

Co-operate, our online community hub

Co-operate brings people together to make good things happen in communities. In 2023 our focus was on how we mobilise member-owners to engage with Co-operate, our community plan and the local groups doing amazing things in their communities. We mobilised over 91,000 engagements during the year which was 26% above our target of 73,000.

We updated our group pages to provide more information that would help member-owners connect locally, improved our search functionality to make it easier to find groups that member-owners might be interested in and improved our volunteering functionality to make it easier to see available opportunities. Get involved at coop.co.uk/co-operate.

Colleague support for communities

We actively encourage all colleagues to play a role in their local community, supporting all our businesses to get involved in our social action campaigns and activations. At the start of 2023 colleagues got behind our activity for Time to Talk Day, making space in their day for a conversation about mental health.

The launch of our new partnership with Barnardo's in Spring 2023 saw incredible support from our colleagues, coming together to fundraise over £1million in less than 6 months. And we have seen our Funeralcare colleagues embracing our partnership with Cruse Bereavement Support.



At a hyper-local level, colleagues continue to work with Member Pioneers to celebrate and support our Local Community Fund causes, the King's Coronation, Live Local Membership Engagement events and more.

Through our Community Donations Policy our stores, depots and funeral homes can respond to requests to support local groups and activity by giving small, one-off donations of product or money. In 2023, over 2,000 activities were supported with over £410,000 donated.

The Co-op Foundation

Our charity, the Co-op Foundation, is delivering on Co-op's Vision through its 2022-27 strategy 'Building communities of the future together'. The Foundation believes that co-operation is at the heart of strong communities and commits to being a different kind of funder. One that works closely with communities, listens and learns, and makes it easy for organisations and individuals to access funding.

The Co-op Foundation's work is led by its [Vision](#) of future, fair communities developed by a group of diverse young people.

In 2023, the Foundation awarded £1.4m from its [Future Communities Fund](#) to fund grassroots youth-led organisations to help develop diverse leaders of the future. Funding allocation was decided by seven young people from the Foundation's Future Communities Collective along with two young trustees.

The [Carbon Innovation Fund](#) – a £3.5m partnership between Co-op and Co-op Foundation to help reduce carbon emissions in food and farming – continued in 2023. A total of £1.1m was awarded to seven organisations to help reduce the reliance on soy-containing animal feed and synthetic fertilisers in farming.

Co-op Foundation's work also supports organisations driving [systemic change](#). A total of £450k has been awarded since 2019 to help increase diversity on trustee boards and help funders to adopt more open and trusting practices.

Lonely Not Alone, Co-op Foundation's annual youth-led campaign to tackle the stigma of youth loneliness, launched for the fifth and final time in 2023, sharing learnings from the campaign to create a lasting legacy and strengthen the sector.

[Learn more](#) about how the Co-op Foundation is building communities of the future together.

In 2023, we:



Launched its **£4.5m** Young Gamechangers Fund in partnership with Co-op and #iwill to put young people at the heart of positive change.



Announced a **£1m** annual donation from Co-op Live from 2024, to help the next generation of gamechangers, entrepreneurs and activists co-operate for a fairer world.



Awarded **£350,000** to its #iwill Fund partners so they could continue their work supporting young people involved in youth social action.



Allocated **£137,000** from its endowment and #iwill Fund underspend to support 49 partners struggling with cost of living increases due to inflation.



🎯 2024 community targets

Our social activity will create value for 4m people in our members' communities, on issues member-owners care about.

We'll raise £5m by 2025 to bring communities together to support 750,000 young people.

We will invest £20m in communities in support of our Vision and our broader Co-op principles.

Communities data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs		
Community investment			Total investment in UK and international communities (£m)	47.4	41.2	44.9	46.3 A				
			Overall investment in UK and international communities increased on the previous year due to a significant increase in funding leveraged through partners, and a rise in staff salaries to address inflation.								
			Total UK community investment (£m) Cash	22.1	20	18.7	14.2 A				
			Investment in our community plan, community assets and funding partnerships through Co-op Membership remained strong, but with a higher proportion of our community investment delivered through leveraged funding.								
			Total UK community investment (£m) Colleague Time	6.1	7.1	14.7	16.6 A				
			Moderate year-on-year increase in the value of colleague time invested, due largely to increase in staff salaries to address inflation.								
			Total UK community investment (£m) Gifts in Kind	6.1	1.3	0.2	0.1 A				
			Total continued to reduce from the peak driven by investment in donations of stock during the Covid-19 Pandemic and airtime in support of prior Christmas campaign.								
			Total UK Leverage (donations by members, customers, partners and suppliers)	10.2	9.2	6.1	12.3 A				
			Fundraising for our National Charity Partnership with Barnardo's, Crowd-funded investment through our Warm Spaces initiative, funding leveraged from partners such as the Youth Endowment Fund and #Iwill Fund and as well as investment of Carrier Bag Levy funding in Community partnerships and environmental initiatives generated a significant boost to this total in 2023.								
			Total investment in UK communities (£m) Cash + Colleague Time + Gifts in Kind + Leverage	44.6	37.6	39.7	43.2 A				
			In 2023 more than £20m will be raised to support local communities through members choosing Co-op.	<div><div></div><div>With 21.4m raised through the Local Community Fund and Community Partnerships Fund.</div></div>	£ given back through LCF (member contribution + carrier bag levy) (£m)	15	13.5			12.4	10.5
	Reduction on 2023 total as Carrier Bag Levy funding (previously shared through the Local Community Fund) was instead invested in community partnerships and environmental initiatives.										
	£ raised for Community Partnerships Fund (£m)	2.8			10.1	9.6	10.9				
	Growth in Co-op membership increased the amount raised for the Community Partnerships Fund through 2023										
	£ raised through Carrier Bag Levy (m)	3.9			2.8	2.6	2.1				
	The total £ raised through carrier bag levy is included within the figure reported for Total UK leverage										

Communities data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved







Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
Local Community Fund			Number of causes supported by LCF	4,558	4,561	4,468	3,955	Our social activity will create value for 4m people in our member-owners' communities, on issues they care about	
			Payouts were made to 3,955 local community projects in 2023, with a further 2,500 projects joining the Local Community Fund in October 2023.						
			Number of Cause selections made	1,072,747	1,007,800	1,051,227	1,347,492		
			More than one million cause selections were made by Co-op members for the fourth year in succession.						
			Projects supporting Fairer Access to Food welcomed into the LCF	-	569	586	457		
			Projects supporting Fairer Access to Mental Wellbeing Support welcomed into LCF	-	2,122	2,064	1,430		
			Projects supporting Fairer Access to Opportunities for Young People welcomed into the LCF		1,791	1,137	488		
			Projects addressing supporting biodiversity & addressing climate change welcomed into the LCF	-		236	173		
Access to food	By the end of 2023, we will have opened 350 Community Fridges, 50 Community Food Hubs and 75 Local Pantries, enabling sustainable access to food which reaches local communities that suffer most from food inequality.	 Partially achieved.	Number of community fridge locations identified	-	100	350	386		
Access to wellbeing	By end of 2023, we will signpost over 1.5 million people to mental wellbeing support, enable 3.7m more conversations on mental health and wellbeing through our partnership with Mind, SAMH and Inspire on Time to Talk Day, and engage 2,000 people in community led bereavement support with Cruse.		Number of people signposted to sources of mental wellbeing support, including information, services and community activity	-	400,000	1,434,581	3,537,521		
			No. of people supported to improve their resilience and mental wellbeing through our charity partnership services	-	8,228	22,892	30,590		
			£ raised in support of access to mental wellbeing support Mission (total since start) (£)	3m	7m	8.3m	8.5m		

Communities data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
Access to education and employment for young people	By the end of 2023, the Co-op Academies Trust will have maintained a pipeline to increase the number of academies to 40.		On track with 32 Academies within CAT, a plan in place to grow to 37 in 2024, and a further pipeline to reach 40.	Number of Academies	26	27	31	32	
				Number of governors	80	83	85	82	
				Contribution to Co-op Academies (£)	4.6m	1.1m	0.95m	0.63m	
			Contribution to Co-op Academies reduced after peaks driven by purchases of meal vouchers and the provision of IT equipment in the wake of the pandemic.						
Member Pioneers	By February 2028 we will work with over 13,000 young people, supporting them through the cost of living crisis by providing youth voice, changemaking and employment opportunities.		On track. 3,610 additional young people supported in 2023 (against a 2023 in-year target of 2,517).	Number of young people supported by our Charity Partnership (including Changemaker initiative)		126	6,511	10,121	
				£ Raised in support of our National Charity Partnership with Barnardo's (£m)				£1.3m	
			We'll raise £5m by 2025 to bring communities together to support 750,000 young people.						
Co-operate platform	In 2023, we will invest over 100,000 hours for Member Pioneers to engage with people to support the delivery of our Co-op missions and increase co-operation in our communities.		Target achieved, with over 121,000 Member Pioneer hours invested in communities.	Number of member pioneers	1,000	1,000	1,000	900	
				Hours invested in communities by Member Pioneers	89,927	110,811	116,282	121,140	
Colleagues involved in community activity during work time	Members, colleagues and customers will use Co-operate 73,000 times to access information and resources that help them contribute locally to our shared Vision of 'Co-operating for a Fairer World'.		Target achieved, with 92,000 actions taken through Co-operate to access resources & materials supporting initiatives such as Time to Talk Day and Challenge Poverty week.	Number of connections in local communities enabled through Co-operate	-	-	10,691	91,776	
				Number of Visits to Platform	183,000	252,960	266,756	191,444	
Colleagues involved in community activity during work time			No. colleagues involved in community activity	11,472	6,622	11,194	12,231		
			No. days (hrs)	43,236 (324,270)	47,518 (356,390)	97,945 (734,587)	107,135 (803,513)		
			Value of colleague time (£m)	4.3	6.1	14.7	16.6		



Our planet

- ▶ Climate change
- ▶ Resource use
- ▶ Sustainable sourcing

Climate change

We're running out of time to limit the worst impacts of climate change. We need faster action and co-operation across supply chains to reduce carbon emissions and protect people and the planet.

It's been 20 years since we first mentioned 'carbon emissions' in our reports. Since then, we've been working hard to decarbonise our business, installing better fridges in our stores, optimising our logistics operations, reducing the amount of energy we use, and working with our suppliers to reduce supply chain emissions.

We've also gone beyond taking action in our own operations and supply chains. We've continued to call on the UK Government to provide strong leadership, including through legislative changes, and campaigned with our member-owners for further and faster action on the climate crisis.

We follow three principles in our response to climate change. These are:

1. We need to rapidly reduce carbon emissions.
2. We need a fair transition to Net Zero for people across the world.
3. We need to work together to change our whole system of production for the benefit of all.

Key terms

Carbon (emissions) - our total greenhouse gas emissions expressed as their 'carbon dioxide equivalent'. This includes all greenhouse gases, not just carbon.

Science-based targets - targets to reduce carbon fast enough to limit global warming, providing everyone follows the same trajectory. A 1.5°C aligned target reduces carbon fast enough to limit global warming to no more than 1.5°C, enough to avoid many of the worst impacts.

Net Zero - reducing global emissions to below natural thresholds. In practice this means reducing energy and industry emissions by 90%, and forestry, agriculture and land use emissions by 72%, with the remaining emissions balanced by permanent stores of carbon.

Carbon neutral - avoiding or reducing the carbon emissions of an activity through funding a separate activity, with or without action to reduce actual carbon emissions at the same time. In theory this can balance the emissions of an activity making its impact 'neutral'. Co-op no longer makes any carbon neutral claims, instead focusing on carbon reduction.

Principle 1. Follow the science, rapidly reduce carbon emissions

Co-op's climate impact includes both our operational emissions (Scope 1 and 2) and value chain emissions (Scope 3). This is because we need to consider our business's full climate footprint to make informed decisions about our path to Net Zero. Over the last two decades we've made huge strides in rapidly reducing the carbon emissions we're directly responsible for (Scope 1 and 2). Emissions from running our stores, offices and transport distribution network are now considerably reduced. However, there are still some challenges to overcome to reach Net Zero.

As of 2023, the majority of our remaining carbon emissions are in our supply chain. Because of this, we have a responsibility to work together with our suppliers and other retailers to reduce these emissions. Some examples of the work we are doing with suppliers are included later in this section.



Co-op's full carbon footprint and targeted emissions are shown in the diagram overleaf.

Our new 1.5°C aligned science-based targets are also outlined in this section. They have been validated against the Science-Based Targets initiative (SBTi) Net-Zero Standard.

This makes Co-op one of the first UK retailers to have SBTi-approved science-based Net-Zero targets.

Co-op's full carbon footprint 2023 (ktCO₂e)

Producing the products we sell



Producing ingredients	2,146
Estimate of land use change linked to ingredients	575
Processing into final products	359
Producing packaging	310
Supply chain transport ¹	250

Emissions from running our business

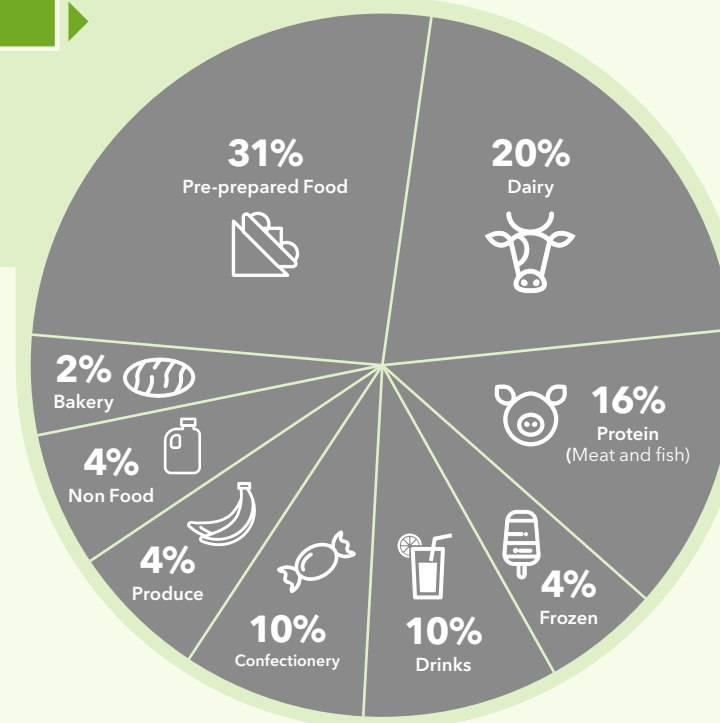


Energy used	122
Transport	91
Refrigeration	50
Goods and Services to run our business ²	269
Investments	55
Business travel and employee commuting	37
Waste from Co-op	1

Customer use



Customer use of products	597
Customer travel - shopping and funerals	275
Customer disposal of unused food and packaging	40



Bar graph colour key

Scope 1 & 2 - Included in targets

Scope 3 - Included in targets

Scope 3 - Not included in targets

Best practice from SBTi is to include the most significant categories of Scope 3 emissions over which we may exert influence. SBTi have also advised that some indirect emissions sources should not be included in our Scope 3 target boundary. This includes emissions from customer travel for shopping, and indirect product use (cooking & chilling). See more detail in Data Tables at the end of this section.

¹ Includes Cat 1 - Ingredients transport; and Cat 4 - Upstream transportation and distribution (see data tables at the end of this section)

² Includes Cat 1 - Cremations/funeral products; Cat 1 - Goods and Services not for Resale; Cat 2 - Capital items; Cat 3 - Fuel and Energy-related Activities (not already included in Scope 1 & 2); Cat 9 - Downstream transportation and distribution - Deliveroo; Cat 9 - Downstream transportation and distribution - Wholesale Retail; Cat 13 - Downstream leased assets; and Cat 14 - Franchises (see data tables at the end of this section)

Our new science-based targets

In 2019 we followed best practice in climate target-setting, steered by the Science-Based Targets initiative (SBTi). At this time, we set targets to reduce our Scope 1, 2 and 3 emissions by 2025 along different pathways.

We have met these initial targets several years early - but also know that best practice has changed. As such, we have committed to new and more ambitious targets, in line with the SBTi Net-Zero Standard. These new targets are aligned to limiting global temperature rise to no more than 1.5°C and have been validated against the most ambitious designation available through the SBTi process.

Following the latest SBTi guidance, we have also set detailed target pathways which break down our 'energy and industry' and 'forestry, land use and agriculture' (FLAG) emissions and our pathway to reach Net Zero. These are set out in detail on the SBTi website [here](#).



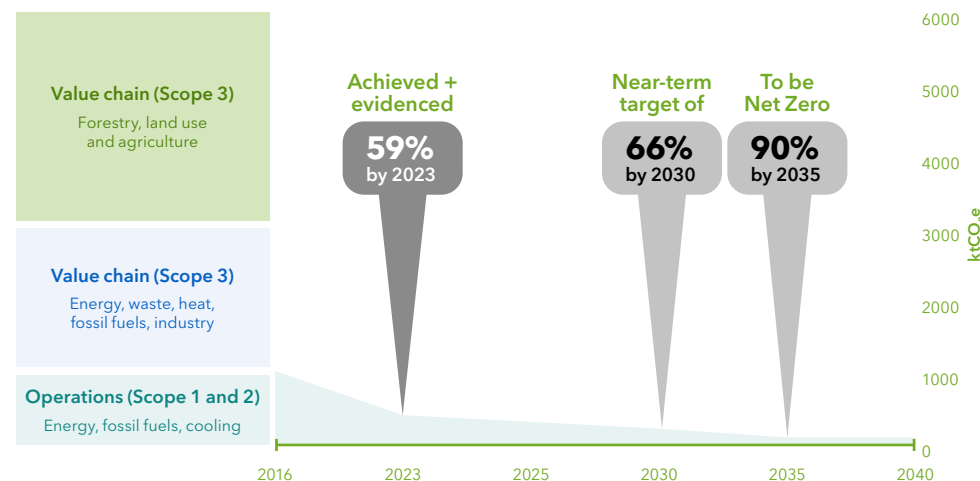
Our new targets are:

Near-term target: We commit to reduce absolute Scope 1 and 2 emissions by 66% by 2030 from a 2016 base year.

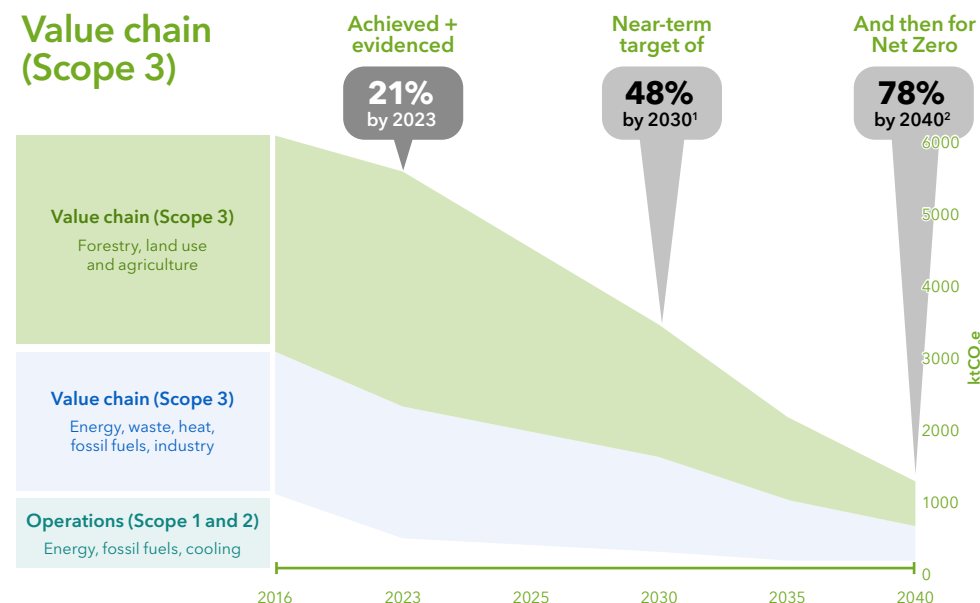
Near-term target: We commit to reduce absolute Scope 3 emissions by 48% overall by 2030 from a 2016 base year¹.

Long-term target: We will be a Net Zero business by 2035 for our operations, and by 2040 across our entire business².

Co-op operations (Scope 1 and 2)



Value chain (Scope 3)



¹ This equates to 58.8% by 2030 for energy & industrial emissions and 42.4% by 2030 for FLAG emissions. See full target detail in Data Tables at the end of this section

² This equates to a 90% reduction in a scope 1, 2 and 3 energy & industrial emissions and a 72% reduction in FLAG emissions. See full target detail in Data Tables at the end of this section

How we're reducing carbon emissions – Scope 1 & 2



In 2023, the carbon emissions from running our business have continued to reduce by a further 8% compared to 2022. This means that we have now reduced emissions from running our business by 59% since 2016.

We've achieved this reduction by:

- Reducing our energy use by 9% (2022 v 2023) through a mix of capital investments, such as fridge doors, LED lighting and operational changes, and optimising heating and lighting levels in stores and branches.
- Phasing in lower impact refrigerants which has helped us to reduce our refrigerant emissions by 25% (2022 v 2023). As of the end of 2023, 18% of our Food Stores have natural refrigeration systems. Our refrigerant emissions are also directly impacted by high temperature conditions and the additional load that this places on equipment. In 2023, the UK had significantly fewer days where peak temperatures were a challenge for our refrigeration assets than in previous years, and this has been a major contributor to emissions reduction.
- Reducing our logistics fuel use by 3% (2022 v 2023) through improvements to our routing, scheduling, and vehicle fill. We monitor and report on vehicle fridge plug-in compliance, and we have moved stores between depots in our network to reduce kilometres travelled.



CASE STUDY

Energy reduction

In order to reduce energy consumption and operational greenhouse gas emissions at pace, a new, multi-disciplinary team was created to develop and implement a new programme.

Since mid-2022, over 1,800 energy audits were conducted in a huge and unprecedented effort to identify as many energy saving initiatives as possible. 500 of these audits took place in 2023. From this work, a huge volume of ideas were converted into successful energy reduction initiatives.

At the heart of our decision-making has been data, informing what we should target, measuring whether

initiatives have saved energy and costs and, for the first time, utilising customer and colleague feedback to establish in real time where adjustments to our approach were needed.

Since mid-2022, we've successfully implemented, measured, and verified over 22,000 new energy saving measures, over 16,000 of these measures were implemented in 2023. Between 2016 to 2022 we reduced our energy consumption by an average of 5% a year; through the work we've done in 2023, the rate of this reduction has increased. In 2023, our total electricity reduction was 49 GWh (9% YoY). We also achieved a gas reduction of 9.5 GWh (9% YoY).

A new approach on energy sourcing

In 2023, we announced a change in direction with our energy sourcing policy. For many years we have sourced 100% renewable electricity, backed by renewable energy guarantees of origin (REGOs). However, to accelerate the transition of the UK electricity grid towards Net Zero, our priority should be to increase the total capacity of renewable generation in the UK.

With that goal in mind, we are shifting our energy sourcing strategy to increase the amount of energy we're procuring directly via corporate Power Purchase Agreements (cPPAs). This shift will unlock additional renewable energy capacity whilst we're continuing to identify self-generation opportunities and reducing our overall demand for energy.

How we're reducing carbon emissions – Scope 3

 **21%**
reduction in targeted Scope 3
emissions since 2016 (2021: 8%).

Our Scope 3 emissions represent over 90% of our total carbon footprint - and the vast proportion of these emissions are linked to producing the products we sell (see diagram [here](#)). This makes reducing the carbon footprint of our supply chain and products our biggest climate change priority.

When measuring our full end-to-end footprint, we follow the guidance set by the GHG Protocol and [WRAP](#). Our latest Scope 3 inventory covers the period October 2022 - October 2023 (cited as 2023 emissions for shorthand) and this year we have made significant progress in improving the robustness of Scope 3 data. Doing this has meant that some baseline emissions have increased in comparison with previous reporting years (e.g. more complete estimates for land use change emissions and branded products), and others have decreased (e.g. sale of our petrol forecourts, and so removal of these emissions from our inventory).

Most importantly, we are better able to estimate like-for-like progress in reducing emissions between 2016 and 2023 - and this has shown a 21% reduction in our targeted Scope 3 emissions.



This reduction reflects market change (eg. in the volume and categories of products that we've sold in 2023), wider societal change (eg. more renewable energy supplying the grid), and action undertaken by Co-op and our suppliers to reduce the carbon intensity of our products - including emissions reductions reported by our meat and dairy suppliers.

There is more we need to do to improve our Scope 3 measurement, and to do so we are working in collaboration with others across the industry (see Principle 3). This will provide us with more granular data to further understand the progress we are making on reducing our supply chain emissions, as well as helping

focus future decarbonisation efforts with our suppliers.

This hasn't stopped us significantly increasing our work with suppliers on reducing Scope 3 emissions.

There are 3 main actions we've taken in 2023:

1. [Developing new supplier guidance and plans](#)
2. [Building climate change into our financial goals](#)
3. [Developing new programmes with meat and dairy suppliers](#)

Developing new supplier guidance and plans

During 2023, we have engaged with more than 40 suppliers that are critical to our environmental commitments. This has helped us to understand the maturity levels of our suppliers, what best practice looks like, and where we can accelerate decarbonisation. As a result, we have made changes for both existing and new suppliers.

Providing clear guidance: We have developed a detailed set of sustainability guidelines for existing suppliers to increase understanding of Co-op's sustainability commitments, priorities and expectations, including on reducing carbon emissions. Internal guidance has also been developed to upskill our commercial teams and encourage consistent communication with the supply base.

Assessing new suppliers: We have also built carbon reduction targets into tender scoring for new suppliers. Whilst we have included many environmental and social metrics in our tender decisions in the past, the depth and breadth of questions and the weighting of sustainability metrics has increased. New suppliers are now scored on their commitment to setting near-term and long-term science-based targets, their capability to measure their product carbon footprint, and their decarbonisation plans.

Developing decarbonisation plans: We are working collaboratively with suppliers to understand the actions needed to meet our shared climate commitments and the role that we can play to help accelerate progress. Examples include the beef and dairy case studies overleaf.

Building climate change into financial goals

With our buying and commercial teams, we have started to build sustainability and climate change into the contractual terms and conditions for suppliers, moving beyond traditional cost, quality, and availability metrics. This includes addressing deforestation and sustainable sourcing, science-based target commitments, decarbonisation pathways, and human rights.

In 2024 we are intending to evolve this model by broadening incentives for suppliers to accelerate decarbonisation and help meet the collective goals of the UK food system. Examples include the beef and dairy case studies overleaf.

With our finance teams, we have been building climate change and decarbonisation into our wider commercial goals. We have agreed a new sustainability-linked loan facility, tying our access to lower cost finance and business lending to achieving specific sustainability objectives.



CASE STUDY

Sustainability linked loan

With many large banks now seeking to make sure that finance is aligned to their environmental, social and governance (ESG) goals, one way in which we can build climate change and broader sustainability into our commercial and financial priorities is to link our interest rates to achieving stretching targets.

In 2023, we have agreed a new sustainability linked loan for the business in partnership with Lloyds. Through this agreement, Co-op will receive better interest rates if we can demonstrate specific and measurable progress on three priority targets:

1. Engaging suppliers to set validated science-based targets (see data tables at the end of this section)
2. Reducing the amount of food waste that we generate from running our business (see section, [Resource use](#))
3. Increasing the amount of funding we give to apprenticeships (see section, [Our people](#))

Developing new programmes with meat and dairy suppliers

Our largest category of product emissions is meat and dairy production. Animal products are generally (though not always) higher in carbon compared to plant-based products. We sell a considerable amount of these products, especially fresh milk in our convenience stores.

Our approach is to source 100% of our meat, fresh milk, fresh cream, eggs and Cheddar cheese from British farmers. We work closely with our farmers and suppliers to reduce the carbon intensity of the animal product. You can read more about our commitment to support British farmers, what that means in practice, and how we work together [here](#).

To reduce the carbon intensity of meat and dairy, we've established important new partnerships with two of our key suppliers during 2023.



CASE STUDY

Beef sustainability pilot (lower carbon beef with Dunbia)

Compared to other food products, beef has a high carbon footprint per serving, especially when sourced from regions with high deforestation. Since 2005, we have committed to only source 100% fresh British beef and in 2019, we extended our commitment to include frozen products. During this time, we have been working with farmers across the UK to assess progress on several measures including welfare and environmental impact.

In late 2023, we launched a new partnership with our red meat supplier Dunbia, building on our previous work. We will now work closely

with beef farmers who carry out environmental assessments, such as a detailed carbon footprint of their farms. Farmers will receive additional bonus payments for reducing their impact through taking actions that lower their carbon intensity (the carbon footprint per kg of beef).

Farmers will be paid more for their product if they are tracking and reducing their carbon footprint.

During 2023 and 2024 this will run as a pilot covering around 10% of our supply volume. If successful, there will be the opportunity to roll out the scheme more widely.



CASE STUDY

Dairy sustainability plans

As a convenience retailer we sell a large amount of fresh milk. Whilst on a per-serving basis, milk is not the most significant source of carbon emissions, the sheer volume that we sell makes this the single biggest contribution to our Scope 3 footprint.

We have long-standing relationships with UK farmers through our Co-op Dairy Group (CDG) which accounted for more than 90% of our milk supply in 2023. The CDG allows us to work

closely with specific farms on key issues whilst guaranteeing a fair milk price for farmers.

Since the group's establishment, we have worked together on key issues such as animal welfare, milk quality and environmental impact.

To achieve our climate change commitments, we know we must move faster to reduce the carbon intensity of milk. In 2023, alongside the independent dairy consultants Kite and supply

partner Muller, we have increased the focus on sustainability. Each of our over-140 farms will receive a detailed sustainability plan for their farm. These sustainability plans will help our farmers focus on the key areas to improve not just their carbon intensity but also overall efficiency and financial performance.

In collaboration with our supplier the CDG, we are working to reduce the carbon intensity of our milk supply in line with our carbon targets for 2030.

Principle 2. Work for a fair and just transition, adapt to a changing climate

We work towards adapting to both the changing climate and the societal changes required to rapidly reduce carbon emissions in ways that are fair to everyone. Our approach is split into two parts:

- Ensuring we understand the scale of change that is coming, including the growing risk to our business and the people who produce and supply our products and services.
- Acting now. Ensuring that we act as an ethical and fair-trading partner to the people we source from and to support their adaptation to climate impacts.

Understanding climate risk

We have also fulfilled the requirement to report on climate-related financial disclosures (TCFD).

For details on Co-op's Taskforce for Climate-related Financial Disclosure please refer to our Annual Report [here](#).

Supporting climate adaptation

A key principle of 'climate justice' is that people in low-income countries, who have done the least to cause climate change, should not be unfairly bearing the largest burden.

Climate change is making growing conditions more volatile, affecting food production and water security and, in turn, livelihoods and lives. Farmers and workers who produce our products are being impacted by extreme weather events such as floods, droughts, and heatwaves as a result of the climate crisis.

Our aim is to support our producers to adapt to climate change, through diversifying income, growing resilient crop varieties, and adopting new practices like shade planting. In 2023, we've mainly delivered this work through partners such as The Fairtrade Foundation (FTA). Read more about our partnership with FTA and CLAC¹ [here](#). For information on how we are approaching water scarcity and security, please see our sustainable sourcing section.

Principle 3. Co-operate for systems change, work together across society

We work together for systemic change; we cannot solve the global climate change crisis on our own. We believe everyone has a part to play in tackling the climate crisis.

We are increasing our focus on this area. In 2023, our work falls into three broad categories: political engagement and leadership, cross-industry collaboration, and working together with charities and NGOs.



Political engagement and leadership

We report transparently on our engagement with government and policymakers in the Our Planet summary in the Climate Justice Campaign section. In 2023, we've pushed for sector and UK-wide progress in two key ways, through industry and sectoral groups chaired by our group Chief Executive Officer, Shirine Khoury-Haq (See below for more information):

BRC Climate Action Roadmap

The BRC Climate Action Roadmap brings together over 80 retailers, aligned behind a sectoral ambition to reach Net Zero by 2040.

Throughout 2023, the BRC Climate Action Roadmap programme of engagement to support and equip retailers on their Net Zero agenda has continued, including through the annual BRC Climate Action Roadmap Showcase.



UK Net Zero Council

The Net Zero Council was established in 2023, co-chaired by Energy Minister Graham Stuart, and including CEOs of UK businesses operating across the economy and a range of financial institutions. The Net Zero Council is seeking to bring together sectoral roadmaps to Net Zero, in order to identify the business, financial and policy levers available to collectively overcome barriers and accelerate progress.

¹ The Latin American and Caribbean Network of Fair Trade Small Producers and Workers (CLAC)

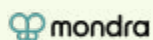
Cross-industry collaboration

This year, a key drive for cross-industry collaboration on climate change has been improving the consistency and accuracy of the data that UK businesses use to track and report Scope 3 carbon emissions. Our goals are to be able to give more meaningful and clear information on impact and progress to our customers and members, and to be able to use this information to help us implement the most effective carbon reduction programmes. We are involved in two main initiatives (below):



Food Data Transparency Partnership (FDTP)

The FDTP is a partnership between government, industry and experts which aims to improve the availability, quality and comparability of data in the food and drink supply chain. During 2023 Co-op has played a leading role in the FDTP eco-working group, set up to assist the standardisation of Scope 3 methods and data sources; and to establish a consistent methodology for food eco-labels.



BRC Mondra Coalition

Alongside government efforts through the FDTP, the BRC Mondra Coalition brings together a group of leading food businesses, supported by WRAP, Defra FDTP, WWF, IGD and key sector bodies. It was established to agree a common set of rules around product carbon footprinting and roll out a single, interconnected technology platform across hundreds of supply chains. During 2023 Co-op has chaired the Technical Alignment Group to help shape the method in tandem with other sector initiatives and has begun to work with suppliers on implementation case studies.



Charity and NGO partnerships

In 2023, we have supported three significant charity partnerships to accelerate action to address climate change. In addition to our existing partnerships with WRAP and the Co-op Foundation, we launched a partnership with the RSPB to restore UK peatland and support communities in creating people-powered plans for nature. See more on Nature Neighbourhoods [here](#).



Co-op Foundation Carbon Innovation Fund

With the Co-op Foundation we support innovative approaches to reducing carbon emissions through our £3.5m Carbon Innovation Fund. In 2023 we issued a second round of grants to projects that help UK-based partners reduce reliance on synthetic fertilisers and soy-based feed. The funding is allocated based on level of innovation, carbon reduction potential and future scalability. All work funded must be open source so that the whole industry can benefit from learnings.



WRAP Retailer Net Zero Collaborative Action Programme

Coordinated by WRAP, we have been working alongside seven other major retailers to identify ways in which we can collaborate to reduce the environment impact of our food and drink. The partnerships that we have individually built to deliver action are achieving meaningful change on the ground. But we all recognise how much more we could achieve by pooling efforts. 2024 will be the year this programme gains momentum, and we expect a step change in how we work together, to the benefit of all.



RSPB Peatland Restoration

In 2023, we started to restore degraded peatlands across the UK, aligned to the best practice of the Peatland Code. Over 2023 we have restored hundreds of hectares of peatland in Mid Wales, Shetland and the Scottish Highlands, turning them from a carbon source into a carbon sink and helping to avoid a huge contribution to climate change.



Image: UK peat

2024 targets

Near-term target: We commit to reduce absolute Scope 1 and 2 emissions by 66% by 2030 from a 2016 base year.

Near-term target: We commit to reduce absolute Scope 3 emissions by 48% overall by 2030 from a 2016 base year².

Long-term target: We will be a Net Zero business by 2035 for our operations, and by 2040 across our entire business³.

50% of Category 1 Scope 3 emissions covered by suppliers with validated science-based targets by the end of 2024.

² This equates to 58.8% by 2030 for energy & industrial emissions and 42.4% by 2030 for FLAG emissions. See full target detail in data tables at the end of this section

³ This equates to a 90% reduction in a scope 1, 2 and 3 energy & industrial emissions and a 72% reduction in FLAG emissions. See full target detail in data tables at the end of this section

Climate change data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	Baseline 2016	2020	2021	2022	2023	2024 Target	SDGs	
Direct emissions (Scopes 1 and 2)	Previously approved science-based target: We will reduce absolute Scope 1 and 2 GHG emissions by 50% by 2025 from a 2016 base year.	<div>Between 2016 and 2023 we reduced our absolute Scope 1 and 2 emissions by 59%.</div> <div>Having achieved our 2025 science-based target early, we have now set new and more ambitious science-based targets and these have been validated with the SBTi in line with the SBTi Net-Zero Standard criteria.</div>	Scope 1 GHG emissions: Refrigeration (ktCO ₂ e)	181	74	73	66	A 50	<div>New SBTi-approved science-based target</div> <div>Near-Term Target: The Co-operative Group commits to reduce absolute Scope 1 and 2 emissions by 66% by 2030 from a 2016 base year.</div> <div>Net Zero Target: The Co-operative Group commits to reach Net Zero by 2035 for our own operations. In practice this means a 90% reduction in absolute Scope 1 and 2 emissions by 2035.</div>	<div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div>	
			Scope 1 GHG emissions: Transport (ktCO ₂ e)	R 126	R 106	R 101	95	A 91			
			Business travel is now reported in our scope 3 rather than scope 1. We have restated previous year's emissions in line with this.								
			Scope 1 GHG emissions: Energy: Fuel (ktCO ₂ e)	31	24	22	19	A 17			
			Scope 2 GHG emissions: Energy: Electricity, Location-based accounting (ktCO ₂ e)	310	143	121	107	A 105			
			Total direct emissions from running our business location-based accounting: Scope 1 and 2 GHG emissions (ktCO ₂ e)	R 649	R 347	R 318	288	A 263			
			Business travel is now reported in our scope 3 rather than scope 1. We have restated previous year's emissions in line with this.								
			Building energy use (GWh)	921	744	693	660	A 602			
			Total energy use including transport fuel (GWh)	Introduced in 2022			R 1,060	A 992			
			% of electricity from renewable sources	99%	100%	100%	100%	A 0% ¹			
			Scope 2 GHG emissions accounting for renewables: Energy: Electricity, Market-based accounting (ktCO ₂ e)		0	0	1	A 190 ¹			
			In line with GHG Protocol guidance, we present our Scope 1 and 2 GHG emissions figures in two ways, showing GHG emissions if our electricity was counted at UK grid average (known as location-based reporting), and accounting for the emissions associated with our electricity supply contracts (known as market-based reporting).								

¹ Through 2023, we have been working to the strategy we set out in 2022: to reduce our overall energy consumption, to increase the proportion of our energy procured via corporate Power Purchase Agreements and to investigate opportunities for self-generation. See our section on our new approach to energy sourcing [here](#)

Climate change data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	Baseline 2016	2023	2024 Target	SDGs
Indirect emissions (Scope 3)	Previously approved science-based target: We will reduce absolute Scope 3 emissions from purchased goods and services, upstream transportation and distribution, waste generated in operations and end-of-life treatment of sold products by 11% by 2025 from a 2016 base year.	Between 2016 and 2023 we reduced our absolute Scope 3 from the categories included in our near-term science-based target by 21%. Having achieved our 2025 science-based target early, we have now set new and more ambitious science-based targets and these have been validated with the SBTi in line with the SBTi Net-Zero Standard.	Scope 3 emissions categories included in near-term science-based targets	ktCO ₂ e	ktCO ₂ e	New SBTi-approved science-based targets*** Near-Term Target: Energy and industrial: The Co-operative Group commits to reduce absolute Scope 3 GHG emissions in the listed categories by 58.8% by 2030 from a 2016 base year. Forests, Land and Agriculture (FLAG): The Co-operative Group commits to reduce absolute Scope 3 FLAG emissions by 42.4% by 2030 from a 2016 base year. Long-Term Target: Energy and industrial: The Co-operative Group commits to reduce absolute Scope 3 GHG emissions in the listed categories by 90% by 2040 from a 2016 base year. Forests, Land and Agriculture (FLAG): The Co-operative Group commits to reduce absolute Scope 3 FLAG emissions by 72% by 2040 from a 2016 base year. Overall Net Zero Target: The Co-operative Group commits to reach Net Zero GHG emissions across the value chain by 2040	
			Category 1 - Purchased Goods & Services - Goods for Resale - Ingredients**	2,677	2,145		
			Category 1 - Purchased Goods & Services - Goods for Resale - Land use change*	756	575		
			Category 1 - Purchased Goods & Services - Goods for Resale - Ingredients transport	149	99		
			Category 1 - Purchased Goods & Services - Goods for Resale - Manufacturing	482	359		
			Category 1 - Purchased Goods & Services - Goods for Resale - Packaging	349	310		
			Category 1 - Purchased Goods & Services - Cremation	12	12		
			Category 1 - Purchased Goods & Services - Goods and Services not for Resale	123	103		
			Category 3 - Fuel and Energy-Related Activities	75	49		
			Category 4 - Upstream transportation and distribution	215	152		
			Category 5 - Waste generated in operations	2	1		
			Category 6 - Business travel	5	2		
			Category 12 - End-of-life - Customer food waste disposal	35	32		
			Category 12 - End-of-life - Customer packaging waste disposal	5	8		
			Total Scope 3 emissions in near-term science-based target scope (ktCO₂e)	4,886	3,849		

* Best practice from SBTi is to set a GHG reduction target which covers the most significant categories of Scope 3 emissions over which we may exert influence, with a requirement to include a minimum of 67% emissions coverage in near-term targets and 90% emissions coverage in long-term targets. SBTi have also advised that some indirect emissions sources should not be included in our Scope 3 target boundary. This includes emissions from customer travel for shopping, and indirect product use (cooking and chilling). Our near-term and long-term targeted emissions cover 95% and 99% of the emissions included in our Scope 3 target boundary

** Includes both FLAG and energy and industrial emissions because of current uncertainties in how these can be separately quantified. We have also only included GHG emissions in our inventory - NOT any form of carbon removals

*** Our new science-based target also includes a commitment to no deforestation across primary deforestation-linked commodities with a target date of December 31, 2025. Further detail on this is included in Section x

Climate change data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	Baseline 2016	2023	2024 Target	SDGs
Indirect emissions (Scope 3)			Scope 3 emissions categories also included in long-term science-based targets*	ktCO ₂ e	ktCO ₂ e		
			Category 2 - Capital items	152	36		
			Category 7 - Employee commuting	33	34		
			Category 15 - Investments	62	55		
			Scope 3 emissions categories not included in science-based targets*	ktCO ₂ e	ktCO ₂ e		
			Category 8 - Upstream leased assets	n/a	n/a		
			Category 9 - Downstream transportation and distribution - Shopping	289	267		
			Category 9 - Downstream transportation and distribution - Funeral travel	8	8		
			Category 9 - Downstream transportation and distribution - Deliveroo	n/a	11		
			Category 9 - Downstream transportation and distribution - Wholesale retail	64	49		
			Category 10 - Processing of sold products	n/a	n/a		
			Category 11 - Use of Sold Products - Cooking & chilling	622	574		
			Category 11 - Use of Sold Products - Electrical products	11	4		
			Category 13 - Downstream leased assets	5	5		
			Category 14 - Franchises	0.4	3		
			This year we have improved the robustness of data sources for our Scope 3 emissions. We have recalculated our baseline year (2016) and reporting year (2023) in line with this new methodology, meaning that some emissions sources have increased and some have decreased. Please see our basis of reporting [LINK] document for more information on how we calculate our Scope 3 emissions.				








12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION



* Best practice from SBTi is to set a GHG reduction target which covers the most significant categories of Scope 3 emissions over which we may exert influence, with a requirement to include a minimum of 67% emissions coverage in near-term targets and 90% emissions coverage in long-term targets. SBTi have also advised that some indirect emissions sources should not be included in our Scope 3 target boundary. This includes emissions from customer travel for shopping, and indirect product use (cooking and chilling). Our near-term and long-term targeted emissions cover 95% and 99% of the emissions included in our Scope 3 target boundary

Climate change data

 Target Achieved
  On Track
  Close to Target
  Behind Schedule
  Target not Achieved
  Restatement
  In-depth assurance

Issue	2023 Target	Performance against Target	2024 Target	SDGs
	N/A - no supplier target in 2023	In 2023, 37% of our carbon emissions from Category 1 - Purchased Goods and Services were from suppliers with validated science-based targets - as documented on the SBTi website	50% of Category 1 Scope 3 emissions covered by suppliers with validated science-based targets by the end of 2024	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div>

Resource use

While we recognise that our biggest environmental impacts will come from changes in the way we source our ingredients, taking action on the recyclability of packaging, plastic pollution, and the reduction of food waste are all intrinsically linked and remain an area of our focus.

Plastics and packaging

Packaging is essential to protect our food and prevent food waste in store and at home. However, we know our customers and member-owners remain concerned about the impact on the environment of plastic and packaging. We are committed to reducing our plastic footprint by 30% by 2025 and continue to search for new ways to remove unnecessary plastics without negatively impacting metrics such as food waste or the carbon footprint of our packaging materials.

We've been developing our carbon literacy related to packaging materials and have re-baselined our packaging carbon footprint, which has reduced by 11% since 2016¹. Plastic contributes 57% of our primary own-brand packaging footprint. A further 25% comes from glass, with the remainder split across paper, aluminium and steel. In some cases, plastics remain the option with the lowest carbon impact. We continue to ensure that our own-brand food packaging is recyclable, with soft plastics collection points available to customers in store. We've also been engaging with the Government and external stakeholders on the upcoming Packaging and Waste reforms, and preparing for Extended Producer Responsibility, Simpler Recycling, and Deposit Return Scheme legislation coming into force in 2025.

In 2023, we:



Reduced the weight of our salad bowls, saving 22 tonnes of plastic.



Switched our Valentine's Day single roses from plastic to card sleeves.



Removed plastic lids from our chilled dips, saving 48 tonnes of plastic.



Switched our minced beef from heavy trays to vacuum pack film, which saved 147 tonnes of plastic in addition to increasing shelf life and transport efficiency.



Rolled out clear milk bottle caps, removing 192 tonnes of coloured plastics from the HDPE² recycling stream. This will reduce contamination and improve quality in recycled content, ensuring less material is wasted.



Trialled paper banana bands to replace PE bags, saving 7 tonnes of plastic.



Redesigned our fruit pastilles, jelly babies and strawberry bon bons sweetie bags into monomaterial laminate to improve recyclability and save 96kg of plastic.

We've also started to tackle other materials to reduce our carbon impact, such as:

- reducing our glass wine bottle weights
- removing paper base labels from prepared fruit
- removing paper tray liners from loose potatoes
- downgauging³ our food-to-go wrap boxes



We've reduced our own-brand plastic footprint by **25.7%** (per 1% market share since 2018 (2022: 24.2%)).

We've reduced our packaging carbon footprint by **11%** since 2016.

¹ From 296,000 tonnes to 276,000 tonnes CO2e

² High Density Polyethylene

³ Reducing the thickness of the plastic film on our packaging

The importance of data

Data integrity remained a focus area in 2023 and will be key as we get ready for the packaging waste reforms. We have created a data platform to help automate our reporting, including plastics split by polymer type and category, our packaging material footprints and the carbon impacts of the materials we place on the market. The platform takes packaging information and purchase data and combines them to give accurate real-time data about Co-op's own-brand packaging footprint. It will also help us to better calculate our obligations under the Extended Producer Responsibility regulations for packaging, and to better understand the carbon footprint of our own-brand packaging materials.

We also worked together with our digital coding partner Polytag to deliver a project in Wales to gain rich insight into traceability of packaging materials all the way from the consumer to the recycler. Beginning in October 2022, the world-first solution can change the way we think about recycling. This simple, low-cost trial is the biggest breakthrough in Digital Deposit Return schemes. We also took part in a trial in Brecon to test the viability of a digital kerbside DRS within a real retail environment.

Food waste

This year, Co-op has reduced food waste by 29% compared to 2022. In tackling food waste, we follow the food material hierarchy (see diagram, right).



We've reduced our food waste by **29% vs 2022**.

Our priority is to prevent food waste and surplus being created in the first place through stock management and a 'reduce to clear' programme in store. Where surplus stock is unavoidable, we ensure that as much as possible is redistributed from store to local food charities, and from depot to national partners, with the remainder being used to make green energy.

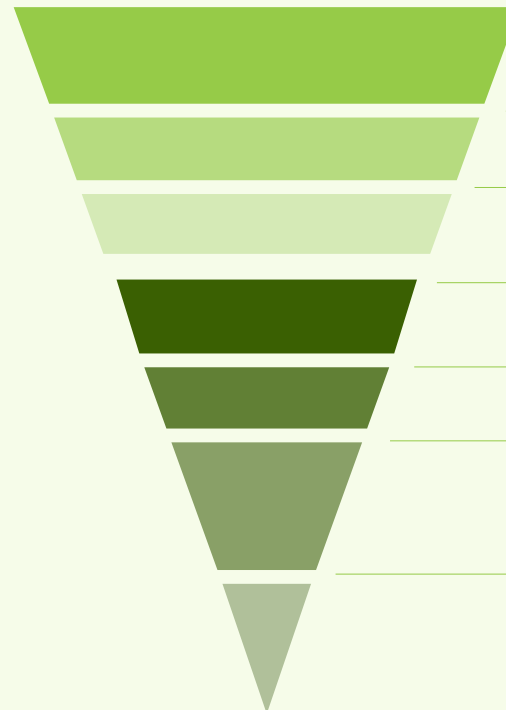
During 2023, we've embedded new stock management controls and tracking across our depot and stores.

We have reduced food waste by 29% vs 2022 by:

- Interventions to rationalise range
- Changing depth of distribution of our products
- Reviewing case size of deliveries
- Ensuring the right products in the right stores continue [Caboodle](#) community distribution

The food waste we generate in store, broken down by category, is shown in the graph overleaf, highlighting where our greatest volumes of food waste are.

Food material hierarchy



Prevention

Waste of raw materials, ingredients and product arising is reduced - measured in overall reduction in waste.

Redistribution

Redistribution to people.

Composting

Make animal feed from former food. Bio-material processing.

Recycling

Waste sent to anaerobic digestion.

Waste composted.
Waste used for landspreading.

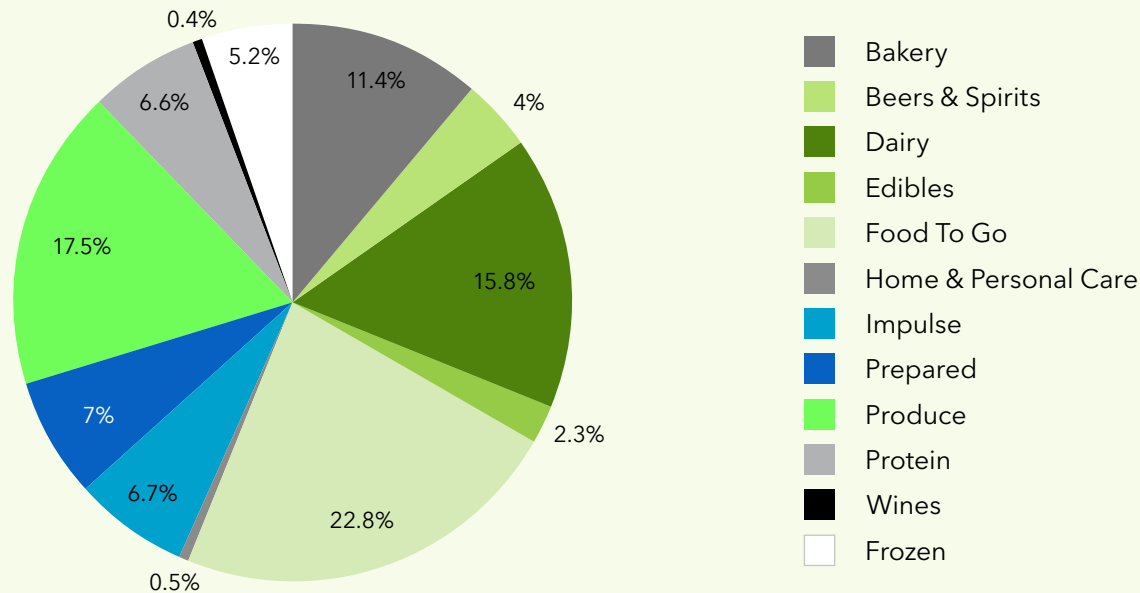
Recovery

Incineration of waste with energy recovery.

Disposal

Waste incinerated without energy recovery.
Waste sent to landfill.
Waste ingredient/product going to sewer.

Category food waste tonnage %



The amount of surplus food redistributed to local community groups by our stores was 5,202 tonnes - managed through the platform Caboodle. Redistribution has reduced by 1,196 tonnes compared to 2022, this is due to a reduction in surplus product occurring in stores (2022: 6398 tonnes). In 2023 we redistributed 0.4% of product handled from store, the same as previous years. Depot teams shared 893 tonnes of surplus food with FareShare, The Bread and Butter Thing, and Company Shop in 2023. See here for more detail on supporting access to food in our communities.

Our operational food waste total and food waste intensity has decreased significantly in 2023 compared to 2022, dropping by 6,237 tonnes overall (29% reduction) and 1% of product handled becoming waste (based on weight measure).

Protecting the progress made on this and continuing to work towards a 50% reduction against 2022 (baseline year) will be a priority in 2024. We will focus on preventing food being wasted in the first place and maximising the amount of surplus food we can share.



CASE STUDY

If it looks good enough to eat, it is!

Making sure we use our fresh produce is a really important food waste prevention action. Fresh produce is our largest waste by weight category and is one of the most wasted items in the home. In 2023, we removed best before dates on the majority of fresh whole produce to reduce the reliance of printed dates on packs and encourage the use of produce that is still good to eat. We also include storage and recipe advice on packs to help customers use all the produce purchased.



Operational and construction waste

The amount of operational waste we produce has decreased over the past year, and the operational waste that we recover or recycle has remained steady at 99% (2022: 99.3%) of total waste. This year, we tracked our construction waste via our partnership with Reconomy. In 2023, we produced 63.7 kt of construction waste and diverted 99% from landfill.

Water

We're working to better understand our water consumption across our estate, which will allow us to establish a new baseline for our water use. In 2024, we will develop a Water Management Plan, and will explore opportunities in data and insight, design and specification, and invest-to-save water efficiency projects across our estate to reduce the amount of water we use across our operations.

🎯 2024 targets

We will reduce food waste generated in our stores and depots by 50% by 2030, compared to 2022.

We will reduce our plastic footprint by 30% by the end of 2025, compared to 2018.

We will reduce water consumption across our properties by 10% by 2025 compared to 2020.

Resource use data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved





Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2022 (Baseline)	2023	2024 Target	SDGs
Operational waste			Total waste from running our business (kt)	73	63.7		
			% of total waste diverted from landfill (including energy from waste, anaerobic digestion, recycling or reuse)	99	99		
Food waste	We will reduce food waste generated in our depots by 50% by 2030, compared to 2022.	 In 2023, we achieved a 29.2% reduction in food waste compared to 2022.	Food waste - store and depot, tonnes	21,388	15,151		
			Food surplus redistributed total (tonnes)	7,309	6,095		
			Food surplus redistributed through FareShare, TBBT and Company Shop (tonnes)	911	893		
			Food surplus redistributed through Co-op Food Share (prior to 2022); and through Co-op Caboodle from 2022 (tonnes)	6,398	5,202		
			Food waste intensity (the % of products our stores handle that becomes food waste)	1.3	1		
			Improving our data and reporting is part of our food waste reduction journey. We are setting our baseline year as 2022, in place of 2015, because we have access to better quality data that covers all our operations - our Co-op depots and stores. Our data is based on product level waste records and net weight. You can access the previous data tables in our previous Sustainability reports here .				
						We will reduce food waste generated in our depots by 50% by 2030, compared to 2022.	

Resource use data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	Baseline	2020	2021	2022 (Baseline)	2023	2024 Target	SDGs		
Plastics and packaging	We will reduce our plastic footprint by 30% by the end of 2025, compared to 2018.	<div><div></div><div>We've reduced plastic primary packaging and non-compostable carrier bags by 25.7% since 2018, relative to market share.</div></div>	% own-brand packaging easy to recycle*	-	78	100	100	100	We will reduce our plastic footprint by 30% by the end of 2025, compared to 2018.	<div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div>		
			*Co-op food packaging can be recycled at home, or in-store through our film-recycling scheme. To see more about how we define recyclability, please see our basis of reporting document here .									
			% reduction in plastic packaging per 1% market share (from 2018)	-	Packaging: 11.2 Carrier bags: 1.6 Total: 12.8	Packaging: 11.6 Carrier bags: 7.2 Total: 18.8	Packaging: 16.7 Carrier bags: 7.5 Total: 24.2	Packaging: 18.3 Carrier bags: 7.4 Total: 25.7				
			% average recycled content in our own-brand plastic packaging	-	37	33	35	33 (PET 71%)				
			Total packaging handled (tonnes)	284,979 (2006)	196,777	181,630	165,617	150,849				
			Packaging handled by material (tonnes)									
			Glass	128,027 (2006)	111,580	99,889	90,028	80,173				
			Plastic	78,492 (2006)	42,165	41,507	37,930	35,424				
			Paper	42,794 (2006)	28,541	26,892	25,107	23,564				
			Steel	27,381 (2006)	6,434	5,632	4,934	4,424				
Aluminium	8,285 (2006)	8,057	7,710	7,443	7,104							
Water	We will reduce water consumption across our properties by 10% by 2025 compared to 2020.	<div><div></div><div>The decrease in average water use per site this year is a reflection of the change in our estate profile from selling our Petrol Filling Stations. We remain committed to reducing the amount of water we use across our own operations with a particular focus on our depots, stores and care centres.</div></div>	Average water used per site (m³)	310 (in 2020)	310	344	406	283	We will reduce water consumption across our properties by 10% by 2025, compared to 2020.	<div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div>		
			% water reduction (y/y)	-	-	11 (increase)	18 (increase)	30.2				

Sustainable sourcing

Sourcing the ingredients and raw materials we use can have a significant impact on the natural environment, whether that's in waterways, agricultural land, soil, or forests.

We're committed to caring for the environments that our ingredients are sourced from. Where it drives change, we support credible certification and work with key partners to take a restorative approach to nature.

We focus our responsible sourcing strategy around categories of ingredients that have the greatest sourcing risks for our business. Since many ingredients have shared risks, our category approach is a more effective way of tackling sourcing risks. Our ingredient categories are¹:

- Fresh produce
- Animal protein
- Primary forest-risk commodities²
- Fairtrade priority ingredients

This approach aligns with our commitments to external partnerships including WWF³ Retailers' Commitment for Nature (see text, right) and WRAP⁴, and reflects our evolving risk approach whilst continuing to prioritise the actions and opportunities that will reduce our most material sourcing risks.

¹ Some ingredients will come under more than one category

² Cattle (beef), cocoa, coffee, palm oil, rubber, soy, wood (including paper/pulp, charcoal)

³ World Wide Fund for Nature

⁴ Waste and Resources Action Programme



WWF's retailers' commitment for nature

In 2021 we were proud to join a coalition of retailers committing to play our part in supporting the WWF's ambition to halve the environmental impact of UK shopping baskets by 2030. Together, the signatory retailers have committed to leading the way in cutting the impact of our own-brand food production and encouraging the rest of the sector, from major brands to manufacturers, to reducing the UK food retail sector's impact. Focus areas cover climate, deforestation, and nature, including tackling food waste and packaging. In November, the second-year report [What's in Store for the Planet 2023](#) launched and illustrated the need for faster action.

“I'm beyond proud to be committed with Co-op to drive forward the change needed in close partnership with others. It's imperative for the future of our planet and the people that share it.”

Shirine Khoury-Haq, Co-op CEO

Aquaculture & fisheries

We are dedicated to preserving our oceans, marine life, and the livelihoods of our suppliers. By employing a risk assessment process for all our fish products, we ensure responsible seafood sourcing.

As proud members of the Sustainable Seafood Coalition, we adhere to its voluntary codes of conduct for responsibly sourcing and labelling fish and seafood. Our collaboration with the Sustainable Fisheries Partnership keeps us up to date with the latest industry science, and our participation in the Global Ghost Gear Initiative addresses the issue of discarded fishing gear, contributing to marine ecosystem health.

In addition to fulfilling our commitment to enhance seafood sustainability, our commitment to [MSC sourcing](#) and labelling positions us among the leading retailers in the UK for certified sustainable fish. In 2023, 77% of our wild-captured seafood was sourced from MSC fisheries (2022: 65%). This approach is part of our broader sustainability strategy, ensuring a continuous commitment to improving seafood sustainability. We strive for transparency and details of all our wild-capture fisheries and farmed seafood sources can be accessed on the [Ocean Disclosure Project website](#).

We actively support Fisheries Improvement Projects (FIPs) as a crucial step toward achieving fisheries sustainability and certification within a defined five-year timeframe. Our commitment to industry innovation is evident in our support for various UK FIPs, including through [Project UK](#).

Forests and peatland

We recognise that deforestation and land conversion present a significant risk to food supply chains, and tackling this risk is essential to meeting the ambitions in our [climate plan](#) as well as wider protection of nature and communities.

In line with [Science-Based Target Forest, Land and Agriculture guidance](#) we are committed to zero deforestation across our primary deforestation-linked commodities, with a target to reach this by the end of 2025. In 2024, we will continue to develop how we report overall progress against this target.

We continue to work with suppliers to increase the transparency of our forest supply chains. Because of the scale and nature of many of these supply chains, collective action plays a vital role in managing the risks. We are signatories to the UK Soy Manifesto, members of the Retailers' Palm Oil Group, Retail Soy Group, Palm Oil Transparency Coalition and Soy Transparency Coalition.

At the end of 2024, new regulations will come into force for the EU⁵, setting legal requirements for sourcing commodities. This will likely have significant impacts on supply chains. We've [continued to advocate](#) for the urgent and aligned introduction of secondary legislation in the UK to ensure robust minimum requirements for entire food systems.

As well as driving positive change, we recognise the risk of unintended consequences on smallholders within supply chains and have highlighted this in our advocacy and within the projects we support.

Palm oil and soy

Palm oil and soy production can impact communities through deforestation, climate change and habitat loss. To achieve a sustainable approach to sourcing, we engage across the industry, and with environmental NGOs⁶, to understand the best approach and set clear policies. The advice from NGOs is to source responsibly, as this is the most effective way to drive change. Furthermore, alternatives to crops such as palm oil are often more environmentally damaging with regards to their land use.

All our palm oil is certified by one of the Roundtable on Sustainable Palm Oil (RSPO) schemes. We continue to use 100% RSPO-certified palm oil in our own-brand products and, in 2023, 92% of the palm oil used in our products was segregated (2022: 93%).

We're committed to sourcing segregated RSPO palm oil wherever we can and will continue to report annually on the amount and type of palm oil we use. Collaborative efforts through our membership of the Retailers' Palm Oil Group remain a key route to tackling the issues shared across the industry. We've maintained a high coverage of segregated RSPO palm oil, and we continue to look for solutions for responsible sourcing and transparency in remaining areas (derivatives and fractions) where segregated RSPO supply is not currently possible.

Our most significant use of soy is in feed for livestock in our meat, dairy, egg and farmed fish products. We're targeting 100% physical, responsibly sourced and deforestation-free soy across our own-brand supply chain by 2025.



92%

of the palm oil used in our products was RSPO segregated (2022: 93%).

Performance benchmark

2nd highest UK retailer on the 2021 WWF Palm Oil Scorecard for our progress and commitments (20.22 out of a possible 24 points achieved) in the Leading the Way category. The next scorecard will be published in April 2024.

Our soy policy sets out how we work with our suppliers and the steps that will support us both in fulfilling our commitment. We've engaged with our strategic suppliers on soy, and deforestation more widely during the year. You can read the full policy and our soy commitment [online](#).

Achieving verified deforestation-free and conversion-free soy has remained an industry-wide issue where progress towards supply chains is challenging for all retailers. During 2023, we've continued to actively participate in [UK Soy Manifesto](#) – a collective industry agreement to ensure all physical shipments of soy to the UK are deforestation-free and conversion-free⁷ by 2025.

We cover our soy footprint with physical certification under approved schemes or RTRS⁸ credits. Credits continue to cover the larger proportion – they support more responsible soy production and provide an important first step, but are not an endpoint. We're committed to moving supply to physical, responsibly sourced material, through verified deforestation-free and conversion-free sourcing regions or a credibly certified segregated supply.

You can read more on our palm oil strategy [here](#). For information on our coffee and cocoa sourcing, see our section on Fairtrade.

⁵ European Union

⁶ Non-governmental Organisations

⁷ Cut-off date of January 2020 at the latest

⁸ Round Table on Responsible Soy Association



Pygmy shrew, endemic to Borneo, has been observed in the wildlife corridor © HUTAN

CASE STUDY

Partnerships beyond sourcing

To address the risks in sourcing palm oil, we know we must go beyond certifying our own supply.

Part of this is achieved through our support for reforestation and biodiversity research on former palm oil plantations in Borneo. We've been supporting this project in partnership with Chester Zoo and HUTAN since 2019, working towards a target of planting 50,000 trees by the end of 2025. Co-op's support also covers research to understand how animals are recolonising a newly established wildlife corridor connecting two fragmented forests. This work is helping to inform effective methods of reforestation in the future, and documenting 185 different species within this newly established corridor, including 29 which are classified as endangered.

In 2023 we also started a partnership with Solidaridad, a social CSO (Civil Society Organisation), to support smallholder palm oil farmers in Sarawak, Malaysia. Smallholders produce around 40% of global palm oil, but the administrative burden associated with certification and legislation can mean that they are unintentionally excluded from sustainable supply chains. We recognise the importance of supporting smallholders in our key supply chains and so to address this in palm oil we are supporting 10 smallholder farmers under the National Initiatives for Sustainable & Climate Smart Oil Palm (NI-SCOPS) programme. This will help to improve their productivity, support the implementation of sustainable practices and prevent deforestation.

“I am grateful for the opportunity to participate in this program, and I am confident that the knowledge and skills I have gained will benefit me in my career and contribute to a more sustainable future for the palm oil industry. I strongly encourage the continuation and expansion of this program to benefit future generations.”

- Aminah, smallholder from Perak, Malaysia.

Peat

Peat is a vital natural resource, providing carbon storage and natural flood defences. In April 2021, we became the first UK retailer to ban the use of peat in bagged growing products sold in our stores, covering both own-brand and branded products. While this was an important first step, we recognise peat is also used more widely in our supply chains and we need to address this. This needs to be as part of a responsible approach to growing media to ensure we are using alternatives where we can understand and manage the sourcing risks.

We are working towards phasing out peat on bedding and pot plant ranges. In 2024, we plan to deliver a significant removal of around 820,000 litres of peat.

Wood and paper

We ensure that the wood and paper used in our own-brand products for Co-op Food comes from a responsible source and is of known origin. 98% comes from Forest Stewardship Council (FSC) or recycled sources (2022: 98%). 98% of coffins manufactured by our Funeralcare business were made from FSC® certified wood (2022: 97%).



98%

wood and paper in own-brand products is from FSC or recycled sources (2022: 98%).



98%

of coffins we manufactured (from 2022-2023) were made from FSC® certified wood (2022: 97%).

Fields and orchards

We work with producers and growers, focusing on protecting our natural resources, water, soil, and biodiversity, and building resilience in the changing climate. We understand that, whilst doing this, we must also consider impacts on people and their livelihoods. See our commitments on [Fairtrade](#) and [Ethical trade](#).

Water security

The overwhelming evidence, including that from the Intergovernmental Panel on Climate Change, shows that climate change is moving much faster than our response, and as a result, ecosystems and communities are being pushed to their limits.

As weather patterns change, water security is becoming a pressing issue. The prevalence and impact of flooding and droughts are becoming worse worldwide. Pollution of available water resources also exacerbates shortages for local communities and industry; and puts pressure on the natural environment.

Water represents a material risk in food supply chains – 72% of all water withdrawals are used for agriculture and yet 52% of the world's population will live in water-stressed regions by 2050. In 2023, it has been predicted that global freshwater demand will outstrip supply by 40% by 2030⁵.

We are founding supporters of WRAP's Roadmap towards Water Security for Food & Drink Supplies, which gives us a way of working collaboratively with our peers, our suppliers and with local delivery bodies in the most water-stressed areas that we source our products and ingredients from.

The Roadmap's overall target is that, by 2030, 50% of the UK's fresh food is sourced from areas with sustainable water management. To help achieve this, our role as a food and drink retailer is in committing to take action and to become good water stewards.

Through this programme, we've continued to support water stewardship projects in the UK, South Africa and Spain, supporting farmers and growers with better water management, and we are pioneering supporters of a new collaborative project to tackle water stress in key sourcing regions in Kenya.

In 2023, we collaborated with WWF and WRAP, alongside signatories to WWF's Retailers' Commitment for Nature (WWF Basket), to agree to a series of [Water Leadership Actions](#) and associated funding contributions to drive progress towards the milestones set out in the Courtauld Water Roadmap. Through this work, we collectively aim to encourage other organisations across the food and drink sector to also act, fund, and support delivery of the Roadmap.

Water security is a strategic priority for us and we have been campaigning for the recommendations set out in our Water Security for People & Planet report (see our section on international development for case study). In 2024, we will continue to develop a comprehensive water security strategy to set a clear path to improving the sustainable management of water in our high-risk supply chains. Read more [here](#).

⁵ Reference: Global Commission on the Economics of Water, Turning the Tide, Collective Action Report

Crop protection

Crop protection plays a role in food production but must be implemented responsibly. Currently, pesticide application is the most common method of protecting crops from diseases, but we acknowledge the consequences pesticide use can have on the environment and the health of workers in our supply chains.

Our Crop Protection Policy is built on transparency and collaboration - you can read the full policy and transparency report (expanded for 2023) [here](#). Implementation is supported by the Co-op Crop Protection Board which includes supplier representation.

Our [pesticide phase out list](#) was published online in 2023 and we aim to update this early 2024. Our suppliers are working towards phasing out the actives on this list and will be reporting on progress.

We have also initiated a worker welfare project with one of our suppliers which will further refine our risk assessment approaches.

Livestock

Respecting animal welfare is an important part of our work in agriculture. For all our Co-op branded fresh, frozen, and prepared meat and poultry products, our main welfare standard and focus is Red Tractor. For higher welfare, we use RSPCA Assured certification or equivalent. Since 2008, all shell-eggs sold (Co-op own-brand and branded) have been free-range as a minimum, and we only use free-range eggs as ingredients in our own-brand products. In 2018 we also moved to 100% outdoor-bred pork (see [here](#) for more detail).

Performance benchmark

Tier 2 achieved in the Business Benchmark on Farm Animal Welfare (BBFAW) in 2021 for the 10th year running. BBFAW has recently changed its scoring methodology, meaning that 2022 results were not publicly published. 2023 scoring is currently in progress and will be available in 2024.

Monitoring animal welfare

More than 3,700 farmers and growers feed into our own-brand fresh supply chain, supplying us with meat, dairy, poultry, fresh produce, and prepared products for our Co-op brand products. All farms, whether they're part of our farming groups or not, may be subject to announced and unannounced visits or audits by us or an appointed independent audit body to check compliance with our animal welfare requirements. Read more about our animal welfare policies [here](#) and our motion from Co-op Member-owners for Co-op on animal welfare in our membership and co-operation section.

Chicken welfare

Co-op is a proud supporter of British Farming, and all our fresh chicken meets or exceeds industry and Government-approved standards, be that Red Tractor or RSPCA Assured, alongside our own welfare policies.

We made the commitment to move to lower stocking density across all fresh chicken last year. Working closely with a cross-functional team and in collaboration with our supplier, we delivered on our commitment ten months ahead of schedule. All fresh chicken varieties under 'Space to Thrive' are sourced from farms that give the chickens 20% more space.

Following the successful delivery of phase 1, reducing stocking density across fresh chicken, we have started phase 2 planning, which will see all our British chicken used in 'added value' poultry products, such as breaded, move to be 'Space to Thrive'.

At the AGM in 2023, we also committed to explore the implementation of slower growing breeds. Over the last 12 months we have engaged with a wide range of stakeholders to understand the impact of breed on chicken welfare, farmers, and our members and we will be reporting back our findings at the next AGM.








Antibiotics

Antimicrobial resistance is an increasing global challenge and threat, and food retailers have a responsibility to act. We're a member of the Food Industry Initiative on Antimicrobials (FIIA) and have signed a code of conduct to work pre-competitively as an industry to reduce antibiotic use. We're also supporting research, through membership of Responsible Use of Medicines in Agriculture (RUMA), that helps identify alternatives to antibiotics. Our antibiotics strategy, in line with the industry approach, is based on the '3Rs' framework to Reduce, Replace and Refine the use of medicines.






2024 targets

100% of soy in our Co-op products, including that embedded in animal feed, will be deforestation-free and responsibly sourced by 2025.

Sustainable sourcing data

 Target Achieved
  On Track
  Close to Target
  Behind Schedule
  Target not Achieved
  Restatement
  In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs		
Aquaculture and fisheries			% fish used in Co-op branded food products from farmed sources	37	51	32	 51				
			% fish used in Co-op branded food products wild caught	63	49	68	 49				
			The switch from Wild to Farmed sources is due to range reduction, impacting the volume of products sourced.								
			Number of Marine Stewardship Council (MSC)-certified Co-op branded food products	67	55	62	 45				
			% wild-captured seafood sourced from MSC fisheries (by volume)	64 (75% of wild capture seafood products)	63	65	 77				
			% of wild captured seafood sourced from FIP (Fisheries Improvement Project) Fisheries (by volume)	29	37	35	 23				
			Not calculated prior to 2020.								
Livestock			BBFAW Tier 2 maintained	Yes	Yes	-	-				
			2022 score has not been made publicly available, 2023 score will not be published until April 2024.								
			Number of combined visits by our Farming & Fisheries Team and the Technical Team to monitor animal welfare at Hatcheries, Farms, Abattoirs and Factories	74	305	266	129				
			Higher welfare sales (£m)	188	164	173	183				
			% Co-op branded fresh, frozen and prepared meat and poultry products produced to Red Tractor Farm Assurance Scheme standards or higher	100	100	100	100				
			During 2023, we reviewed how we manage our farming groups and collect data. Farm visits have reduced, however we have improved transparency across our whole supply chain through improved collection of welfare data for all supplying farms.								
			% Co-op branded shell-egg sales RSPCA Assured	95	94	96	97				
			The remainder are classified as organic.								
			% Co-op milk Red Tractor Dairy Scheme assured	94	93	93	93				
			The remainder are classified as organic.								
			2021 % fresh protein sales, by welfare standard								
			See table								

Sustainable sourcing data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance








Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
Palm oil			% palm oil in food and non-food products certified by the Roundtable on Sustainable Palm Oil (RSPO)	100	100	100	A 100		
			Palm oil used in Co-op branded food and non-food products (tonnes)	7,431 (in 795 products)	5,487 (in 610 products)	R 5,632	A 6,148		
			% Segregated and Identity Preserved	78	93	93	A 92		
			% Mass Balance	21	7	7	A 8		
			% Green Palm/ RSPO credits	1	0	0	A 0		
			Palm oil Importer	See Palm oil importer table					
Soy	100% of soy in our Co-op products, including that embedded in animal feed, will be deforestation-free and responsibly sourced by 2025.	<div><div></div><div>This year, we've seen an increase in vDCF volumes largely driven by sourcing from low risk origin along with improved transparency and reporting. We recognise there's still significant progress to do in the next two years to meet our ambition and we continue to work on this with our suppliers and the industry more broadly.</div></div>	Soy used in our food products (directly and indirectly through animal feed) (tonnes)	71,500	56,100	51,862	60,126	100% of soy in our Co-op products, including that embedded in animal feed, will be deforestation-free and responsibly sourced by 2025.	<div><div>13</div><div>CLIMATE ACTION</div><div></div></div> <div><div>15</div><div>LIFE ON LAND</div><div></div></div>
			% soy linked to an origin	32%	61.9% ¹	51%	55%		
			% soy linked to an importer	35%	36.5% ²	50%	51%		
			% soy footprint verified deforestation and conversion free (Segregated Certified or vDCF sourcing - excludes mass balance)	-	-	0.4%	16%		
			Certified soy (under schemes benchmarked to FEFAC Soy Sourcing guidelines)	-	-	RTRS Credits 72.7% Area Mass Balance 10.4% Mass Balance 16.8% Segregated 0.1%	RTRS Credits 7% Regional RTRS credits/ Area Mass Balance 50% Mass balance 27% Segregated 1.1%		
			% soy footprint covered by UK Soy Manifesto signatories	-	-	83% volume of soy footprint 42% of suppliers using soy	77%		
			Soy footprint breakdown	See Soy breakdown table					
Peat			% peat making up growing media sold	Branded: 2 peat-free products within a range of 5	No peat in bagged growing media sold from April 2021	No peat in bagged growing media sold	No peat in bagged growing media sold	<div><div>15</div><div>LIFE ON LAND</div><div></div></div> <div><div>13</div><div>CLIMATE ACTION</div><div></div></div>	


¹ These numbers include when multiple origins and importers have been named, even if these are not separated out to specific volumes of supply. As such the importer number does not match up exactly with the 'Multiple/Not yet attributable' figure

² FSC® C008811

Sustainable sourcing data

 Target Achieved
  On Track
  Close to Target
  Behind Schedule
  Target not Achieved
  Restatement
  In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
Wood & paper			Wood and paper products purchased by Co-op Food (m3)	57,995	47,399	41,762	31,514		
			Co-op Food: sourcing of wood and paper, by origin						
			% post and pre-consumer recycled waste	2	0	1.5	0.5 ¹		
			% known legal source virgin material such as PEFC	1	5	0.5	2		
			% wood and paper purchased for Co-op Food that was recycled or (FSC certified)	99 (97 FSC)	95	98	98		
			% wood and paper used in products for Co-op Food that is of known origin	100	100	100	100		
			% coffins manufactured (from 2022-2023) by our funeral business made from FSC®- certified ¹ wood	98	95	97	98		
			Data follows financial year, rather than calendar year						
Crop protection			Number of product samples tested	402	373	363	372		
			Samples with zero residues	126 (31%)	155 (42%)	152 (42%)	153 (41%)		
			Samples with 1 residue below Maximum Residue Limit - European Food Safety Authority (MRL)	82 (20%)	70 (19%)	70 (19%)	66 (18%)		
			Samples with multiple residues all below MRL	181 (45%)	138 (37%)	132 (36%)	143 (38%)		
			Samples with at least 1 MRL exceedance	13 (3%)	10 (3%)	9 (3%)	10 (3%)		
			Number of pesticide actives detected	748	668	640	665		
			Average detections per sample	1.86	1.79	1.8	1.79		
			Number classified by the World Health Organization Recommended Classification of Pesticides by Hazard (Categories 1A and 1B)	0 (1A); 4 (1B)	0 (1A); 2 (1B)	0 (1A); 0 (1B)	0 (1A); 0 (1B)		
			Number classified on PAN International List of Highly Hazardous Pesticides	167	141	138	211		

¹ SKU also FSC certified

Own-brand sourcing standards

Ingredient	Sourcing standard
Oceans and aquaculture	
Wild fish	Preferred standard - MSC.
Farmed fish	Preferred standards - Global Aquaculture Alliance Best Aquaculture Practice (GAA/BAP) 4*, GLOBALG.A.P. Aquaculture Standard, Aquaculture Stewardship Council Standards, Marine Stewardship Council certification.
Salmon	All Co-op 'Irresistible' own-brand farmed, fresh and smoked Atlantic Salmon sourced from Scottish farms accredited to RSPCA Assured higher welfare standards. This does not include salmon used as an ingredient. Co-op own-brand standard tier farmed Atlantic Salmon fresh, smoked and used as an ingredient in Co-op food products may be sourced from either Scottish farms or Norwegian farms (excluding Rogaland and Hordaland).
Prawns	Cold Water prawns - MSC. Warm Water prawns - either ASC certified or GAA BAP4*.
Tuna	Skipjack tuna, including as an ingredient, sourced from fisheries employing pole-and-line or hand-fishing method which are either MSC certified or in a credible or comprehensive Fishery Improvement Project which is demonstrating measurable progress towards MSC certification.
Livestock	
Chicken & poultry	Red Tractor or equivalent ('Irresistible' range RSPCA Assured) British (Fresh, frozen and ready meals).
Beef	Red Tractor or equivalent, British. Only European corned beef.
Milk & dairy	Red Tractor, British.
Lamb	Red Tractor, British.
Pork	RSPCA Assured, Outdoor bred, British. Red Tractor for Bacon, Gammon and Ham in Co-op Honest Value products. As an ingredient - Red Tractor.
Eggs	100% free range, British, shell eggs RSPCA Assured.

Ingredient	Sourcing standard
Forest and peatlands	
Cocoa	100% Fairtrade, including where used as an ingredient within our Fairtrade Sourcing. Ingredient (FSI) programme.
Coffee	100% Fairtrade. Where used as an ingredient, Fairtrade producers benefit.
Sugar	100% Fairtrade in bagged sugar.
Wood, paper & pulp	FSC or recycled content (by exception PEFC accepted).
Palm oil	Certified as sustainable under one of the Roundtable for Sustainable Palm Oil certification schemes.
Soy	The majority of our footprint (direct and indirect) is covered by RTRS Credits.
Peat	All bagged growing medium sold in our stores is peat free.
Fields and orchards	
Tea	100% Fairtrade. Where used as an ingredient, Fairtrade producers benefit.
Bananas	100% Fairtrade. Where used as an ingredient, Fairtrade producers benefit. GLOBALG.A.P.
Grapes & wine	Entry level South African wines are Fairtrade. Grapes - GLOBALG.A.P.
Flowers	100% Fairtrade African rose bouquets and African single-stem roses.
Lettuce	UK - Red Tractor. Other - GLOBALG.A.P.
Carrots	Red Tractor.
Tomatoes	UK - Red Tractor. Other - GLOBALG.A.P.
Citrus	GLOBALG.A.P.
Potatoes	Red Tractor.
Berries	UK - Red Tractor. Other - GLOBALG.A.P.

% of fresh protein sales by welfare standard

Own label	Red Tractor	RSPCA Assured / Higher Welfare (by volume)	Commentary
Turkey	100%	0%	
Chicken	98%	2%	
Beef	100%	0%	
Lamb	100%	0%	
Bacon	1%	99%	Some lines were Red Tractor but have now moved back to ODB (outdoor bred pork)
Pork	0%	100%	
Ham	1%	99%	Some lines were Red Tractor but have now moved back to ODB
Sausage	0%	100%	
Eggs	0%	100%	
Milk	100%	0%	
Salmon	N/A	9%	
Fish	N/A	N/A	
Cooked meats	100%	0%	
Continental meats	100%	0%	All EU lines certified to equivalent Red Tractor standard
Cheese	100%	0%	All EU lines certified to equivalent Red Tractor standard
Cream	100%	0%	All EU lines certified to equivalent Red Tractor standard
Butters and fats	100%	0%	All EU lines certified to equivalent Red Tractor standard
Ready to cook	79%	21%	

% of sales (value)

Proportion of fresh protein sales, by protein type	
Turkey	0.1%
Chicken	11.9%
Beef	9.5%
Lamb	0.6%
Bacon	5.9%
Pork	1.1%
Ham	6.4%
Sausage	3.4%
Eggs	5.5%
Milk	24.9%
Salmon	3.8%
Fish	4.0%
Cooked meats	9.6%
Continental meats	2.9%
Cheese	7.2%
Cream	1.8%
Butters and fats	0.5%
Ready to cook	1.0%
TOTAL	100%

Palm oil

Palm oil importer	% of 2023 supply	Link importer mill lists	2023 Co-op engagement
Sime Darby	46	Link	POTC Engagement
AAK	11	Link	POTC Engagement
Multiple Top 10	10		POTC Engagement
Olenex	4	Link	POTC Engagement
Stepan	4	Not currently available	POTC Engagement
ADM	3	Link	POTC Engagement
Other	10		POTC Engagement
Not attributable	12		Supplier Engagement

Soy footprint

Soy footprint by protein type	%
Beef	7%
Dairy	13%
Eggs	11%
Lamb	2%
Pork	21%
Poultry	33%
Seafood	1%
Other	0.1%
Direct Soy	0%

Soy importer	% footprint
Cargill	19%
Cefetra	10%
Viterra	1.3%
Others	18.2%
Not yet attributable	48%
Multiple Top 10	2%

Soy sourcing region	% footprint
Asia	0.1%
Europe	3%
North America	11%
South America	39%
Multi-region (including South America)	1.1%
Non-South America	15%
Not yet attributable	45%



Fairer business

- ▶ Fairer business
- ▶ Public policy engagement
- ▶ Independent assurance statement

Fairer business

When we carry out our business operations, it's not just what we do that matters, but how we do it. From addressing the challenges we face through the use of technology and personal data to the impacts of our investment and financing decisions, we aim to thread the concept of "better business" through everything we do.

Responsible finance and investments

We look for opportunities to align our investment and financing decisions with our values and ethics. One way of doing this is through sustainability-linked financial products, where we link the achievement of our sustainability targets to a financial incentive or penalty - reinforcing our commitment to future sustainability outcomes.

Sustainability linked loan

In 2019 we agreed a £400m sustainability linked Revolving Credit Facility (RCF) with our banks which allowed us to draw down amounts as needed to bridge timing differences between cash receipts from our sales and spending with

our suppliers. Under that RCF, the interest charged by our bank was linked to KPIs on our greenhouse gas (GHG) reduction programme. We benefited from lower interest rates by hitting our GHG targets but paid a penalty fee if we missed them. As we hit our original 2025 GHG emissions target early, in 2023, our banking group agreed to the inclusion of 3 new ESG metrics ensuring the facility meets the updated March 2023 Loan Market Association Sustainability-Linked principles. Our metrics are linked to our scope 3 GHG emissions, our food waste reduction targets, and monetary pledges to Co-op's Apprenticeship Levy Share. Failure to meet a metric increases the borrowing cost under the facility.



Sustainable foreign exchange agreement

Co-op buys some of the goods it sells from overseas suppliers and pays for them in foreign currency. We manage the risk of currency volatility through a hedging programme with a number of our banks.

Since 2021, we've held a sustainability-linked foreign exchange agreement with one of our banks whereby any trades undertaken with them offers a sustainability linked rebate to the extent Co-op meets Scope 1 & 2 GHG emissions targets.

Pension funds

In 2023, the trustees of our largest pension scheme, 'Pace' purchased an insurance 'buy-in policy' with Rothesay Life, which covers all of the scheme's remaining uninsured defined benefit liabilities. This means we now have buy-in policies in place with three insurers, which reduces risk and improves security for pension scheme members and our Co-op. As part of the selection of Rothesay Life, the Trustees considered their approach to sustainability, including commitments to transition to a net zero emissions investment portfolio.

Last year, Pace reviewed its carbon footprint and formally reported in line with the Taskforce on Climate-related Financial Disclosures' (TCFD) recommendations for the first time. In this year's TCFD report, in addition to Scope 1 and 2 emissions that were previously reported on, Pace also reported its 'Scope 3' carbon emissions; the scheme remains on target to meet its objective to achieve net zero greenhouse gas emissions by 2050 or sooner, with a 50% reduction by 2030 (relative to a 2016 baseline).

Further details on Pace's work to reduce its carbon footprint, and a summary of the Trustees' work on responsible investment over the year, is available [here](#).

Our two smaller defined benefit schemes, the Somerfield Pension Scheme and the United Norwest Pension Fund, also reviewed their responsible investment policies over the year, and both schemes made changes to their corporate bond investments to give fund managers explicit contractual objectives to reduce the carbon footprint of these investments. The two schemes also completed an exercise to benchmark their approach to responsible investment against comparable schemes. They scored an 'A+' rating and are in the top 2% of UK pension schemes (2022: A+).

Carbon offsetting in our insurance business

Through our long-standing offers for Co-op Car and Home Insurance customers, we contribute to projects across the world aimed at reducing carbon emissions and combating climate change, such as the Rooftop Solar Project in Africa. Through this we've contributed to the avoidance of over 12,000 tonnes of CO₂ in 2023. This action is voluntary, additional and does not affect our science-based carbon reduction targets which you can read about [here](#).

Responsible data and technology

Responsible technology is about how we manage and mitigate potential risk to all communities affected by technology. It involves:

How we minimise our environmental impact

In 2023, we launched the Store Energy Dashboard to provide food store colleagues with insights and suggestions to manage energy costs and usage across our stores.





Responsible use of data and artificial intelligence

We used technology and network upgrades across our Co-op, and continued to educate colleagues on data protection and information security basics to ensure the average availability of all our digital services to customers remained high.

The accessibility and inclusivity of our digital products and services

We are committed to making sure our digital services are accessible for all customers. In 2023, we created accessibility guidelines for games and mobile apps to make sure our Co-op App is accessible and equally beneficial for all Co-op members. As a result, our 'Member Match-up' game is screen reader friendly, has a font size adjuster, and has an alternative version for people who have visual/motor impairments, amongst other features.

The diversity of our workforce

We recognise that having a diverse workforce helps us to better understand and address the full range of challenges we face. To help us achieve this, we've developed undergraduate placements specialising in STEM subjects, and hosted events to spotlight the experiences of women in STEM at Co-op.

Data ethics

On-going awareness of Data Ethics is important to ensure the impact of data we collect, analyse, and share remains central to the decisions we make about data.

In 2023, we held six webinars to raise awareness of our tools and guidance to "prevent the harm" of data use, and "promote the good" of sharing data to benefit society.

We've also embedded data ethics into our ways of working through:

- Embedding our Data Ethics Canvas into our Data Governance process for project engagement.
- Extending ethical AI controls (Register and Guardrails) to include bought-in AI with our Procurement team, in addition to in-house developments.
- Establishing an AI Community of Interest to share knowledge and raise awareness of the opportunities and risks of AI.
- Continuing to work with Nottingham University on food insecurity modelling (impact of poverty on diet/nutrition).

Last year, we became the first organisation to complete the Open Data Institute's Data Ethics Maturity Model Assessment independently. See our blog [here](#).

In 2024 we will look to include external awareness.

Business integrity and responsible governance

Embedding ethics in our decision-making

Embedding ethics in our decision-making ensures that we're living up to our Co-op Purpose and Values. Our Ethical Decision-Making Tool (EDMT) is used to support all material decisions requiring Board and Executive approval and helps us to balance social, environmental, and commercial issues and consider decisions from a member perspective. In 2023 all Board papers requiring a material decision were accompanied by a paper summarising the EDTM considerations.

Public policy engagement

As a responsible business, we continue to use our influence to campaign for a fairer and more sustainable world and are open about our lobbying and its outcomes. We detail our engagement with Government on sustainability and responsible business issues [here](#).



Our broader economic impact

We're open and transparent in our tax affairs and were awarded the Fair Tax Mark for the 9th consecutive year in 2023. The Fair Tax Mark sets a standard for responsible tax practice and reporting and validates our openness and transparency about our tax affairs. We measure our 'economic value added' (the financial benefits that commercial organisations deliver to stakeholders) as set out [here](#).

Anti-corruption

Our commitment to comply with all relevant anticorruption laws is outlined in our Financial Crime Policy and Anti-Bribery Policy. Our Code of Business Conduct details our Board and Management's commitment to the elimination of any fraud within the organisation and rigorous investigation of any such cases, and we have an Anti-Fraud Policy and guidelines to support this commitment. Our Gifts and Hospitality Policy sets out our zero tolerance approach to bribery.

Compliance in our food business

Food safety and quality control

We work with our suppliers to simplify our supply chains and strengthen our risk management, traceability and quality assurance processes. Our Co-op own label suppliers are audited against British Retail Consortium (BRC) Global Standards¹. Food safety, legality and product quality requirements are delivered by working with our suppliers to ensure all products are compliant with relevant legislation and our own Co-op standards. Working with our suppliers and an independent testing laboratory, we've established a comprehensive testing programme which covers origin, production system, species, variety, composition and adulteration. This ensures our Co-op branded products deliver against all aspects of authenticity and protect our customers and the Co-op brand.

Performance benchmark

The GCA Annual Survey 2023 ranked Co-op in the **top 6 retailers** for conducting relationships fairly and in good faith, without duress.



Groceries Supply Code of Practice

We want our suppliers to feel that they have effective, collaborative, and fair relationships with us. Our food business's trading relationships with groceries suppliers are regulated by the Groceries Supply Code of Practice. Our Co-op is one of 14 designated retailers in the UK that the Code applies to. During 2023, we have continued to demonstrate our compliance with the Code. In the GCA Annual Survey 2023, our position in relation to compliance with the code improved from 6th to 5th with a score of 96% (2022:94%), and we were ranked 6th when suppliers were asked whether the Retailers conducted trading relationships fairly, in good faith and without duress (2022: 3rd).

2024 targets

We will retain Fair Tax Mark accreditation in 2024.

Our pension arrangements will operate leading Responsible Investment Policies and Reporting, and be recognised as a signatory of the revised UK Stewardship Code.

In line with our Co-op Values of openness and honesty, we will deliver world class, open and honest reporting on our ethics and sustainability performance in our Co-operate Report annually.

¹ A small proportion have other accreditation, e.g. smaller businesses

Fairer business data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2023 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024 Target	SDGs
Economic impact	We will retain Fair Tax Mark accreditation in 2023.	We retained Fair Tax Mark Accreditation	Fair Tax Mark accreditation	Yes	Yes	Yes	Yes	We will retain Fair Tax Mark accreditation in 2024	
Responsible data and technology	We will obtain an external benchmark of our Data Ethics capability against the Open Data Institute's Data Ethics Maturity Model.	Co-op was the first organisation to perform an independent assessment against the ODI's model.	Number of colleagues trained on Data Ethics	12	580	874	2,522		
			Data Ethics rolled out as optional module to all 4,569 Support Centre colleagues.						
			Number of activities (including project & BAU) that have been assessed against Data Ethics principles	7	5	10	13		
			Becoming more embedded into change/project data governance processes.						
Responsible finance	Our pension arrangements will operate leading Responsible Investment Policies and Reporting, and continue to be recognised as a signatory of the revised UK Stewardship Code.	Our pension arrangements have continued to operate leading Responsible Investment Policies and Reporting as set out here and in February 2023 the FRC confirmed that Pace continued to meet the reporting expectations to be a signatory of the UK Stewardship Code.						Our pension arrangements will operate leading Responsible Investment Policies and Reporting, and be recognised as a signatory of the revised UK Stewardship Code.	
Our reporting	In line with our Co-op Values of openness and honesty, we will deliver world-class open and honest reporting on our ethics and sustainability performance in our Cooperate Report annually.	Our reporting is published, externally audited and aligned with leading standards (GRI)						In-line with our Co-op Values of openness and honesty, we will deliver world class open and honest reporting on our ethics and sustainability performance in our Co-operate Report annually.	

Distribution of economic value added (£m)

‘Economic value added’ measures the financial benefits that commercial organisations deliver to stakeholders. Our reporting is based on the Global Reporting Initiative’s indicator on ‘direct economic value generated and distributed’.

(£m)	2020	2021	2022*	2023
Colleague wages and pension benefits	1,425	1,398	1,354	1,369
Payments to Government (mainly business rates, employers’ National Insurance and irrecoverable VAT)	150	166	206	192
Distribution to members	45	21	20	25
Community investment	47	41	45	46
Payments to providers of capital (interest paid to bankers or bondholders for loans)	63	56	R 58	56
Payments to providers of capital (interest paid on leases)	72	76	R 78	70
Set aside for capital maintenance and future growth (i.e. after accounting for other payments, including payments to Government, members and community investment)	357	261	R 261	197
Total	2,159	2,019	2,022	1,956

* Figures with a restatement symbol have been restated following the adoption of IFRS 17 (Insurance Contracts). Refer to the Co-operative Group Annual Report & Accounts (2023) Note 33 for further details

Public policy engagement

For reporting purposes, 'engagement' is restricted to instances where we've raised or supported a significant initiative, for instance responding to a Government or Parliamentary consultation, or a significant campaigning activation.

In addition to the public policy engagement noted below, we have also engaged directly with elected representatives in order to support them in representing their constituents' interests, and to use our insight and perspective to develop effective public policy. Over the course of 2023, we responded to 157 pieces of correspondence with elected representatives.

Issue	Audience	Engagement	Policy Position
Corporate			
Business Rates	HM Treasury and Members of the House of Commons	Sponsorship of the Retail Jobs Alliance, calling on Government to reform Business Rates, including parliamentary reception, alongside submission of written response to Government on rates consultation	Call on Government to reform Business Rates and level the playing field between 'bricks and mortar' and 'clicks and mortar' businesses, for the benefit of local communities
Food			
Waste & Resources	UK Government (Department for Environment, Food and Rural Affairs)	Responding to the Draft Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations Consultation Document	Welcome the UK Government's continued intention to deliver Extended Producer Responsibility
Waste & Resources	UK Government (HM Revenue and Customs)	Responding to the Plastic Packaging Tax - Chemical Recycling and Adoption of a Mass Balance Approach. Consultation Document	Support for the adoption of a mass balance approach for chemically recycled content for PPT purposes
Waste & Resources	Scottish Government	Engagement with officials and ministers on the development of the Deposit Return Scheme in Scotland	Engagement on the implementation and then delay of the Scottish Deposit Return Scheme
Responsible Retailing	Scottish Government	Responding to the Ending the Sale of Peat Consultation Document	Calling on the Scottish Government to move urgently to end the sale of compost containing peat
Responsible Retailing	UK Government (Department for Business & Trade)	Responding to the Improving Price Transparency and Product Information for Consumers Consultation Document	The UK Government should take a pragmatic and proportionate approach, ensuring, where possible, there is alignment for retailers operating in all four nations of the UK, as it reviews the Price Marking Order
Responsible Retailing	UK Government (Department for Transport)	Infrastructure for zero emission heavy goods vehicles and coaches	Clear policy direction and support for industry will be required to enable businesses to decarbonise their heavy goods vehicle fleets
Responsible Retailing	UK Government (Department for Environment, Food and Rural Affairs and Cabinet Office)	Engagement with officials and ministers on the implementation of the Windsor Framework	Welcoming the introduction of the Northern Ireland Retail Movement Scheme and engaging on its implementation
Responsible Retailing	UK Government (Department for Environment, Food and Rural Affairs; Department for Health and Social Care; and the Food Standards Agency)	Food Data Transparency Partnership	Participation of Co-op colleagues in the Design Partnership Group and Eco Working Group

Issue	Audience	Engagement	Policy Position
Food			
Public Health	Scottish Government	Responding to the Alcohol Advertising and Promotion Consultation Document	Calling on the Scottish Government to take a pragmatic approach as they considered their proposals to restrict the marketing and advertising of alcoholic products
Public Health	Scottish Government	Responding to the Minimum Unit Pricing Consultation Document	We continue to support Minimum Unit Pricing, which we recognise in conjunction with other more targeted measures may have a role to play in changing consumer behaviour to reduce alcohol consumption
Funeralcare			
Care of the deceased	Fuller Inquiry	Written evidence to consultation on care of the deceased in all settings	Care of the deceased in all settings should be of the highest standard
Bereavement	Employers	Roundtable on best practice in compassionate leave and support	Businesses should provide a high level of support to employees when they are bereaved
Alkaline Hydrolysis - England and Wales	Ministry of Justice and General Register Office	Regular discussions and correspondence with Ministers and officials on potential introduction of Alkaline Hydrolysis	The introduction of new, potentially more sustainable practices in the funeral sector should be explored
Alkaline Hydrolysis - Scotland	Scottish Government	Written evidence to consultation on potential introduction of Alkaline Hydrolysis in Scotland	We need to prevent ashes remaining in our care when they should be reunited with families or scattered appropriately
Licensing of Funeral Directors - Scotland	Scottish Government	Written evidence to consultation on introduction of a licensing regime for Funeral Directors	Care of the deceased in all settings should be of the highest standard
Statutory Inspection of Burial Authorities and Funeral Directors - Scotland	Scottish Government	Written evidence to consultation	Care of the deceased in all settings should be of the highest standard
Reform of the law related to death	Law Commission of England and Wales	Meetings held with officials to discuss potential scope of the review	The law relating to death needs to be updated to better support the bereaved
Safer Colleagues, Safer Communities Campaign			
Retail Crime	Members of Parliament, London Deputy Mayor, Police and Crime Commissioners and Industry Representatives	Support for USDAW's Respect for Shopworkers Week, raising awareness of the importance of taking action against violence and abuse against shopworkers	With legislation on the statute book, we need effective enforcement of the new offences by police and the courts
Retail Crime	All-Party Parliamentary Group chaired by Philip Davies MP	Presentation to the Customer Service All Party Parliamentary Group	The Government needs to track the use of the aggravated offence against shopworkers so they can assess if it is making a difference
Retail Crime	Elected Representatives	Party Conference Fringe Events (Conservative and Labour)	The Government should recognise that retailers cannot solve the challenge of retail crime without policing support
Retail Crime	Home Office and BIS alongside Police and Sector Representatives	Retail Crime Steering Group	The Government, police and retailers need to work together to tackle retail crime

Issue	Audience	Engagement	Policy Position
Social Mobility Campaign			
Apprenticeships	Members of Parliament and Peers	Participation in the All-Party Parliamentary Group (APPG) on Apprenticeships and contribution to annual report (July 2023)	Apprenticeships can be a route to social mobility and opportunities for individuals
Apprenticeships	Members of the House of Commons and Lords	Sponsorship of the APPG on Apprenticeships as a forum to promote better policy (throughout 2023)	Support for the adoption of a mass balance approach for chemically recycled content for PPT purposes
Apprenticeships	Elected Representatives	Party Conference Fringe Events Labour	Apprenticeships can be a route to social mobility and opportunities for individuals
Apprenticeships	Elected Representatives	Parliamentary roundtable to share young people's views on the apprenticeship rate	Payment of the apprenticeship rate may act as a disincentive to apprenticeship take-up for those from disadvantaged backgrounds
Social Mobility	Department for Education	Shirine Khoury-Haq's membership of the DfE Business Engagement Forum	Lifelong skills are key to an individual's social mobility
Social Mobility	Social Mobility Commission	Participation in Employers Group throughout 2023	Employers have a role to play in promoting social mobility
Social Mobility	Social Mobility Foundation	Sponsorship of guide to production of Class Pay Gap reports	Employers should publish class pay gap reports and take action to address issues identified
Social Mobility	Elected Representatives	Party Conference Fringe Event Labour	Employers have a role to play in promoting social mobility
Social Mobility	Parliamentarians	Event in Parliament to share findings from Peer Action Collective	Young people should be free to live their lives free from the fear of violence
Employment	Social Market Foundation	Participation in Advisory Group looking at 'Poverty in London'	Employers have a role to play in promoting social mobility
Climate Justice Campaign			
Net Zero	UK Government (Department for Energy Security and Net Zero)	Shirine Khoury-Haq was invited to chair the Government's Net Zero Council	That Government, industry and finance leaders need to work closely to seize the opportunities presented by the transition to Net Zero, and in doing so accelerate action in tackling the climate crisis
People & Planet	Elected Representatives	Water Security Roundtable	That action is needed from businesses and governments to tackle the impact of the climate crisis on water security
Taking Part	Elected Representatives	Great Big Green Week	Supporting The Climate Coalition's Great Big Green Week, engaging with our members, customers and the communities we serve on how they can play their part in tackling the climate crisis and using their voice to engage with elected representatives
People & Planet	Elected Representatives	Party Conference Fringe Events (Conservative and Labour)	That the perspectives and priorities of young people should be taken into consideration in how Net Zero is tackled



WHEN TRUST MATTERS

Independent Assurance Statement

The Co-operative Group Limited ("the Co-op") commissioned DNV Business Assurance Services UK Limited ("DNV", "we", or "us") to undertake independent assurance of the Co-op Sustainability Report 2023 (the "Report") for the year ended 31st December 2023.

Our Opinion:

- On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe the Co-op adherence to the Principles described below.
- In terms of the quality of the Performance data, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate.



Our observations and areas for improvement will be raised in a separate report to the Co-op's Management. Selected observations are provided below. These observations do not affect our conclusion set out above.

Materiality

Co-Op has extensively engaged with its stakeholders to ensure its new Vision for 2024 takes into account their feedback. However, we noted that Co-op undertook a review of its material issues in 2021; albeit this was a thorough exercise, we recommend Co-op refresh its materiality review ahead of the next reporting cycle and the release of the new Strategy.

Within the scope of our work, we found that the management approach for priority issues was well-embedded within the business.

Sustainability Context

The Report continues to include a significant number of short and medium-term targets, which is a strength.

Co-op has launched its new Overall Net-Zero Target, committing to reach net-zero GHG emissions across the value chain by 2040, which has been validated by the Science Based Target Initiative (SBTi). Since the new target also covers Scope 3 GHG emissions, we recommend Co-op continue reporting its Scope 3 emissions annually to enable stakeholders to track progress against the targets.

In 2023, Co-op extended its support package for colleagues in response to the cost-of-living crisis, and Co-op's support of the Hubbub Community Fridge network and Your Local Pantry partnerships further demonstrates its support to communities during challenging economic and political conjunctures.

Completeness

The Report continued to be comprehensive and delivers a detailed overview of the topics relevant to the stakeholders, offering confidence that the issues in scope are managed appropriately.

Stakeholder inclusiveness

The Report demonstrates a clear commitment to stakeholder engagement, outlining the different channels used to engage with the different stakeholder groups.

The Report also discloses most material topics discussed by the Co-Op with each stakeholder group and the outcomes of the engagement, including which actions have been taken by the Co-op to respond to stakeholders' expectations.

Quality

The data for most of the selected information in scope continues to be manually consolidated, increasing the risk of manual errors. We reiterate our recommendation from last year that Co-op explore the possibility of introducing a more automated process where possible.

Data collection procedures were not documented for some categories. We recognise that for some of the selected information in scope for last year, this gap has been addressed, however, we recommend Co-op review its collection and reporting methodologies for all the reported data sets to ensure data is comparable year on year.

We recommend Co-op conduct independent internal quality checks for consolidated datasets before the data is submitted for assurance.



Selected Information

The scope of our work covers the following disclosures ("Selected Information") from the Report, as identified with the symbol:

- **Community:** Total investment in UK and international communities (£m); Total UK community investment: Cash (£m), Colleague time (£m), Gifts in kind (£m); Total UK Leverage (donations by members, customers, partners and suppliers) (£m); Total investment in UK communities: Cash + Colleague Time + Gifts in Kind + Leverage (£m)
- **Our People, Diversity KPIs:** Female colleagues in leadership roles (%); Leaders from an ethnic minority background (%); Colleagues identified as belonging to an ethnic minority group (%)
- **Climate Change:** Total energy use (kWh); Scope 1 GHG emissions: Refrigeration (ktCO₂e), Transport (ktCO₂e), Energy: Fuel (ktCO₂e); Scope 2 GHG emissions: Energy: Electricity, Location-based (ktCO₂e); Scope 2 GHG emissions accounting for renewables: Energy: Electricity, Market-based accounting (ktCO₂e); Total direct emissions from running business, Location-based: Scope 1 and 2 GHG emissions (ktCO₂e); Building energy use (GWh); Electricity from renewable sources (%); Reduction in GHG emissions since 2016(%)
- **Sustainable Sourcing: Aquaculture and Fisheries:** % of fish used in Co-op branded food products from farmed sources; % of fish used in Co-op branded food products wild-caught; Number of Marine Stewardship Council (MSC)-certified Co-op branded food products; % of wild-captured seafood sourced from MSC fisheries (by volume); % of wild-capture seafood sourced from FIP (Fisheries Improvement Project) fisheries (by volume)
- **Sustainable Sourcing: Palm Oil:** % of Palm oil in food and non-food products that is certified by the Roundtable on Sustainable Palm Oil (RSPO); Palm oil used in Co-op branded food and non-food products (tonnes); % Segregated and Identity Preserved; % Mass Balance ; % RSPO credits

We evaluated the Selected Information using the Verisustain™ Reporting Principles for defining report quality, together with [the Co-op's basis of reporting](#) that describes how the data are measured, recorded and reported. This year we continued to rotate some data in scope and to review key claims throughout the Report, including the outputs of data systems outside the Selected Information but did not test these data systems in depth. The review of any data from prior years is not within the scope of our work (this includes any data in scope in previous years that has been re-stated).

We observed a series of non-material errors in the data set submitted for assurance that were corrected before the publication of the Report.

Standard and level of assurance

We performed a limited assurance engagement based on applicable principles, plus specified data and information using the 'Greenhouse Protocol – A Corporate Accounting and Reporting Standard' (revised 2015) and DNV's assurance methodology Verisustain™, which is based on our professional experience and international assurance best practices including the International Standard on Assurance Engagements (ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised) issued by the International Auditing and Assurance Standards Board. This methodology ensures compliance with ethical requirements and mandates planning and execution of the assurance engagement to obtain the desired level of assurance.

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and are shorter in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed.

Use and distribution of our Independent Assurance Statement

This report is intended solely for the information and use of the Directors of the Co-op and is not intended to be and should not be used by anyone other than these specified parties. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

WHEN TRUST MATTERS

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals DNV did not provide any services to the Co-Op in the reporting period that could compromise the independence or impartiality of our work. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Responsibilities of the Directors of the Co-op and DNV

The Management of Co-op has sole responsibility for:

- Preparing and presenting the selected information;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the selected Information that is free from material misstatements;
- Measuring and reporting the selected information.

DNV's responsibility is to plan and perform the work to obtain assurance about whether the selected information has been prepared in accordance with the reporting requirements and to report to Co-op in the form of an independent assurance opinion, based on the work performed and the evidence obtained. Our statement represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Assurance Statement.



Basis of our opinion

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work at head office level. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Co-op and its key stakeholders. Our limited assurance procedures included, but were not limited to, the following activities:

- Conducting interviews with the Co-op management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Review of the current responsible business issues that could affect the Co-op and are of interest to stakeholders;
- Review of the Co-op's approach to stakeholder engagement and recent outputs;
- Interviews with selected Board members, Directors and senior managers responsible for management of responsible business issues and review of selected evidence to support issues discussed. We were free to choose interviewees and functions;
- Review of supporting evidence for selected claims in the Report. Selected claims were chosen based on their perceived importance and the materiality of issues at a consolidated group level;
- Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation. Given most reported data are calculated at group level, we undertook our testing remotely at the head office;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated, and reported;
- Reviewing that the evidence, measurements, and their scope provided to us by The Co-op for the Selected Information is prepared in line with the Criteria;
- In performing these activities, we did not come across limitations to the scope of the agreed assurance engagement.

We found a limited number of non-material errors, and these were corrected prior to inclusion in the Report.

for and on behalf of DNV Business Assurance Services UK Limited

London, UK
27.03.2024

Digitally signed by
Papapicco, Antonella

Lead Verifier
DNV Business Assurance Services UK Limited

DNV-2024-ASR-C682252

Digitally signed
by O'Hanlon, Paul

Technical Reviewer
DNV Business Assurance Services UK Limited

WHEN TRUST MATTERS

Inherent limitations

DNV's assurance engagements are based on the assumption that the data and information provided by the Co-op to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. Because of the selected nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. The engagement excludes the sustainability management, performance, and reporting practices of the Company's suppliers, contractors, and any third parties mentioned in the Report. We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement.

DNV Supply Chain and Product Assurance

DNV Business Assurance Services UK Limited is part of DNV – Supply Chain and Product Assurance, a global provider of certification, verification, assessment and training services, enabling customers and stakeholders to make critical decisions with confidence.

www.dnv.co.uk/BetterAssurance

Co-operative Group Limited

Registered society, registered in England and Wales under the Co-operative and Community Benefit Societies Act

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