

ACCESS TO A SUSTAINABLE FUTURE



**REDUCE OUR ENVIRONMENTAL IMPACT
AND PROTECT & RESTORE NATURE**



TAKE ACTION ON CLIMATE JUSTICE



**SOURCE RESPONSIBLY AND BUILD RESILIENT,
INCLUSIVE SUPPLY CHAINS**



**SUPPORT PEOPLE IN MAKING HEALTHY
AND SUSTAINABLE CHOICES**



65%

65% reduction in GHG¹ emissions from our operations (Scope 1 & 2) since 2016
27% reduction in GHG emissions from our value chain (Scope 3) since 2016

¹ Greenhouse Gas.



230t

We removed 230 tonnes of plastic packaging through reduction projects



£707k

£707,000 of Co-op funding deployed to water, sanitation and hygiene programmes with Water Unite in 2025, reaching 8,762 beneficiaries



GOLD

GOLD EcoVadis Medal for sustainability performance, placing Co-op among the top 5% of companies assessed globally

CLIMATE CHANGE

Together, we're making real progress towards a more sustainable future and reaching Net Zero is a priority for us and our member owners. But we can't solve this alone; collective action is essential for reducing carbon emissions and protecting people and the planet.

OUR TARGETS¹:

Long-term target

We will be a Net Zero business by 2035 for our GHG operations (Scope 1 and 2) and by 2040 across our value chain (Scope 3).

Near-term targets

- We commit to reduce absolute Scope 1 and 2 GHG emissions by 66% by 2030, from a 2016 base year.
- We commit to reduce absolute Scope 3 GHG emissions by 48% by 2030, from a 2016 base year.
- 77% of suppliers in Category 1, Scope 3 GHG emissions covered by suppliers with validated science-based targets by 2026 & 79% of suppliers in Category 1 Scope 3 GHG emissions covered by suppliers with validated science-based targets by 2030.

OUR PROGRESS:

- 65% reduction in GHG emissions from running our business (Scope 1 & 2) since 2016.
- 27% reduction in value chain and product (Scope 3) GHG emissions since 2016.
- 72% of Category 1 Scope 3 GHG emissions covered by suppliers with validated science-based targets in 2025.

For over 20 years, we've been reducing our carbon emissions - cutting our energy use, investing in renewables, upgrading to more efficient vehicles and fridges, and supporting our producers around the world.

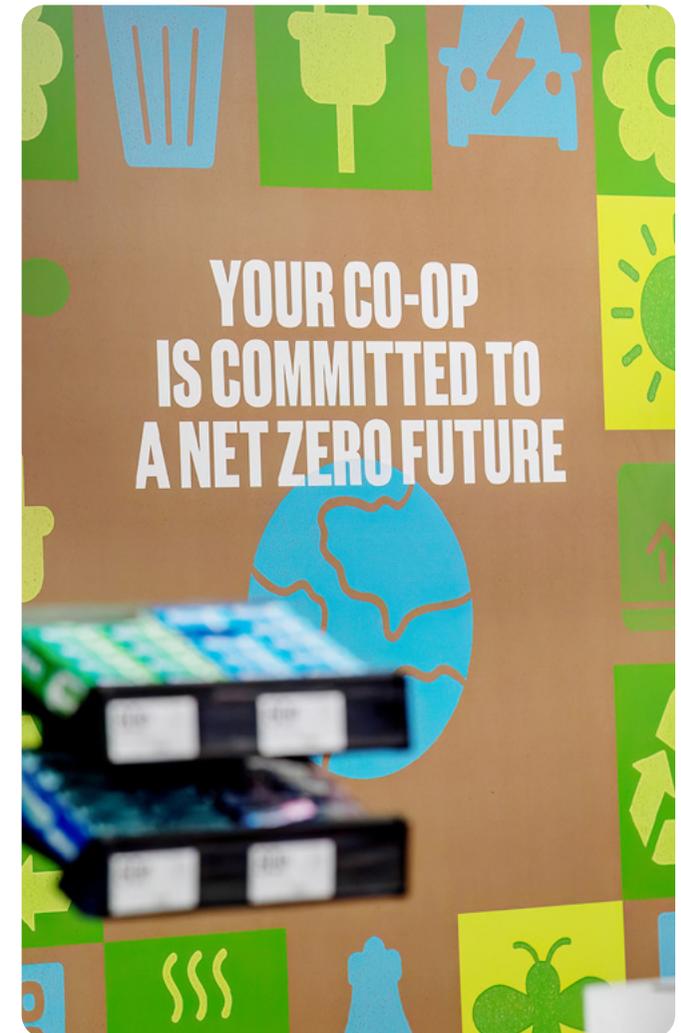
We know we can't solve climate change alone; most of our emissions² come from producing the products we sell, so working with our suppliers and producers is essential.

Our climate action is guided by three principles:

1 FOLLOW THE SCIENCE.

2 WORK FOR A FAIR AND JUST TRANSITION.

3 CO-OPERATE FOR SYSTEMS CHANGE.



¹ Following the latest best practice guidance of the Science Based Targets Initiative, we have set detailed target pathways which break down our 'energy and industry' and 'forestry, land use and agriculture' emissions and our pathway to reach Net Zero. These are set out in detail in our performance data.

² 95% of our carbon footprint came from Scope 3 emissions in 2025.

Reduce our environmental impact and protect & restore nature

CO-OP'S CARBON FOOTPRINT 2025 (ktCO₂e)

SCOPE 3 (EMISSIONS FROM OUR VALUE CHAIN)

57%

(2,358 ktCO₂e)

Purchased Goods

Production of our ingredients across the world, whether from plants or animals, branded or own-brand



10%

(427 ktCO₂e)

Packaging

All the packaging on our products



10%

(411 ktCO₂e)

Manufacturing products

Processing ingredients into the final product



7%

(273 ktCO₂e)

Land Use Change

Estimated impact of deforestation and land use change in our supply chain



5%

(214 ktCO₂e)

Supply chain transport

All the transportation of ingredients or final products before it gets to our depots



4%

(163 ktCO₂e)

Goods and Services to run our business

Emissions covering the goods or services to run our business. From carrier bags to uniforms



SCOPE 1 & 2 (EMISSIONS FROM RUNNING OUR BUSINESS)

2%

(83 ktCO₂e)

Electricity used at Co-op



<1%

(15 ktCO₂e)

Gas used at Co-op



2%

(86 ktCO₂e)

Transport by Co-op

Transport of goods to store, home delivery and our Funeralcare fleet



1%

(47 ktCO₂e)

Refrigeration at Co-op

Emissions from running our fridges



2%

(77 ktCO₂e)

Other

Everything else. Including colleagues commuting to work, travelling for business, and the end disposal of waste we generate



This breakdown shows emissions within the scope of our near-term target boundary. Our total footprint also includes a number of smaller categories of GHG emissions excluded from our near-term targets as per SBTi guidance, detailed [here](#). The percentages have been rounded to the nearest whole number.

PRINCIPLE 1. FOLLOW THE SCIENCE, RAPIDLY REDUCE CARBON EMISSIONS

HOW WE'RE REDUCING CARBON EMISSIONS – SCOPE 1 & 2



65% reduction

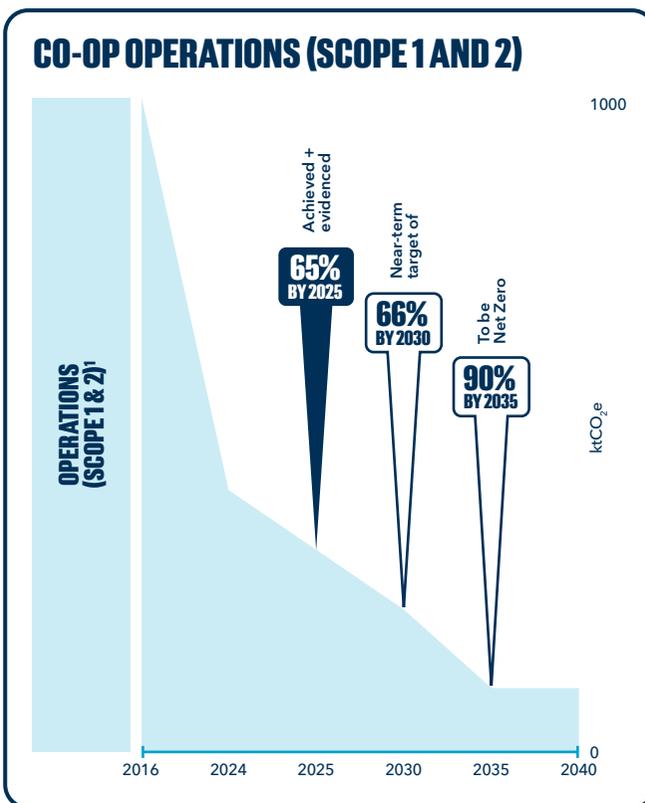
in GHG emissions from running our business (Scope 1 & 2) since 2016.

In 2025, we made significant progress in our energy efficiency, cutting electricity use by 4%, gas use by 13%, and reducing carbon emissions from electricity and gas by 17% compared to 2024. This was achieved through investment in store refits and asset connectivity upgrades allowing us to optimise energy consumption remotely. We also installed more submeters to improve our energy use tracking, undertook optimisation measures, and installed solar panels on several stores and one depot.



OWNED BY YOU

We were delighted to welcome members and customers to our two Sustainability Showcase stores in Soham and Earls Barton this year, giving them an opportunity to see the changes we're making to our food store estate to reduce emissions from our operations. Click the video to hear more about our Earls Barton store.



Solar installation at our Kilgetty Food Store

Biggleswade Solar, Offshore Wind & Solar PV Rollout

We installed retrofit rooftop solar panels on food stores for the first time this year, giving us valuable insights that are shaping a scalable rollout plan for 2026, ensuring we can deliver solar at pace and with confidence.

Our largest installation was our Biggleswade depot², where circa 6,700 panels now generate circa 2,500 MWh/year. This reduces our carbon emissions, improves our energy security and eases pressure on the national grid. We've also signed power purchase agreements to secure a long-term supply of renewable energy.

¹ Energy, fossil fuels and cooling.

² Went live in July 2025.

Reduce our environmental impact and protect & restore nature

Despite a 2% reduction in diesel use due to reduced volumes following the cyber attack, emissions from the food logistics network rose slightly (0.4%¹) due to higher emissions per litre of diesel. We continued to improve vehicle efficiency, refrigeration plug-in compliance and transport network optimisation to help drive down emissions. We introduced 30 biomethane tractor units and installed high-efficiency refrigeration onto our new fixed-body delivery trucks. Our home delivery fleet is being updated too, with 50 new electric non-refrigerated vehicles and a small number of diesel vehicles replacing older refrigerated diesel models². In Funeralcare, we added a further 13 electric hearses and 13 electric limousines to the fleet.

OPPORTUNITIES FOR THE FUTURE

We will continue to work on reducing our emissions from electricity and gas in 2026 and beyond, through energy efficiency technologies and initiatives, and through our solar rollout, which will continue in 2026 to cover more stores, depots and funeral homes.

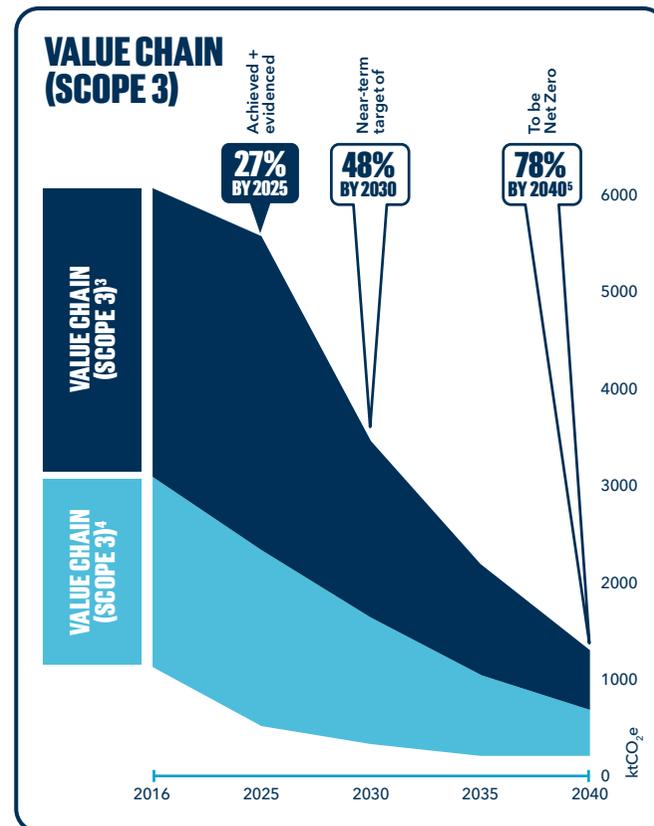
We'll keep optimising our fleet to improve efficiency across our network, we'll also continue to review biomethane vehicles as an alternative to diesel in 2026. High efficiency refrigeration units are now standard on new logistics vehicles and 2026 will see the introduction of our first fully electric heavy goods vehicle.

We'll continue to invest in natural refrigeration systems in new stores and refits, whilst collaborating with refrigeration manufacturers and installers to embrace new technology to continue to reduce emissions.

¹ Since 2024.
² Rollout started in Q4 25 and will complete in Q1 26.
³ Forestry, land use and agriculture.
⁴ Energy, waste, heat, fossil fuels, industry.
⁵ This equates to a 90% reduction in Scope 1, 2 and 3 energy & industrial emissions and a 72% reduction in FLAG emissions. See full target detail in the Our Data [section](#).

HOW WE'RE REDUCING CARBON EMISSIONS – SCOPE 3

PROGRESS THIS YEAR



Over 90% of our carbon footprint comes from Scope 3 emissions, most of which are linked to producing the products we sell. This makes reducing the carbon footprint of our products and value chain critical in reducing our climate impact. In 2025, we've taken four main actions:

- Improving product data.
- Supporting British farmers.
- Designing more sustainable products.
- Engaging with our suppliers.

IMPROVING PRODUCT DATA

When we first estimated our value chain (Scope 3) emissions back in 2016, we had to make a lot of assumptions about our product emissions. We've since collaborated across the food industry with other retailers and our suppliers to build a common way of measuring the impacts of the products we sell (read more about Cross Industry Collaboration [here](#)).

By the end of 2025, we now use specific-product level data for the majority of our own-brand food products. This gives us a more accurate and transparent view of our impact, helps us target the areas where we can make the biggest difference, and enables us to work with suppliers on shared plans and track progress together.

SUPPORTING BRITISH FARMERS

We depend on British farmers to grow and produce the food we sell. In 2025, we announced a new fund to support them and we have continued to support them to reduce the carbon intensity of our dairy and protein. Read more about our commitments and work with British farmers [here](#).

Reduce our environmental impact and protect & restore nature

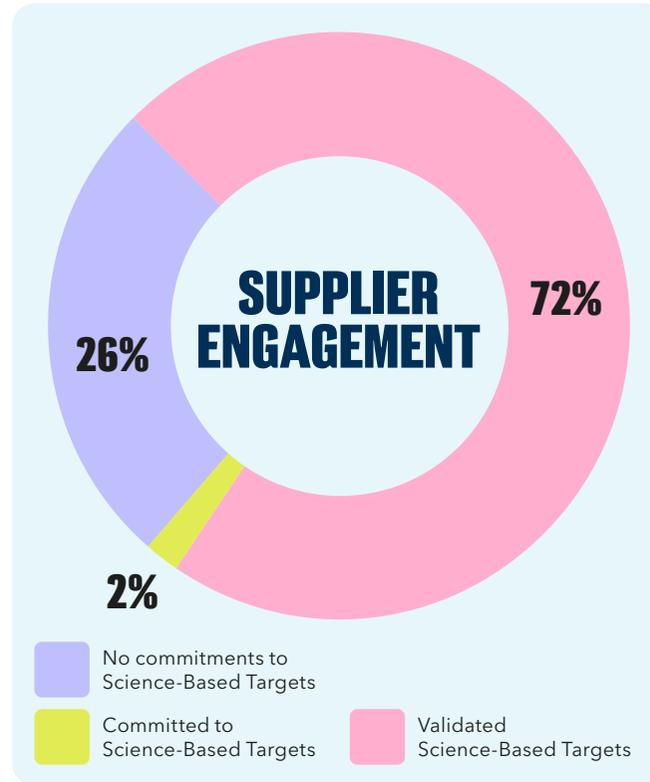
DESIGNING MORE SUSTAINABLE PRODUCTS

Cutting waste and improving our packaging helps lower our carbon footprint and makes our products more affordable for our customers. In 2025, we removed 235 tonnes of plastic packaging. Now that we have data on the carbon footprint of all our own-brand products, we can make changes which improve quality, nutrition and environmental impact at the same time.

SUPPLIER ENGAGEMENT

We buy products from thousands of suppliers every year. We track the progress of our top 200 suppliers towards carbon reduction, and in 2025, we continued to work with our strategic suppliers to agree plans and make progress.

This year, 72% of our purchased goods GHG emissions are from suppliers with validated near-term science-based targets, up from 48% in 2024 – a strong step forward towards our shared climate goals.



PRINCIPLE 2. WORK FOR A FAIR AND JUST TRANSITION, ADAPT TO A CHANGING CLIMATE

Climate change is making growing conditions more volatile, affecting food production and, in turn, the livelihoods and lives that depend on it. Farmers, communities and workers who produce our products globally are directly affected by the present-day impacts of climate change and extreme weather events.

Our approach is split into two parts:

- Understanding Climate Risk: Ensuring we understand the scale of change that is coming, including the growing risk to our business, and to the people who produce and supply our products and services.
- Supporting Adaptation and Resilience: Acting as an ethical and fair-trading partner to the people we source from and support their adaptation to climate change.

UNDERSTANDING CLIMATE RISK

We publish a detailed climate risk disclosure report each year which you can read [here](#), aligned to the best practice guidance of the Task Force on Climate-related Financial Disclosures (TCFD).

SUPPORTING ADAPTATION AND RESILIENCE

Climate justice means those least responsible for climate change shouldn't face the greatest impacts.



We support Fairtrade producers to adapt and mitigate through diversifying income, growing more resilient crops and adopting practices like shade planting. Read more about our work with The Fairtrade Foundation [here](#).

In recent years we've seen more volatile weather in the UK as well, and we're supporting our British farmers to adapt to unpredictable harvests. Read more about our support for British Farming [here](#).

PRINCIPLE 3. CO-OPERATE FOR SYSTEMS CHANGE, WORK TOGETHER ACROSS SOCIETY

We drive systems change rather than acting alone. Climate change is a shared issue that needs a co-operative response. In 2025 we did this in three ways.

POLITICAL ENGAGEMENT AND LEADERSHIP

In July, we supported a mass lobby, organised by The Climate Coalition, a coalition of over 100 organisations including The Co-op, uniting voices to demand action for people, climate and nature.

CROSS-INDUSTRY COLLABORATION

This year we have continued to support cross-industry alignment through the [IGD](#) Transition Plan for the UK Food System.

We're supporting IGD's work to build the value case for baselining the carbon footprint and nature impact of British farms. Read more in our Farming and Fisheries section [here](#).

By standardising product carbon footprinting across the industry, we've collectively removed a major barrier to Net Zero and enabled increased collaboration with our suppliers, farmers and producers.

NGO AND CHARITY PARTNERSHIPS

In 2025, we have continued our charitable partnership to restore degraded peatlands with the RSPB, with the first two years of the partnership protecting 500 hectares of peatland in their natural state long into the future, avoiding about 70,000 tonnes of carbon emissions, and seeing the return of rare species including golden plover, hen harrier and curlew.

Our cross-industry work is supported and convened by environmental NGOs¹ who play an important role in holding us to high independent standards, primarily [WWF](#) and [WRAP](#), working alongside our industry bodies IGD and [BRC](#). You can read more about the work of retail-environmental NGO partnerships online [here](#).



Mondra

Understanding the environmental impact of food products has long been a challenge. Calculating a single product's carbon footprint used to be slow and inconsistent, making it hard for the industry to compare emissions, track progress or work together effectively.

The BRC-Mondra coalition has changed that. Now representing over 90% of the food retail market, it combines advanced technology with industry collaboration resulting in standardised carbon footprints for thousands of our own-brand products. This gives us high-quality, scalable data that updates automatically whenever recipes or packaging change - allowing us to track progress in real time. As data from British farmers can be added, accuracy will continue to improve.



¹ Non-governmental organisation.

DELIVERING IMPACT IN OUR STORES

We launched two new Sustainability Showcase stores in 2025 to introduce and test innovative technologies in real operating conditions. These stores allow us to trial new solutions, understand how they perform and explore how they can be integrated across our wider estate.

A key part of the programme is sharing our journey with our member owners, customers, colleagues, industry partners and peers, because co-operation is essential to meeting our shared climate goals.

This diagram highlights a range of innovative features included in our Sustainability Showcase stores. We've also included some product-based initiatives and certifications that support both environmental and social impact – from reducing waste and energy use to supporting better benefits for farmers and workers in our supply chains. Together, they reflect the steps we're taking to make a meaningful difference across our entire store estate, range and supply chain.



RESOURCE USE

We have an important role to play in how we use resources. By reducing waste, choosing materials wisely and working more efficiently, we can help create a future that's better for our colleagues, communities and the planet.

PLASTICS AND PACKAGING

Packaging plays an important role in keeping food fresh, maintaining quality and preventing waste. We're committed to reducing its environmental impact by continually improving and innovating our materials while ensuring we meet current and emerging regulations in a cost-effective way.

OUR TARGET:

We will reduce our plastic packaging by 30% by the end of 2025, per 1% market share compared to baseline year of 2018.

OUR PROGRESS:

Against our target using the Kantar market share metric, our final figure was 27.5%

In 2025, we focused on three key areas:

- **Improving data quality:** We've been improving our data quality to comply with the Extended Producer Responsibility (EPR) obligations.
- **Continuing our work on plastic reduction.**
- **Resetting our Packaging Strategy:** In line with the new UK Packaging Pact¹, of which we are a founding member, and the UK Government Circular Economy Growth Strategy².



2025 PLASTIC REDUCTION PROJECTS

Tomatoes and peppers tray redesign:



78 TONNES

Moved laundry detergents to fibre-based cartons:



33.5 TONNES

Mini bites moved to bag in box:



20 TONNES

Irresistible steaks moved to card skin trays:



20 TONNES

Irresistible potatoes - Removed sleeve and used printed film:



19 TONNES

Yum Yums - Switched into card trays:



17 TONNES

Citrus Fruits - Format update:



14 TONNES

Flowers - Sleeve reduction:



12 TONNES

FTG snack pots - micron reduction:



7.3 TONNES

Spring onion tag removal:



5 TONNES

Cut herbs film downgauge:



4 TONNES

Washing up liquid cap redesign:



0.3 TONNES

¹ UK Packaging Pact | WRAP - The Waste and Resources Action Programme

² Circular Economy Taskforce - GOV.UK

Our progress

We have reduced our plastic use in absolute terms by 37%, and 27.5% against our target using the Kantar market share metric.

Whilst plastic reduction remains part of our ongoing strategy, our future focus will be on optimising packaging to minimise overall environmental impact by reducing material weights, increasing recycled content and improving recyclability.

Opportunities for the future

Alongside reducing plastic, we're focused on making all our own-brand packaging easy to recycle and lowering the environmental impact of the materials we use. We're also reviewing new targets to help drive further progress.

Our priorities for 2026:

- Implement our new Packaging Strategy, aiming to reduce the environmental impact of all packaging materials including plastics, metals and glass.
- Review our packaging target using a revised methodology and our improved data sources.
- Improve data accuracy to help us reduce the impact of extended producer responsibility.
- We will continue to work with our suppliers to ensure that all packaging materials are sourced responsibly.

CASE STUDY



Deposit Return Schemes

Our members are passionate about reducing packaging waste and finding easy-to-recycle alternatives. In response to this, as part of our Recycle Week in September, we asked our members to Join In with a survey on Deposit Return Schemes (DRS) - a Government initiative set to come into force for aluminium and plastic drinks containers in 2027. While DRS will help ensure materials are recycled

effectively, it also brings challenges for retailers including take-back requirements, store space, logistics and labelling.

Over 6,000 members joined in to talk to us about this issue, the insights from which will shape how we implement DRS in a way that works for our members, focusing on convenient return options and flexible ways to receive cash deposits.

Reduce our environmental impact and protect & restore nature

FOOD WASTE

Food waste puts pressure on precious resources like water and land and drives up emissions. Our member owners care about preventing food waste, and so do we. That's why we work hard to prevent food waste - and when food does become surplus, we try to ensure that it's shared with people in our communities.

OUR TARGET:

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

OUR PROGRESS:

In 2025 although we saw an increase in our food waste, our reduction since 2022 sits at 20% and we are still on track to achieve our 2030 target.

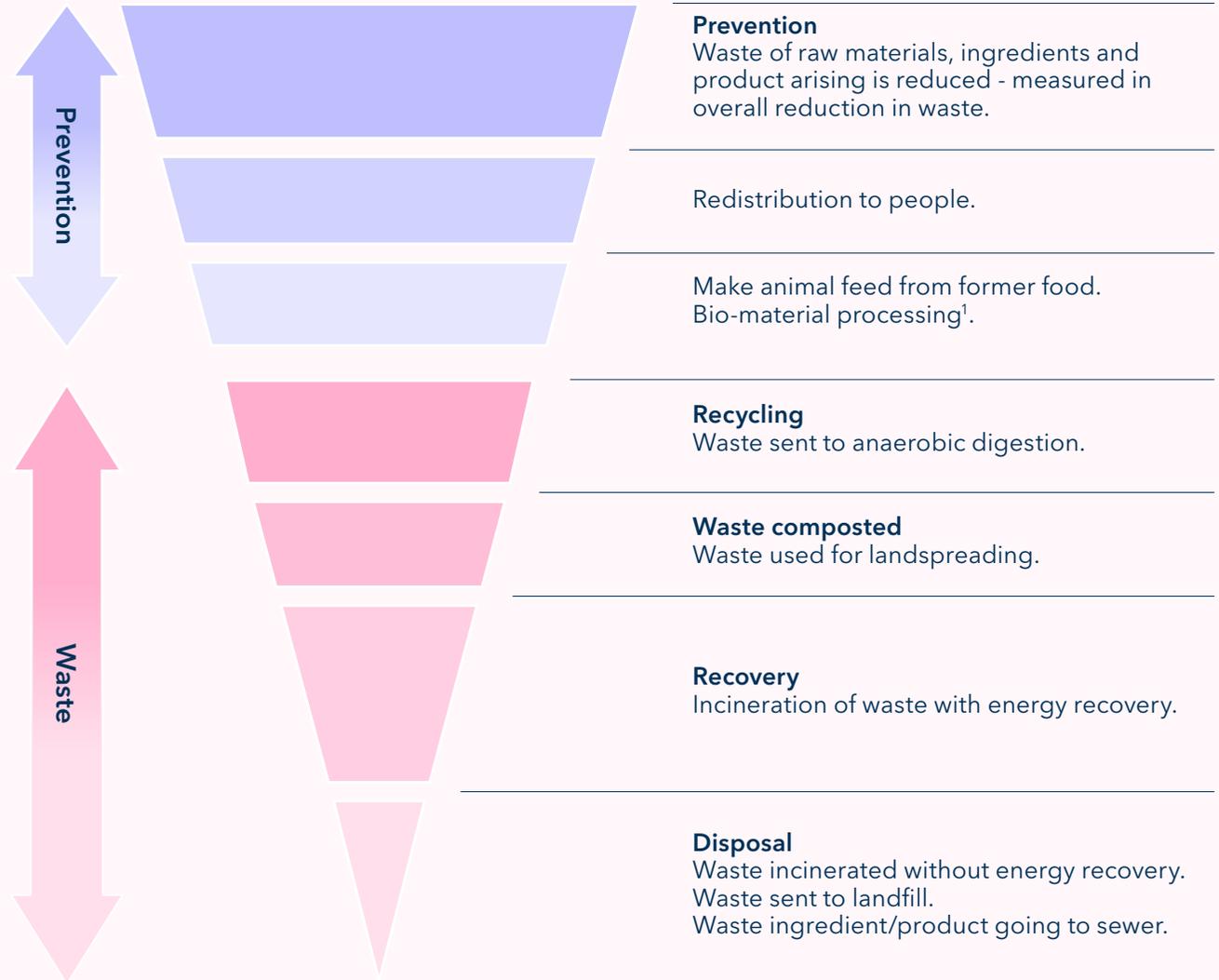
We continue to tackle food waste across our operations, following the food use hierarchy (see diagram to the right). We support suppliers, members and customers to reduce and prevent food waste, and where food cannot be sold, we prioritise redistribution. Through our food redistribution platform Caboodle, surplus food from stores is redistributed to community groups, while our depots work with national and local partners. Any food that cannot be redistributed is used to make green energy through [anaerobic digestion](#).



7,000 tonnes

We redistributed over 7,000 tonnes of food in 2025 (nearly 1,000 tonnes more than last year), enough to provide the equivalent of 16.7m meals.

FOOD MATERIAL HIERARCHY



¹ Turning organic waste materials (like surplus food, peelings, trimmings, expired products, etc.) into useful biological products rather than sending them to landfill or incineration.

Reduce our environmental impact and protect & restore nature

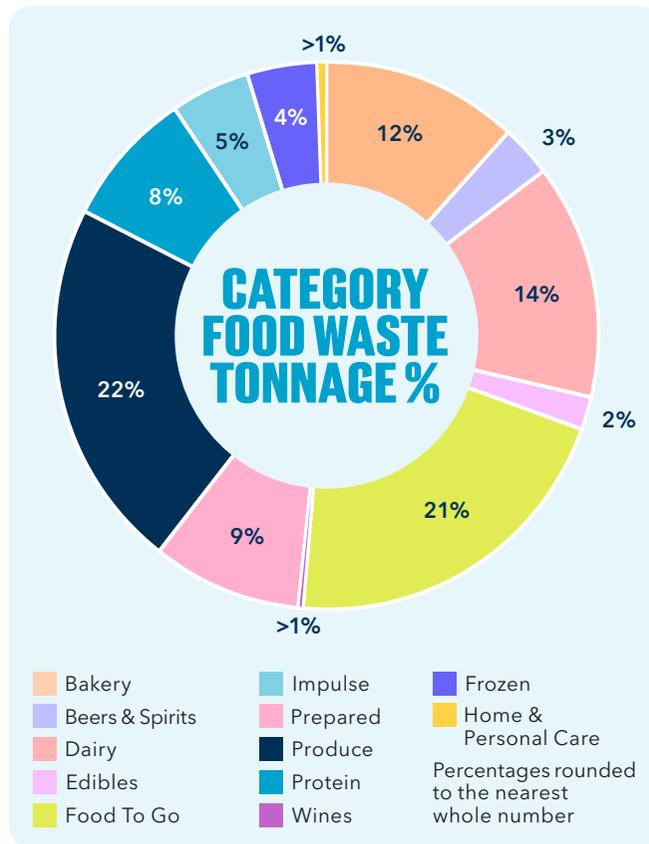


OWNED BY YOU

Members asked us to develop activities that will help them save money through reducing Food Waste. In Food Waste Action Week this year we held hundreds of events across the UK and provided online content for members to find out more about how to save money and save the planet. [You're helping to prevent food waste | Co-op Blog](#)

This year, we've seen a 16.5% increase in our food waste. This is due to several factors including our commercial strategy, the impact of the cyber-attack and the resulting reprioritisation of available stock into stores. Our focus for 2026 is to continue to work towards our 2030 target. The unprecedented challenges of 2025 also highlighted the need to strengthen our redistribution capability, both for day-to-day operations and for unexpected events.

The chart on the right shows a breakdown of our food waste in 2025. The increase in our operational food waste inevitably impacted on our food waste intensity, which rose 1.03% last year to 1.23%.



We have continued to work on prevention of food waste throughout the year, using data and collaborating with suppliers to identify high-waste lines such as bananas, in-store Bakery (ISB) and Food to Go.

We're focusing on a wide range of programmes with suppliers and colleagues, to drive value and cut waste from our supply chain. We've also reviewed our redistribution processes in-store to identify key improvements for the future.



CASE STUDY

Engaging with customers on food waste and contributing to collaborative initiatives

In-store bakery (ISB) is one of our highest-wasting categories, contributing over 1,000 tonnes of unsold food in 2024. To address this, we launched a Co-op member initiative offering 50% off loose ISB items after 6pm supported by the "More Value, Less Waste" campaign. Our store colleagues have welcomed the initiative, with a strong increase in member sales after 6pm and less food going to waste.

Reduce our environmental impact and protect & restore nature

CASE
STUDY



Collaboration with our main suppliers to track, measure and act on food waste in the supply chain

As part of our efforts to prevent waste in our stores, we've engaged with key suppliers to identify our priority areas and inform supply chain actions. One example is our collaboration with Warburtons where we targeted a batch of high-waste intensity lines and analysed the sales and waste data at a store level. Warburtons used these insights to make targeted interventions. After six weeks of monitoring, the data showed a drop in waste by 2% across the lines and helped to optimise sales.

Opportunities for the future

We'll continue to focus on preventing food waste across our highest-wasting categories including bakery, dairy, fresh produce and Food to Go. Insights gathered in 2025, such as our end-to-end review of bananas and work with key Food to Go suppliers, will guide targeted prevention activities.

We now have a clear plan to strengthen our redistribution capability, and delivering these improvements will be a major focus for 2026.

We'll also continue to refine the delivery of our food waste prevention strategy, exploring opportunities for improvement and shared learning across our wider network including wholesale, franchise stores and member societies.

WATER USE

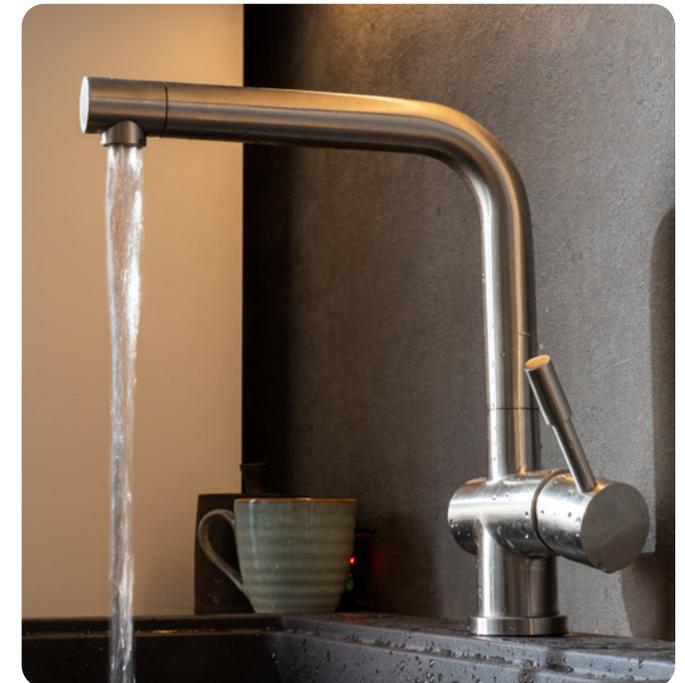
Last year, we reported on our work to improve the accuracy of our water consumption data and outlined our plan to install automatic meters at key sites. These steps have strengthened our understanding of water use. However, overall consumption in 2025 increased slightly due to a small number of leaks across our estate. As a result, we did not achieve our 2025 target.

This outcome highlights the need for accurate data and proactive leak management. In response, we have launched a new water strategy and roadmap, with a strong emphasis on improved data and monitoring. Key actions include expanding our automatic meter reading (AMR) programme and developing dashboards to track consumption in real time. We have also implemented monthly reviews, leak identification processes, and targeted audits to drive efficiency.

Alongside these measures, we have refreshed internal targets for depots, Funeralcare and food sites and established a water management working group to oversee delivery. Our roadmap focuses on five key pillars:

- Data improvement
- Leak monitoring
- Colleague engagement
- Target setting and reporting
- Efficiency measures

These actions will help us embed responsible water use across our operations. We will share further updates in our 2026 report.



NATURE

A resilient food system depends on nature – from fresh water and fertile soils to biodiversity. But these ecosystems are under increasing pressure, and the global food system is a major driver of nature loss. Our members have called for action, and we recognise our responsibility to reduce our impact, protect nature and work with suppliers and partners to restore nature in our key sourcing regions.

Our members have told us they care about nature. Taking action helps protect food security, support communities and reduce the impacts of climate change. That's why we've made public commitments to support nature, including being a founding signatory of the WWF Retailers' Commitment for Nature.

Nature is already central to many of our responsible retailing programmes – we're tackling deforestation, responding to the climate crisis and building resilience across our strategic supply chains. Read more [here](#).

In 2025, we partnered with the Soil Association Exchange (SAX) to promote carbon reduction, biodiversity and soil health through sustainable farming practices in key supply chains. To read about

our work with SAX in more detail, see our [Farming and Fisheries section](#).

Other existing nature programmes include our charitable partnership with RSPB (see [case study](#)), our cocoa PIP¹ programme in key cocoa-growing communities in Peru (read more [here](#)), and reforestation and biodiversity research in Malaysian Borneo with Chester Zoo and HUTAN (read more [here](#)).

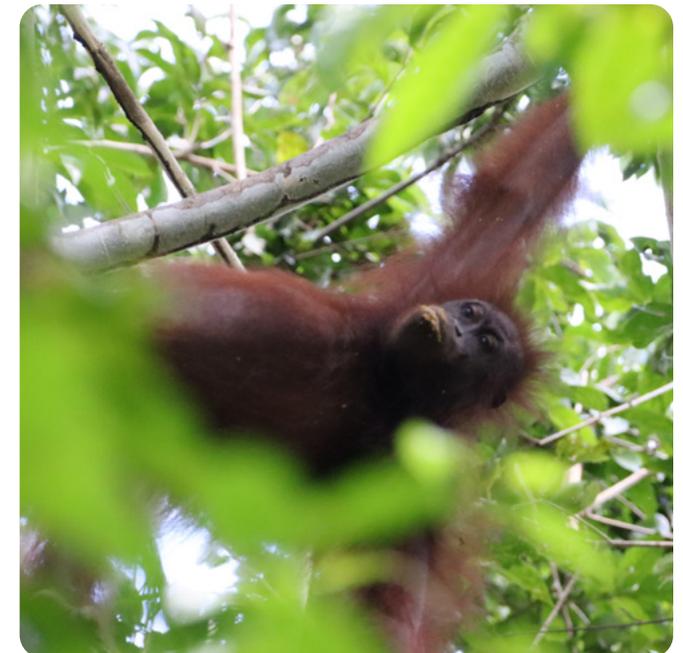


OWNED BY YOU

Our members smashed our target of 50,000 hours in nature this year by completing over 585,000 hours as part of our Summer in Nature campaign and taking 92,000 actions in support of nature. [You joined us for a Summer of Nature | Co-op Blog](#)



Cerniau, Wales 2025. Credit: Daniela Klein



¹ Productivity Improvement Programme.

CASE STUDY



Restoring UK peatlands with RSPB

Through our partnership with the RSPB, we're supporting the restoration of UK peatlands through a three-year project, funded by proceeds from our Co-op carrier bags. We've contributed £2m so far, supporting work on six sites, including Forsinard in the Scottish Highlands and Cerniau in Wales.

We've prevented around 70,000 tonnes of CO₂ emissions over the sites' managed lifetimes, tracked and verified through the Peatland Code.

Nature is already returning – sphagnum moss is thriving, water voles have returned and rare birds like hen harriers and golden plovers are nesting.

This work isn't just about climate and biodiversity – it's about people too. The project is creating local jobs, building skills and supporting rural economies. By investing in peatland restoration, we're helping to protect iconic landscapes and contribute to thriving environments.

OPPORTUNITIES FOR THE FUTURE

We're developing our approach to addressing nature loss and its impacts more holistically.

In 2025, we worked with expert partners to complete a nature risk materiality assessment, giving us a clearer picture of how key ingredients¹ affect nature in our key sourcing regions².

These insights are shaping our Co-op Food Nature Strategy, helping us embed more positive outcomes for nature into our existing programmes and identifying where further action is needed. By focusing on the right interventions, and co-operation with our suppliers and partners, we aim to halt nature's decline and support its recovery across our strategic supply chains.

Our priority for 2026 is to set clear, robust targets that demonstrate how we contribute to a more nature-positive future.



Dunlin and Golden Plover - Lumbister.
Credit: Faye Sherlock

¹ Including milk, beef, chicken, salmon, wheat, cocoa, coffee and fresh produce.

² Including the UK, southern Spain and Lake Naivasha, Kenya.

WATER SECURITY

Water is essential for a secure future, and investing in sustainable, resilient water resources is key to addressing increasing climate vulnerability and inequalities.

We're improving water efficiency across our [operations](#) and collaborating with others to reduce water risk in our supply chain. We remain the only UK supermarket with an own-brand charity water, providing crucial funding that is changing lives.

We are signed up to WRAP's UK Food & Drink Pact which has an overarching industry target to source 50% of the UK's fresh food from areas with sustainable water management by 2030.

This year, we focused on delivering our Water Security Strategy by mapping water risk in our supply chain and increasing access to clean water, sanitation and hygiene (WASH).



¹ In Africa (Kenya, Rwanda, Tunisia and others).

² Colleagues who link with member owners in their local community.



£2.4m deployed

The One Foundation: £2.4m deployed to water, sanitation and hygiene programmes in 2025 through 3p per litre sold of our own-brand bottled water. Estimated to bring safe, clean water, improved sanitation and hygiene to over 89,000 people.



£707,000 in funding

Water Unite: £707,000 of Co-op funding deployed to water, sanitation and hygiene programmes¹ in 2025, reaching 8,762 beneficiaries.

ADDRESSING WATER RISK IN OUR VALUE CHAINS

Water is a shared resource and tackling water risk in food production requires collective action. In 2025, we continued working with WRAP, WWF and other retailers via the Retailer Leadership Commitment for Water. We are also founding supporters of WRAP's Water Roadmap which commits us to:

- Monitoring water use in our operations and improving efficiency: further work has been undertaken by our property team to accurately assess our water usage and develop robust water efficiency targets.
- Mapping water risk in our supply chain: a key focus during 2025, working with key fresh food suppliers to develop a framework to gather water risk data, giving us a clearer picture of hotspots in our fresh food supply chain.

- Supporting collective action in shared high-risk sourcing areas: we continue to support all ten of WRAP's collective action projects as part of our Retailer Leadership Commitment (see case study).
- Engaging suppliers in water stewardship: we continue to engage with key suppliers on water risk and will be further developing our approach with them in 2026.
- Advocating for better water governance: we continue to work with WRAP to support through the Retailer Leadership Commitment.

We also maintain our longstanding commitment to working with our suppliers to reduce pesticide use through our Crop Protection work (read more [here](#)).



OWNED BY YOU

During World Water Week in August, we encouraged our Member Activators² to host events on water - raising awareness about our charity water partnerships, and actions to conserve water at home. 36 events were organised, engaging over 2,800 members. Nearly 3,000 members also took part in an online quiz which raised awareness of water conservation.



Reduce our environmental impact and protect & restore nature

CASE STUDY



WRAP Water Roadmap collective action projects

We now provide core funding towards ten WRAP Water Roadmap collective action projects in key sourcing areas across the UK, Kenya, South Africa, Spain and Peru. These projects enable us to play our part in helping to improve the health of key catchments, identified as being at risk from agriculture & food production. They bring together supermarkets, suppliers, farmers, local stakeholders and technical experts to deliver action plans and secure additional funding for specific interventions such as nature-based solutions.

One project is based in South Africa's Western Cape, a key water-supply region and major producer of crops¹ for local markets and exports such as fresh fruit for Co-op. The project tackles drought and flood risks by removing invasive vegetation and restoring indigenous species. This work helps rehabilitate vulnerable catchments, strengthens climate resilience for farmers, and supports local livelihoods through job creation, improved water and food security, and skills development.

WATER SECURITY AND PROGRAMME FUNDING

Alongside our work on water risk in the supply chain, we continued to support our charity water partners The One Foundation and Water Unite vital WASH programmes through donations on bottled water.

We celebrated reaching over £25m², thanks to our Co-op member owners and customers donating 3p per litre to The One Foundation through every purchase of our own-brand bottled water and ice; and donating 1p per litre to Water Unite on any other branded bottled water³ purchase with our branded water suppliers. We remain the only retailer raising funds for vital clean water, sanitation, hygiene and circular economy projects via our bottled water sales.

Through our partnership with The One Foundation, we have continued to fund vital WASH projects in Kenya, Ghana, Malawi and Rwanda. 50% of funding is ringfenced for Fairtrade producer communities within our supply chains and 40% of funding is provided for The One Foundation's priority programmes in areas of significant need such as urban informal settlements in Nairobi.

10% of our donations to The One Foundation are reserved for emergency relief, which in 2025 provided £230,000 of funding for critical WASH interventions in the Democratic Republic of the Congo and South Sudan.

We are also helping to connect The One Foundation and WRAP, to help integrate WASH partners into the WRAP collective action project in Naivasha, Kenya.



247,603
PEOPLE BENEFITTING
IN 2025⁴



**IMPACT:
TRANSFORM,
IMPROVE & CONNECT**

¹ Including apples, pears, stone fruit, berries, citrus and wine grapes.
² Since 2007.

³ Flavoured water and mixers (including tonic and soda water) are excluded.
⁴ From our work with The One Foundation.

WITNESSING OUR COLLECTIVE IMPACT FIRST-HAND

In October, Co-op colleagues visited The One Foundation in Kenya, where donations are helping to increase household access to clean water, improve toilet facilities and safely manage sewage in densely populated areas of Nairobi and Lake Naivasha.

We also visited Water Unite Impact investments, including Mr Green Africa, Sanivation and Jibu, all supported through micro-donations from branded water sold in our stores. We saw first-hand how selling bottled water in our stores leads to innovation on the ground to address pollution, the sanitation challenge and deforestation. Last year Water Unite Impact was selected as a winner of the [UpLink Nature Returns Challenge](#), run by the World Economic Forum in partnership with Mercuria, Sylvania and the Centre for Nature and Climate.

OPPORTUNITIES FOR THE FUTURE

A key priority for 2026 is refining our water risk mapping and reporting, and working more closely with suppliers on our approach to managing water risk in our fresh food supply chain. We will continue to work with WRAP to encourage co-ordination of a harmonised retailer approach to managing water risk, including alignment on data collection, agricultural standards and enhanced due diligence in high-risk sourcing areas.

We will continue to raise awareness of our water charity partners The One Foundation and Water Unite and the importance of improving water security.

CASE STUDY



Building supply chain resilience and expanding household access to clean water

Through our partnership with The One Foundation, Co-op is helping to build supply chain resilience and expand household access to clean water in Naivasha, Kenya - an important Fairtrade flower-sourcing area for Co-op. As well as helping communities connect with water services, the programme is strengthening small-scale water providers, to ensure they are regulated and able to provide safe and affordable

water for the long term. In addition, our funding is supporting five sanitation enterprises, delivering hygiene and behaviour change campaigns.

“It’s made my life much easier. I can go to work without stress, knowing I’ll have water when I come home.”

Lydia - flower farm worker, Kenya

CAMPAIGN: CLIMATE JUSTICE

We've been campaigning for a faster, fairer transition to Net Zero since 2021, building on Co-op's long history of acting in response to the climate crisis.

In 2025, we continued to see the impact of climate change on our Co-op: on our operations, on our producers and on our suppliers, both around the world and here in the UK. We saw sustainability and the cost of living remain at the top of the list when we surveyed our member owners on their concerns in 2025, and of course the two are closely linked.

That's why we remain steadfast in our call for urgent action on the climate and nature crises. Our member owners have been central to our Climate Justice campaign throughout 2025, contributing over 33,000 Join In engagements. We know real progress depends on strong partnerships, particularly as we must ensure that the costs involved in the transition don't fall on those least able to pay.

TAKING PART

We all have a part to play - every family, community, business and government - in tackling the climate crisis: we need to be working together towards a fairer, greener future.

In January, our member owners supported the Zero Hour 'Climate and Nature Bill', which led to the first ever Climate and Nature statement in the Houses of Parliament. In June, we joined The Climate Coalition's Great Big Green Week, with over a hundred events taking place on the theme of "swap together for good". In July, Co-op member owners and colleagues joined the *Act Now, Change Forever* mass lobby.

PEOPLE & PLANET

It cannot be right that those who have contributed the least to the advance of global heating are disproportionately impacted by the worst of its effects.

In September, we promoted Fairtrade's "Brew it Fair" campaign, which is all about creating a fairer future for the people behind the tea we drink. We've also been clear that we believe the Climate Change Act - and the legally binding 2050 Net Zero target - provides businesses with the vital certainty they need to plan and invest in the economy of the future.

RENEWABLE ENERGY

Whether for the sake of energy security, economic security or the environment, moving faster to decarbonise the grid should be a top priority.

In July, we published new research with Green Alliance setting out steps businesses can take to decarbonise their electricity use while contributing to greening the grid, highlighting the complexities faced by organisations of all sizes. We shared the report's recommendations with policymakers, elected representatives and in Parliament.

OPPORTUNITIES FOR THE FUTURE

Our CEO, Shirine Khoury-Haq, continues to co-chair the Net Zero Council alongside the Secretary of State for Energy Security and Net Zero. The Council brings

together business, civil society and government to advise ministers, coordinate action, and help ensure the economic and societal opportunities of the Net Zero transition are fully realised.

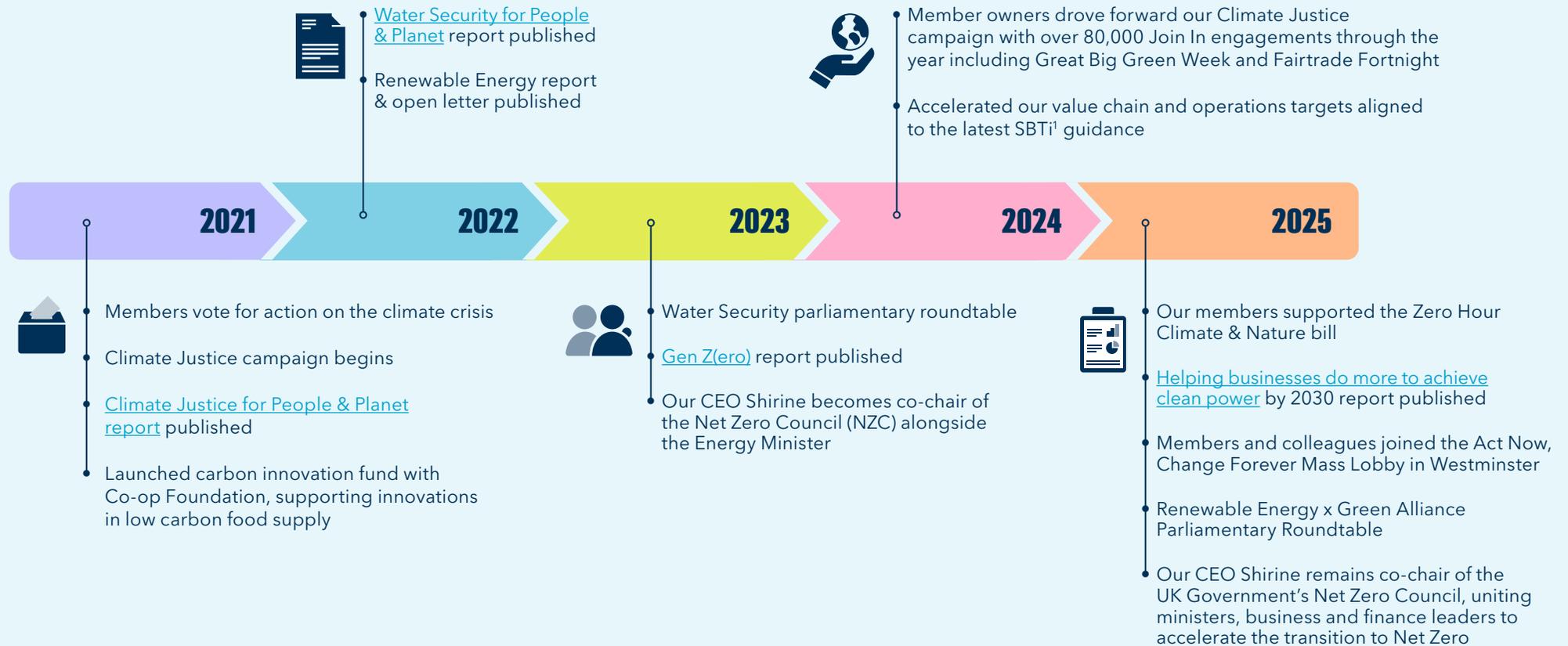
We are already seeing the very real impacts of climate change, and we remain clear that greater global ambition and strong domestic legislation are essential to ensuring a fair transition—both for communities across the UK and for those around the world. Amid the many challenges we face, we cannot afford to lose sight of the climate and nature crises. That's why, throughout 2026, we will continue to campaign for Climate Justice, for the sake of every generation to come.



OWNED BY YOU

In July, Co-op member owners and colleagues joined the *Act Now, Change Forever* mass lobby where thousands of people travelled to Westminster to meet their Member of Parliament. With our partners The Climate Coalition, we showed up to make it clear that climate and nature action matters, and that we want to see bold, tangible progress for people, climate and nature.

CLIMATE JUSTICE CAMPAIGN: 2021 - 2025



OUR JOURNEY TO NET ZERO



¹ Science-based Targets Initiative.

ETHICAL TRADE AND HUMAN RIGHTS

Ensuring that the people behind our products are respected, protected and treated fairly is a key value of the Co-op. To do this, we work closely with our suppliers and key partners to protect vulnerable workers and support resilient livelihoods across our supply chain. We're committed to ensuring that everyone involved in producing our own-brand products is treated fairly and that their fundamental human rights are upheld. This includes fair pay, safe and decent working conditions, and protection from forced labour, modern slavery and inhumane treatment.

This section is structured around our five strategic priorities, which we continued to focus our work around in 2025.

OUR TARGET:

We will support our suppliers in improving human rights across our supply chains through the delivery of our global supplier engagement programme, reaching over 2,500 delegates in 50 events in 2025.

OUR PROGRESS:

In 2025 we reached 3,717 delegates in 155 events.

DRIVING INNOVATION IN DUE DILIGENCE AND TRANSPARENCY

Our Food business has a robust programme of assessing and monitoring high-risk labour and human rights issues across our supply chain. In 2025, our programme covered 2,988 sites (676 Tier 1 and 2,312 Tier 2¹ supplier sites), across 66 countries, employing 784,657 workers. Our expectations are outlined in our [Human Rights Position Statement](#) and our [Sound Sourcing Code of Conduct](#).

All Co-op own-brand food suppliers must join [Sedex](#) (Supplier Ethical Data Exchange²), and Tier 1 sites in high-risk countries require an independent audit before approval. We are committed to working collaboratively with our suppliers to address the root causes of issues.

We actively use insights from workers through grievance mechanisms and whistleblowing channels such as [Unseen](#), alongside information from suppliers and independent sources to guide our due diligence. Over the past year, we've contributed to collaborative independent human rights investigations into issues raised in our supply chain alongside a range of enhanced due diligence assessments that support effective remediation for workers. We report on issues found in our supply chains in our [Modern Slavery Statement](#).



¹ 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.

² Sedex is a global technology company that specialises in data, insights and professional services to empower supply chain sustainability. Sedex provides practical tools, services and a community network to help companies improve their responsible and sustainable business practices and source responsibly.

Source responsibly and build resilient, inclusive supply chains

To drive greater transparency, we're ensuring more high-risk supply chains share disaggregated, beyond Tier 1¹ data - covering sites, workers and freedom of association - via [Open Supply Hub](#).

EMBEDDING ETHICAL TRADE INTO CORE BUSINESS ACTIVITIES AND WINNING HEARTS AND MINDS

We work closely with colleagues with key human rights responsibilities through specialist training. The training shows how everyday decisions impact supply chain workers - from inductions to workshops - to help embed ethical trade into decision-making. To support this, we have updated our Technical Guide to Ethical Trade for colleagues and collaborated with commercial teams to manage human rights risks in supply chains and through our tender processes.

In July, we launched a Pan-Co-op Ethical Trade and Human Rights Working Group. The group is responsible for delivering actions that were developed through a Pan-Co-op Human Rights Risk assessment in 2024 to address ethical trade, human rights and modern slavery risks across our Co-op.

Our commercial processes, including tenders, assess suppliers' human rights capabilities, embedding ethics into supply chain relationships. We hold regular review meetings and annual cross-functional ethical trade reviews, fostering open dialogue and collaboration to address issues and advance human rights strategies together.



Driving impact through collaboration and capacity building

We believe everyone has a role in upholding human rights and ethical trade standards, and that involving a wide range of stakeholders is essential to preventing human rights abuses. This is why we support collaborative capacity-building initiatives in high-risk sourcing areas and in sectors where multi-industry action can be most effective.

2025 marked milestone anniversaries for two ethical trade forums we helped establish.

Spanish Ethical Trade Forum: 180 delegates met in Murcia for the forum's 10th anniversary. Co-op spoke at the event, which focused on corporate social responsibility (CSR) collaboration, labour legislation progress and impacts delivered by specialist working groups.

Egyptian Ethical Trade Forum: 48 organisations gathered in Cairo for the forum's 15th

anniversary, with multi-stakeholder discussions on youth employment and gender.

We also continued to create trusted spaces for engagement, including convening more than 60 strategic suppliers and colleague leaders at our Human Rights & Ethical Trade Forum to discuss worker safeguarding across our supply chain.

We also contributed to global thought leadership by speaking at an AIM-Progress panel at the UN Forum on Business and Human Rights, sharing best practice on building supplier ownership of human rights and environmental due diligence. Recognising our responsibility within our home community, we collaborated to re-launch the Greater Manchester Modern Slavery Business Network in 2025, helping local businesses work together to tackle modern slavery.

¹ 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.

BUILDING CAPACITY AND RESILIENCE IN OUR SUPPLY BASE

Collaboration is essential to tackling the root causes of human rights issues in our supply chain. In 2025, we continued to work with partners including Food Network for Ethical Trade ([FNET](#)), [Stronger Together](#), the Modern Slavery Intelligence Network ([MSIN](#)), [Unseen](#), and Seafood Ethics Action Alliance ([SEAA](#)).

Through working in partnership with global and local stakeholders we build capacity and knowledge by supporting events that embed human rights and ethical trade practices across supply chains. In 2025 we trained over 3,717 delegates from 2,288 businesses, many of which are suppliers, in five countries. These efforts are building capability and driving systemic change and supplier ownership.

TACKLING MODERN SLAVERY AND MITIGATING HUMAN RIGHTS RISKS

This year, we've continued to review and prioritise activity addressing labour rights risks across our eight priority areas¹. See our [website](#) for detail on what the priorities are, the supply chain and products, and how we're responding to the issues.

In addition, we have strengthened our commitment to eliminating illegal and unfair recruitment fees across our global supply chains. Through the [Seasonal Workers Scheme Taskforce](#), we worked collaboratively to deliver grower roadshow events to 426 delegates, rolled out an independent worker survey, began development of a multi-lingual

support line for workers, launched the Employer Pays Principle ([EPP](#)) Feasibility Study and roundtables to address the risk of workers taking on debt to migrate for work, while considering food security and the sector's long-term sustainability.

In May, a new [report](#) on responsible recruitment in tuna processing was launched that was co-funded by Co-op along with other industry bodies, buyers and suppliers. The study focuses on migrant labour used in tuna processing plants in five countries and provides practical recommendations so the industry can work together to implement best practice on responsible recruitment.

To tackle modern slavery, we provided free modern slavery and responsible recruitment training to suppliers and labour providers in our supply chain, through our sponsorship of [Stronger Together Consumer Goods Programme](#), reaching 1,624 delegates across 94 training courses.

EMPOWERING WORKERS AND ENHANCING LIVELIHOODS

In partnership with our flower supplier Flamingo, we continued our support for the [Inua Dada Gender Empowerment Project](#) and commissioned an [endline report](#) and [learning paper](#), which was published in April. The report summarises key lessons, successes and challenges from our work. [Along with eight other retailers](#), Co-op provided funding for the Gender Action in Agriculture Initiative (GAIA) to develop a set of Gender Based Violence and Harassment principles to enable aligned and co-ordinated action in commercial agriculture and

fisheries. Over 90 organisations from Kenyan tea and flower and South African citrus sectors and the business and human rights field participated in series of roundtable events to develop the principles, which were launched in November.

In 2023, we joined other major UK retailers in signing [IDH's Living Wage Commitment](#) to close the living wage gap in international banana supply chains by 2027. As a leading Fairtrade retailer selling 100% Fairtrade bananas, we've taken significant steps toward this goal but recognise industry-wide collaboration is essential. We have continued to work with UK retailers, our supplier, Fairtrade and IDH on a living wage roadmap. Additionally, along with three other UK retailers, we've co-funded a two-year Banana Link-led project with producers, trade unions and governments in Ghana to establish collective bargaining agreements, securing living wages, decent work and improved living standards for banana workers.

More details about our Ethical Trade and Human Rights programme can be found in our [Modern Slavery Statements](#).

OPPORTUNITIES FOR THE FUTURE

In 2026, we will continue to strengthen due diligence in high-risk supply chains, support suppliers through our global engagement programme and advance women's rights by piloting GAIA-aligned projects to address gender-based violence and harassment. We will also continue collaborating to eliminate illegal and unfair recruitment fees across our global supply chains.

¹ These priorities are reviewed annually using insights from trusted partners and external sources to ensure they remain fit for purpose.

Source responsibly and build resilient, inclusive supply chains

FAIRTRADE

Around a third of the world's food is produced by 570 million small-scale family farms, many in regions facing the most extreme poverty. Driven by our passionate members, we've championed the Fairtrade movement for over 30 years, supporting through fairer prices, working conditions and terms of trade. Fairtrade is more than a label - it is a movement for trade justice.

Our objective is to be the UK's leading supporter of Fairtrade

Our work is grounded in a three-pillar approach: sourcing Fairtrade ingredients, delivering impactful programmes and championing producer voices through advocacy. Through this approach, we support farmers and workers to build more resilient livelihoods.

SOURCING

We are continuing to drive impact through strong Fairtrade sourcing commitments.

- 100% of our Co-op own-brand bananas, tea, coffee, bagged sugar, roses, South African wine and cocoa (including as an ingredient) are sourced on Fairtrade terms, and we are the world's biggest seller of Fairtrade wine.
- In 2025, we continued to be a Fairtrade leader in the UK. We sell more Fairtrade flowers and wine than any other UK grocery retailer.



CO-OP'S FAIRTRADE LEADERSHIP

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

<p>1992</p> <p>We were the first major retailer to start selling ethically traded Cafédirect coffee, which became one of the world's first Fairtrade certified products in 1994</p> <p>1st</p>	<p>2000</p> <p>We were the first retailer to bring Fairtrade bananas to the UK, and to launch an own-brand Fairtrade product; our milk chocolate bar</p> <p>1st</p>	<p>2003</p> <p>We were the first UK retailer to make all of our coffee Fairtrade</p> <p>1st</p>	
<p>2017</p> <p>We were the first UK retailer to commit to sourcing all of the cocoa used as an ingredient on Fairtrade terms</p> <p>1st</p>	<p>2016</p> <p>We were the first UK retailer to make all of our own-brand chocolate Easter eggs Fairtrade (excluding Free From)</p> <p>1st</p>	<p>2008</p> <p>We were the first UK retailer to switch all Co-op own-brand hot drinks, bagged sugar and cotton wool to Fairtrade</p> <p>1st</p>	<p>2004</p> <p>We partnered with Traidcraft to launch the first fairly traded wine in 2001, which became the world's first Fairtrade wine in 2004</p> <p>1st</p>
<p>2018</p> <p>We were the first UK retailer to commit to sourcing all African roses on Fairtrade terms</p> <p>1st</p>	<p>2022</p> <p>We were the first retailer to move all own-brand and branded South African wine to Fairtrade</p> <p>1st</p>	<p>2024</p> <p>We became the first UK retailer to extend our commitment to sourcing 100% Fairtrade roses</p> <p>1st</p>	<p>2025</p> <p>We were the first UK retailer to launch a Fairtrade own-brand beer</p> <p>1st</p>

Source responsibly and build resilient, inclusive supply chains

- The Co-op’s Fairtrade sourcing supports 178 producer organisations across 28 countries, reaching over 400,000 farmers and workers.
- Despite another volatile year for global supply chains, overall in 2025, we maintained steady volumes of Fairtrade ingredients sold, despite some drops in categories caused by availability issues.



co op **OWNED BY YOU**
Fairtrade Fortnight – our Member Activation team held 180 local events across the UK, bringing Fairtrade supporters together within communities and engaging with over 9,000 of our members. 36,900 members joined in through our online Fairtrade events with 21,000 members pledging to swap to Fairtrade through the activation. We developed a Fairtrade App game which attracted over 174,000 members to win money off Fairtrade products.

PROGRAMMES

Farmers and workers are facing increasing challenges – from unfair and unjust trading practices to escalating impacts of climate change which impact supply chains, food systems and livelihoods. We put people and planet at the heart of our [Climate Justice campaign](#) and are standing with farmers by investing in strategies that support them to adapt, mitigate and build their resilience to climate change.

2025 was a reset year for our programme work – some of our flagship and longstanding programmes concluded and we commenced new and innovative programmes supporting Fairtrade producers.

Bananas:

- Our five-year Productivity Improvement Programme (PIP) concluded in 2024, having strengthened soil health and productivity in the Dominican Republic and Colombia, and supported smallholder resilience and livelihoods. In 2025, we began working with CLAC¹, Fairtrade Foundation and Fyffes to explore a new phase of this programme, building on the success of the PIP programme and supporting the evolving needs of smallholder farmers.

Cocoa:

- In partnership with CLAC, the Fairtrade Foundation and our supplier [ICAM](#), we have taken learnings from the successful banana PIP programme and launched a cocoa PIP programme in key cocoa-growing communities in Peru (see case study on the next page).

We also maintained our longstanding commitment to the Women’s School of Leadership (WSOL) – Fairtrade

Africa’s flagship gender empowerment programme. First launched in 2017, WSOL works to address gender-based challenges within the cocoa sector by supporting women (and some men) with the skills and confidence to take leadership roles, influence decision-making and drive community development.

New WSOL student cohorts were introduced across Côte d’Ivoire and Ghana in 2025, reaching a total of 79 beneficiaries (70 women and nine men) from 20 small-scale cocoa producer organisations. Through the support of Co-op and other international funding partners, these 79 beneficiaries are now receiving a range of training and mentoring on topics such as human rights, income diversification and influencing, which graduates can then cascade among their wider communities.

The infographic consists of two main sections. On the left, a yellow arrow-shaped box contains four stylized human icons (two men and two women) above the text '79 PEOPLE BENEFITTING IN 2025²'. On the right, a purple box contains a gear icon above the text 'IMPACT: TRANSFORM'.

ADVOCACY

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

- We delivered another successful Fairtrade Fortnight campaign, educating our customers and increasing awareness on why action is needed. We also supported Fairtrade Foundation’s “Brew It Fair” campaign, asking MPs to pledge their support.

¹ The Latin American and Caribbean Fairtrade Producer Network.
² Through our support to the WSOL.

Source responsibly and build resilient, inclusive supply chains

CASE
STUDY



Cocoa Productivity Improvement Programme

At Co-op, we're proud of our legacy in pioneering Fairtrade cocoa in the UK. We were the first UK supermarket to sell own-brand Fairtrade chocolate in 2000, and in 2017 we became the first UK retailer to source all our cocoa on Fairtrade terms. This means every cocoa ingredient in our products - from the chocolate sprinkles on our doughnuts, to our own-brand hot chocolate and Easter Eggs - supports Fairtrade cocoa farmers. In 2024, our commitment generated £465,987 in Fairtrade Premium for cocoa farmers across West Africa, Central and South America. However, we also recognise that farmers need additional support to strengthen resilience and secure sustainable livelihoods.

In response, and in collaboration with the CLAC, Fairtrade Foundation and our supplier ICAM, we launched a programme to support two key co-operatives within our cocoa supply chain in Peru,

producing the cocoa used in our Irresistible single origin chocolate bar range.

- Cuencas Del Huallaga Association of Agricultural Producers.
- Cooperativa Agraria Sonomoro del VRAEM Ltd.

This two-year project aims to reach at least 1,100 farmers and address the significant needs of cocoa producers in Peru, focusing on sustainable cocoa cultivation and ensuring that cocoa co-operatives involved can supply EUDR-compliant cocoa to the UK and EU. Through hands-on training and workshops, the programme will work with farmers and workers to improve soil fertility, enhance productivity, increase the use of natural fertilisers and reduce incidence of pests and diseases. CLAC will also be providing deforestation training, georeferencing and risk assessment support.

- Advocating for global Justice: Since 2021, we have led the call for climate justice, advocating for farmer-focused climate action. In 2025, we co-signed the Statement on Gaza from Fairtrade Leaders alongside other Fairtrade organisations, calling for urgent humanitarian access and the safeguarding of farmers and workers whose livelihoods have been disrupted by the conflict. This forms part of our wider commitment to Fairtrade communities across our supply chains and to uphold peace and co-operation.

OPPORTUNITIES FOR THE FUTURE

In 2026, we will begin implementing our five-year strategy focusing on strengthening farmer and worker resilience, and deepening our impact across priority Fairtrade supply chains, while maintaining our industry-leading [Core 7 Fairtrade ingredient approach](#).

Advocacy for farmers and workers will remain central to our approach - building on our partnerships and leveraging our voice to promote Fairtrade, better labour standards and more resilient livelihoods across our supply chains. Together, these steps will guide our efforts to deliver long-term, sustainable change for farmers and workers, and their communities.

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.

OUR TARGET:

Zero deforestation across our primary deforestation-linked commodities by end of 2025.

OUR PROGRESS:

Due to delays to key legislation in the EU and UK causing significantly limited availability of verified deforestation-free supply chains, we have not met our target. A summary of our progress and remaining challenges is outlined in this section.

We're committed to protecting the environments that our ingredients are sourced from. Where it drives change, we support credible certifications and work with key partners to take a restorative approach to [nature](#).

Our responsible sourcing strategy centres around ingredient categories with the greatest sourcing risks for our business: fresh produce, animal protein, primary forest-risk commodities and Fairtrade priority ingredients.

We prioritise action based on the biggest sourcing risks, where our key sourcing landscapes are and where we can have the most impact.

This section is structured around the different

ecosystems our ingredient categories are based in:

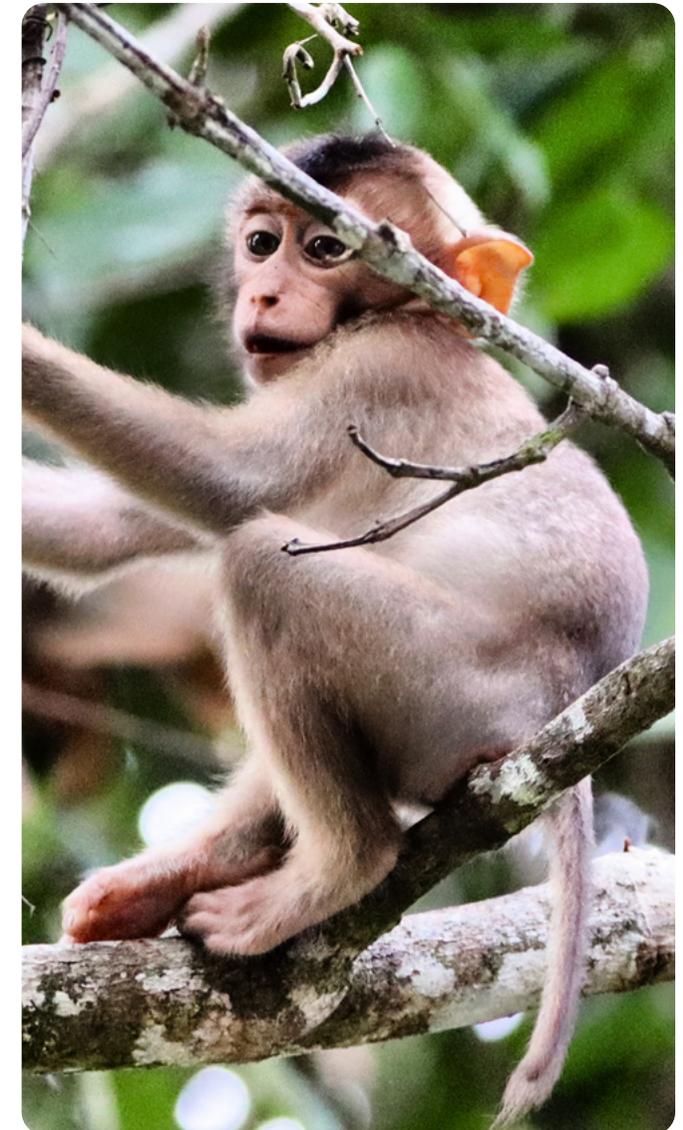
- Forests Risk Commodities.
- Peatland Preservation.
- Fresh Produce.
- [Farming and Fisheries](#).

FOREST RISK COMMODITIES

Deforestation has negative environmental, climate and local community impacts, particularly in tropical regions where agricultural supply chains are a key driver. As a major retailer, we are committed to tackling deforestation and supporting a just transition to more sustainable production. This is vital for meeting our commitments on nature and climate and ensuring the resilience of our key sourcing regions.

We work with industry and environmental NGOs to set clear policies and adopt the most effective approaches to achieve them. In line with the Science-Based Target initiative's Forest, Land and Agriculture (FLAG) guidance, we are committed to zero deforestation across our primary deforestation-linked commodities; the target was to reach this by the end of 2025.

Each supply chain is different, and while we are proud of our significant investments and progress, without effective regulation we have not been able to reach our target in full. Delays to EU and UK legislation mean voluntary action alone cannot deliver the transformation needed. We continue to advocate for robust legislation to address this.



Source responsibly and build resilient, inclusive supply chains

OUR FOREST-RISK COMMODITIES



PROGRAMMES

Addressing the drivers of deforestation and conversion¹, supporting producers to transition to sustainable production, and using nature recovery to build resilience, requires action beyond our direct supply chains.

We have supported programmes in key sourcing forest landscapes, partnering with Chester Zoo on a biodiversity and reforestation project in a former palm plantation.

See case study [here](#).



RUBBER

We use very small volumes of natural rubber in our products and take a risk-based approach with our supplier.



CATTLE

100% of our own brand fresh and frozen beef is British and free from deforestation and conversion.

See [here](#) for more.



PALM OIL

We remain committed to sourcing palm oil responsibly, following NGO guidance that sustainable palm oil is the most effective way to protect forests and landscapes. Alternatives are often more environmentally damaging due to their land use.

All our palm oil is certified by one of the Roundtable on Sustainable Palm Oil (RSPO) schemes and we continue to use 100% RSPO-certified palm oil in our own-brand products. In 2025, 96% of the palm oil used in our products was segregated (2024: 94%), with the remainder covered by RSPO mass-balance certification, mainly in non-food products. We are working in cross-industry groups to develop an effective approach for addressing the risk of deforestation and conversion in sourcing all palm oil products.

Collaborative efforts through our membership of the Retailers' Palm Oil Group remain a key route to tackling the issues shared across the industry.



SOY

Our most significant use of soy is in feed for livestock in our meat, dairy, egg and farmed fish products.

Achieving verified deforestation-free and conversion-free (vDCF) soy is an industry-wide challenge and despite progress we have not been able to meet our commitment of 100% vDCF soy by the end of 2025 (8% 2025).

Through 2025, we have remained an active member of the Retail Soy Group and UK Soy Manifesto. A full statement on the progress industry has made and the challenges and limits of voluntary action that have restricted our progress is available [here](#).

We have continued to [advocate for robust legislation](#) and for the [critical environmental protection agreed in the Amazon Soy Moratorium](#).

We are supporting British Standards Institute on the [development of a common standard](#) to verify deforestation and conversion-free soy in global supply chains, due by the end of 2026.



COFFEE & COCOA

100% of our Co-op own-brand coffee and cocoa (including as an ingredient) are sourced on Fairtrade terms.

We know that poverty can be a key driver of deforestation, and this commitment is an important part of addressing this root cause.



WOOD & PAPER

We ensure that the wood and paper used in our own-brand products come from a responsible source and is of known origin. 99% comes from Forest Stewardship Council (FSC) or recycled sources (2024: 99%).

97% of coffins manufactured by our Funeralcare business were made from FSC® certified wood (2024: 97%).

¹ The clearing of natural forests for purposes like agriculture or mining.

CASE STUDY



Partnerships to drive systems change

We know that we need to manage risk and impact beyond our direct sourcing, supporting environments and communities to enable responsible, resilient production.

Since 2019, we've partnered with Chester Zoo and HUTAN to restore former palm oil plantations in the Kinabatangan region of Malaysian Borneo. The project is creating a connected wildlife corridor using 49 native tree species and monitoring how returning wildlife uses the restored habitat - with 186 species recorded so far.

By April 2025, 71,000 trees had been planted across the project with Co-op directly funding

the planting of 30,000. Although this is below the original 50,000 target, the project has prioritised high-quality, diverse reforestation and adapted to challenges such as Covid and swine flu outbreaks.

In 2025, the Kinabatangan was designated as one of 26 new UNESCO Biosphere Reserves. Nominated by the national government and recognised by the Man and the Biosphere Programme, this status acknowledges the work of HUTAN and partners to reduce human-wildlife conflict and support biodiversity in an agricultural landscape.



Leading example

WWF Soy Scorecard 2025 - Scored 4/7 and identified as the leading example of transparent disclosure



6th Globally

WWF Palm Oil Buyers Scorecard 2024 - Scored 21.94/24 - in "Leading the way category" and 6th globally

PEATLAND PRESERVATION

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 know peat is used more widely in our supply chains and we need to address this as part of a responsible approach to growing media, ensuring we are using alternatives where we can understand and manage the sourcing risks.

We've been working towards phasing out peat in key lines and, in 2025, all our bedding plants were peat free.

In 2025, we partnered with our supplier to support a peat replacement project in mushroom production. Read more in the case study on the next page.

We're also part of the Retail Peat Group which brings retailers together to aim to reduce the use of peat in fresh produce production.

We've continued our partnership with RSPB to restore upland peatland in Scotland and Wales - read more [here](#).

Source responsibly and build resilient, inclusive supply chains

CASE
STUDY



Peat-Free Mushroom Trial

In 2025, we partnered with our mushroom supplier to trial peat-free growing medium in commercial mushroom production. Mushroom cultivation is among the highest consumers of peat - a finite natural resource essential for carbon storage, biodiversity and water regulation.

Reducing reliance on peat in fresh produce supply chains is a priority for our sustainability strategy, but alternatives currently cost significantly more and their performance in mushroom production remains uncertain. To address these challenges, we provided financial support to our grower, helping to de-risk the initial trial phase and assess the commercial viability of peat-free substrates.

While a viable alternative is still in development, the trial has provided valuable insights.

FRESH PRODUCE

We work with producers and growers, to protect our natural resources including water, soil and biodiversity, while building resilience to climate change. We also consider impacts on people and their livelihoods. See our commitments on [Fairtrade](#), [Farming and Fisheries](#) and [Ethical Trade](#).

Crop protection

Whilst crop protection is an important part of food production, it must be implemented responsibly. While pesticides remain the most common method of managing crop disease, we acknowledge their potential impact on the environment and workers' health in our supply chains.

Our Crop Protection Policy is built on transparency and collaboration - you can read the full policy and transparency report [here](#).

Implementation is supported through the Fresh Produce Forum which includes supplier representation.

We updated our [pesticide phase-out](#) list in 2024 and we continued to develop this throughout 2025. Our supplier partners are working towards phasing out the actives on this list and will report progress annually.



3rd Place

Maintained our 3rd Place Pesticide Action Network UK Supermarket Ranking awarded in 2024

In 2026, we'll continue prioritising phasing out Highly Hazardous Pesticides and supporting the wider uptake and use of Integrated Pest Management (IPM) techniques across our supply base, using the Co-op Fresh Produce Forum to help share best practice with suppliers through on-farm meetings and training.

OPPORTUNITIES FOR THE FUTURE

In the year ahead, we will strengthen our commitment to responsible sourcing by reviewing and updating our standards and targets to support long-term sustainability. We remain focused on tackling deforestation and conversion in our supply chains and will continue to report our progress transparently.

We are using our learnings and the challenges we've faced to evolve our approach, maximise impact and build resilience in sourcing landscapes. Collaboration remains essential and we will continue to actively engage in the industry groups highlighted in this report. Robust legislation is also critical to driving industry-wide change. We will keep advocating for strong, effective laws and use our expertise to help shape meaningful policy solutions.

We will continue supporting landscape-level programmes and investing in responsible production in our key sourcing regions. As we move forward, we will align our deforestation work with our broader ambition to protect nature and support resilient livelihoods throughout our supply chain.

FARMING & FISHERIES

We maintain strong relationships across the farming and fisheries sector through our longstanding commitment to the people who produce our food. From our 100% British fresh and frozen protein commitment, to investing in innovation and high animal welfare standards, we're committed to building resilient supply chains and driving positive change for people, animals and the planet.

SUPPORTING BRITISH FARMERS AND GROWERS

We're deepening our commitment to British growers by working closely with the sector to address some of the critical challenges facing British horticulture, including climate change, labour availability and the removal of certain pesticides. This year we hosted a Supplier Engagement Day, bringing farmers and growers together to share best practice and collaborate on sustainable solutions - reinforcing our commitment to fostering a resilient, innovative and thriving future for British fresh produce (read more [here](#)).

In 2025, in collaboration with the Soil Association Exchange (SAX), we supported UK wheat farmers in addressing these challenges. Wheat is a critical ingredient for our products and animal feed, making this initiative central to our farming, climate and sustainable sourcing objectives.

This four-year, co-funded¹ pilot provides a scalable model for carbon reduction and a valuable test case for measuring Scope 3 emissions.

We have also committed to source all our Co-op brand UK-grown fruit and vegetables from LEAF² Marque certified farms by January 2027. This is an important step in building more resilient fresh produce supply chains and supporting British growers.

THE CO-OP FARMING GROUPS AND INNOVATION

Our farming groups and sourcing policies enable direct engagement with hundreds of British producers and suppliers. As the industry evolves, we've expanded our approach to cover all fresh meat and dairy supply chains, improving supply chain data and offering deeper insights into animal welfare and environmental impact.

In 2025, we launched our [Sustainable Farming Support Fund](#) for beef, lamb and dairy farmers. The fund rewards farmers for reducing carbon emissions, supports projects that increase biodiversity, improves genetics and data collection, enhances soil health, and explores alternative protein sources. We also hosted our annual two-day in-person meeting with our beef and lamb farmers, focusing on regenerative farming practices. By the end of the year, we provided £760,000 of funding to British farmers in our supply chain.

DAIRY

This year, members of our Co-op Dairy Group farmers participated in the SAX project, collaborating with technicians and advisors to gain deeper insight into their soils and the habitats on their farms. Read more in our case study on the next page.



100% British

100% British for fresh and frozen meat, sausages, bacon, fresh milk, fresh cream, eggs and cheddar cheese.

¹ Co-funded by other retailers, Church Commissioners for England and Lloyds Bank.
² Linking Environment & Farming.

CASE STUDY



Soil Association Exchange

In January 2025, we launched our Sustainability Programme to support British farmers in their sustainable farming efforts. As part of this, we partnered with the Soil Association Exchange (SAX) to conduct whole-farm sustainability baselines, assessing soil health, biodiversity and water quality. Farmers from our Beef & Lamb Group and Co-op Dairy Group joined the initiative voluntarily and by the end of 2025, we'd provided £760,000 in funding.

Each assessment combines mapping tools, on-farm soil and biodiversity surveys by SAX

technicians, and one-to-one discussions with SAX advisors. This helps identify where farmers are already enhancing biodiversity and soil health, as well as areas for improvement. Read more [here](#).

Initial results are positive: over 70% of participating farms have dense, well-managed hedgerows that support wildlife and habitat connectivity, and red-list bird species recorded include linnets, skylarks and lapwings. After their baseline assessment, farmers can use the SAX platform to guide land management decisions and explore funding opportunities.

AQUACULTURE AND FISHERIES

We're committed to protecting ocean health and marine life, and responsible sourcing underpins our seafood strategy. We use risk assessments to ensure all own-label fish is responsibly sourced.



65%

65% Marine Stewardship Council certified wild-capture seafood in 2025

Collaboration is key to our approach. As proud members of the Sustainable Seafood Coalition (SSC), we help shape its codes of conduct and guidance, and our partnerships with the Sustainable Fisheries Partnership (SFP) and Global Tuna Alliance (GTA) provide science and industry insights to help us drive continuous improvement.

We publish all wild-capture and farmed seafood sources via the Ocean Disclosure Project and report annually to Crustacean Compassion, maintaining Tier 3 status since 2024. In 2025, Marine Stewardship Council (MSC) certified wild-capture seafood rose to 65%¹, and we launched our first Aquaculture Stewardship Council (ASC) certified farmed seabass. We will be 100% ASC certified across Fresh & Frozen farmed seafood by January 2027. We also banned eye stalk ablation in farmed prawns, achieving 100% compliance by 2024 and committing to maintaining it in 2025 and beyond.

Beyond certification, we engage with industry groups, and support Fisheries Improvement Projects (FIPs), including Nephrops and North Atlantic Pelagic Advocacy (NAPA). These initiatives are vital for responsible sourcing and progress towards certification.

¹ Up from 56% in 2024.

LIVESTOCK AND ANIMAL WELFARE

We are committed to delivering high animal welfare standards across our supply chain. All our Co-op branded fresh, frozen and prepared meat and poultry products meet Red Tractor Assurance Standards as a minimum, with RSPCA Assured certification used wherever possible.

We upheld our Compassion in World Farming (CIWF) commitment to be 100% confinement-free across our continental meats range, with the first confinement-free pigs expected in our supply chain by 2026, ahead of schedule.



Tier 3 since 2022

BBFAW - Annual reporting on how we publicly report about animal welfare in our supply chain - maintained Tier 3 since 2022

Our longstanding commitment to free-range eggs remains unchanged: since 2008 all shell eggs sold are free-range, and since 2010 all eggs used as ingredients in own-brand products have met this standard. We also maintain our 100% outdoor-bred pork policy¹, ensuring pigs have access to outdoor environments.

For poultry, our Space to Thrive initiative continues across fresh and added-value products, such as breaded chicken, giving birds 20% more space than industry standard. For more information, please see our webpage [here](#).

See [here](#) for more details on our farmers and read more about our animal welfare policies in our separate animal welfare report [here](#).

¹ Introduced in 2018.

ANTIBIOTICS

Antimicrobial resistance is a growing global challenge, and food retailers have a responsibility to act. Our antibiotic strategy follows the 3Rs framework, to Reduce, Replace and Refine the use of medicines across our livestock supply chains. Through membership of the Food Industry Initiative on Antimicrobials (FIIA) and Responsible Use of Medicines in Agriculture Alliance (RUMA), we support research into alternatives and share best practice across the industry.

CLIMATE CHANGE

Meat and dairy remain the largest contributors to our product-related emissions. Animal-based products typically have a higher carbon footprint than plant-based alternatives, and these categories represent a significant share of our convenience offer - particularly fresh milk.

We continue to source 100% of our meat, fresh milk, fresh cream, eggs and Cheddar cheese from British farmers, supporting local agriculture and high animal welfare standards.

Throughout 2025 we worked closely with farmers and suppliers to reduce the carbon intensity of animal products, focusing on practical, measurable solutions. This included expanding data-driven initiatives and regenerative farming practices, and strengthening partnerships across our supply chain.

To accelerate progress, we formed new strategic partnerships with key suppliers, aimed at scaling innovation in feed efficiency, soil health and emissions reduction.

ENGAGING OUR FARMERS AND PRODUCERS

We continued to strengthen farmer engagement through on-farm meetings and webinars. Our Farming & Fisheries "X" account, with nearly 5,000 followers, connects producers, suppliers, industry stakeholders and NGOs. It facilitates key industry events, such as Sustainable Seafood September and Back British Farming Day. 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.

OPPORTUNITIES FOR THE FUTURE

Supplier engagement remains a priority, focusing on best practice and supporting farmers to reduce their emissions and adopt more sustainable farming techniques.

We will continue expanding ASC certified products across Fresh and Frozen ranges, progressing toward our goal of 100% ASC certification for farmed seafood by January 2027. For wild-capture fisheries, we aim to increase MSC coverage, so more products display the logo on pack.

In produce, we will assist growers in achieving LEAF certification and begin introducing the LEAF Marque logo on British fresh lines. To drive innovation, phase two of our [peat replacement trial](#) will assess how varying growth medium ratios and conditions impact mushroom yield and quality, strengthening collaboration across the supply chain.

RESPONSIBLE PROCUREMENT

At Co-op, we're committed to building a future where sustainability, social value and inclusion are at the heart of everything we do.

Through our Goods Not for Resale (GNFR) Responsible Sourcing Strategy, we aim to embed these principles across all procurement activities ensuring alignment with our member owner values.

CREATING A SUSTAINABLE FUTURE

We aim to support our Net Zero carbon targets through supplier engagement and responsible sourcing. By embedding sustainability into every stage of our procurement process, we work in partnership with suppliers to reduce emissions and drive innovation.

Alongside achieving Gold in our Co-op EcoVadis assessment, we continued onboarding our Strategic, Critical, and Operational suppliers to EcoVadis, strengthening our understanding of sustainability expectations. The platform also enables us to monitor suppliers' Science Based Targets initiative (SBTi) commitments.

Strategic suppliers with SBTi commitments	72%
Strategic suppliers with SBTi Net Zero commitments	47%
Strategic suppliers with Net Zero commitments of 2040 or earlier	29%



Gold medal
EcoVadis Gold Medal for sustainability performance, placing Co-op among the top 5% of companies assessed globally

WORKING TOGETHER TO DELIVER SOCIAL VALUE

We encourage our suppliers to support us in creating meaningful social value for our member owners. This year, we refreshed our Social Value Action Plan and Social Value Charter, and introduced one-page guides to make it easier for suppliers to get involved in issues that our member owners care about. See what our suppliers did in 2025 in the boxes on the right.

In the video below, hear from our supplier, HH Global, as they showcase how their Social Value SMART action plan is delivering impact in the areas our member owners care about.



1,900 hours
Contributed over 1,900 hours to education and skills development through our Academies, supporting mock interviews, career fairs and volunteering. They've also provided essential resources - from kitchen equipment and hygiene products to books and stationery.



£2.5m
Pledged over £2.54m to [Co-op Levy Share](#) helping transform the lives of young people from diverse backgrounds, by funding over 200 apprenticeships. See our [Co-op Levy Share Impact Report 2025](#) for more.



Raised £9,319
Raised £9,319 for Barnardo's through fundraising activities and supplier collaboration. Several suppliers supported our efforts, including HH Global, who took part in the Total Warrior challenge to raise funds. Buffaloalod also launched two new [partnership-branded trucks](#).

ETHICAL TRADE AND HUMAN RIGHTS

We take a proactive approach to ethical trade and human rights, enrolling suppliers identified as high ethical risk into our Ethical Trade Programme and monitoring their practices through platforms such as EcoVadis and Sedex. To strengthen awareness and accountability, we launched a Modern Slavery e-learning module for these suppliers in 2025, achieving a 97% completion rate. Internally, we keep colleagues informed through a quarterly Ethical Trade Newsletter and continue to deliver Modern Slavery Spotlight Sessions in partnership with Stronger Together and Unseen.

In 2025, responding to a clear call from members, we revised our sourcing policies including our [GNFR Supplier Guide to Ethical Trade](#), and [Sustainable Procurement and Supplier Policy](#).

SUPPLIER ENGAGEMENT

Our GNFR conference brought together key partners to drive responsible procurement. Exhibitors included MSDUK¹, Social Enterprise UK (SEUK), Unseen, Stronger Together and EcoVadis, and a panel on Driving Change Through Supplier Partnerships highlighted collaboration as the catalyst for progress.

The Co-op Difference Awards is a celebration of the outstanding contributions and achievements of our suppliers who have gone above and beyond to make a positive impact for our member owners. Discover more about our winners [here](#), and watch this short highlights video to find out more about the event [here](#).

You can also learn more about Buffaload, one of our logistics partners and proud recipient of Supplier of the Year at the Pioneer Awards 2025 [here](#).

INCLUSIVE BUYING

We remain committed to increasing diversity within our supply chain and are proud members of Social Enterprise UK's *Buy Social Corporate Challenge*, spending £7.4m in 2025 with Social Enterprises.

In addition, we partner with MSDUK to support ethnic minority businesses, continuing to grow our engagement and spend with these suppliers. In 2025, we spent £148,000 with MSDUK's Ethnic Minority Businesses.



¹ Minority Supplier Development UK.

Source responsibly and build resilient, inclusive supply chains

INCLUSIVE PARTNERSHIPS

Our suppliers play a vital role in helping us meet the needs of the communities we serve by offering a diverse and inclusive product range. Our endless inclusion hub (a collaborative space sharing resources, learning labs and networking opportunities) has seen increased levels of engagement with 95% of our GFR suppliers and over 50% of GNFR suppliers involved. We're proud to be recognised for our progress, including industry awards from [WiHTL](#)¹ and being named a Top 50 Inclusive Employer.

In 2025, we have further strengthened our strategy and defined three key Inclusion Catalysts that shape how we work with suppliers and deliver on our commitment:

- **Close the gender pay gap.** In 2026, we will publish Co-op's first supply chain gender pay gap report, holding ourselves and our suppliers accountable for driving change. To support this, we've partnered with WiHTL to co-create a toolkit featuring case studies from organisations making progress in this space.
- **Cater to diverse customer needs.** We're committed to inclusive product ranges and have deepened our understanding of customer needs through listening panels and demographic insights. We've enhanced tender processes with diversity and inclusion metrics and will roll out training on inclusive design principles for our colleagues.
- **Co-operate to provide equal access to opportunities.** We relaunched our Gift to Give scheme which supports eight purpose-led

suppliers via the Co-op Apiary scheme, giving them access to resources and expertise from well-established brands. To bring our Inclusion Catalysts to life, we co-hosted a National Inclusion Week event with KPMG, bringing together over 200 suppliers to explore practical actions and partnership opportunities. The programme showcased supplier-led examples of inclusive practice, such as Microsoft sharing their approach to inclusive product design and spotlighted the Endless Inclusion Hub, a free resource for suppliers to support progress beyond the event.

COMMUNITY BUYING

Our customers tell us that having access to products that are relevant to them is essential. Through our community buying approach, we strive to create ranges that reflect the diversity of the communities we serve.

Local sourcing

Our insights show that local products are important to communities. Customers associate local goods with exceptional quality, environmental benefits and support for the local economy. Our Local strategy places communities at the heart of our ranging decisions, fostering collaboration with local suppliers to showcase the products our customers expect and value.

World Foods

Our World Foods range is designed to meet the cultural needs of our diverse communities - from everyday staples to products for traditions

like Ramadan and Diwali. In 2025, we trialled a cross-category halal range across selected stores to provide more culturally appropriate options. The range meets halal certification requirements and adheres to our standard animal welfare practices, including pre-stunning.

The Apiary

Co-op's purpose-driven incubator programme champions small businesses that align with our vision and values. Now in its fifth year, The Apiary has supported over 37 businesses as they navigate the world of retail. At its core is a vibrant community of founders, complemented by a network of mentors and ambassadors who provide collaborative skill-sharing, masterclasses, insights and hands-on support. For the second year, we ran the "Gift to Give" Endless Inclusion scheme, where larger suppliers lend their support to purpose-led businesses, giving our founders access to workshops delivered by industry leaders.



¹ Diversity in Hospitality, Travel and Leisure.

HEALTHIER, MORE SUSTAINABLE DIETS

Supporting our member owners to move towards healthier, more sustainable diets is essential for the future of our food system.

OUR TARGET:

By 2030, 83% of our Co-op own-brand food and drink sales (tonnes) will come from non-HFSS¹ products (excluding alcohol and non-food).

OUR PROGRESS:

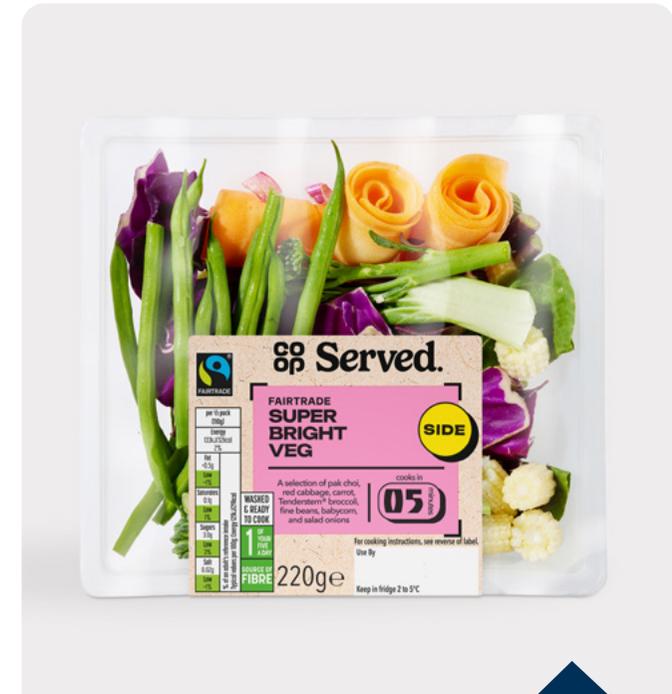
In 2025, 75% of our Co-op own-brand food and drinks sales (tonnes) was from non-HFSS products. Because of the stocking issues associated with the cyber attack in 2025, our sales figures for healthier products have been affected. Our focus for 2026 is to stay on track to achieve our 2030 target.

We play an important role in helping our member owners, colleagues and customers lead healthier, more sustainable lives. Following the principles of the [Government Eatwell Guide](#) – eating more fruit and vegetables, a wider variety of protein sources and reducing less healthy products – could cut environmental impact by around 32%² and reduce mortality by 7%³.

Our healthier, more sustainable diets strategy aims to shift the balance towards healthier and more sustainable sales through three areas:

- Healthier, more sustainable products
- Accessibility
- Inspiring healthier, more sustainable behaviours

¹ HFSS is a 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.



OWNED BY YOU

In response to our 2025 AGM motion calling for more options to assemble healthier, more sustainable home-cooked meals, we launched our “Served” range in September. This cuisine-themed promotion encourages assembly cooking, offering one main & two sides, with up to 330 possible combinations, refreshed every six weeks. There is always a vegetarian option and a variety of prepared vegetables to choose from.

² Carbon Trust.
³ BMJ.

HEALTHIER, MORE SUSTAINABLE PRODUCTS

We are committed to developing healthier, more sustainable products for customers.

In 2025, 75% of our Co-op own-brand food and drink sales¹ came from non-HFSS² products. Our target is for 83% of our Co-op own-brand food and drink sales³ to come from non-HFSS products (excluding alcohol and non-food) by 2030. We will continue to improve data for branded products. We have restated our 2024 sales tonnage following data quality improvements, which decreased our 2024 reported percentage. We remain committed to our 2030 target to increase sales of non-HFSS food and drink.

We also work towards Government salt and calorie targets across multiple product categories (see our [data table](#)).

23% of our Co-op own-brand sales tonnage (excluding alcohol and non-food) came from fruit and vegetable sales⁴ in 2025.

We support the [WWF's ambition](#) to halve the environmental impact of UK shopping baskets by 2030 by reporting on our protein sales. In 2025, 41% of our Co-op own-brand sales tonnage (excluding alcohol and non-food) came from animal protein⁵ and 1% from plant protein⁶.

¹ In tonnes.

² HFSS is a 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](#).

³ In tonnes.

⁴ Fruit & vegetable definitions can be found in the basis of reporting document.

⁵ Animal protein definitions can be found in the basis of reporting document.

⁶ Plant protein definitions can be found in the basis of reporting document.

ACCESSIBILITY

Since 2024, our annual member survey has asked how we could better support healthier, more sustainable choices. In 2025, 59% of our members told us this matters to them, with lower prices on healthier products and more vegetarian and plant-based options identified as key ways we can help.

In March, we price-matched Aldi on over 80 everyday food essentials for members, 75% of which were non-HFSS. For more information on our Aldi price-match initiative, see our [website](#).

Our members can also choose two personalised offers on our app each week to save on their shop, with milk, vegetables & salad, fruit and meat & poultry among the most redeemed offers.

We remain committed to ensuring all 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).

Since March 2025 we've promoted the Healthy Start scheme on digital screens in our England and Wales stores and, since April, the Best Start scheme in our Scotland stores. We have long advocated for increased Healthy Start vouchers and welcomed the Government's 10 Year Health Plan for England to enhance this from 2026.



75%

In 2025 75% of our Co-op own-brand food and drink sales came from non-HFSS products.



INSPIRING HEALTHIER, MORE SUSTAINABLE BEHAVIOURS

As a responsible retailer, we recognise the important role we play in promoting healthier, more sustainable diets. This year, we joined the [Food Foundation Beans campaign](#), committing to champion the benefits of beans and inspire our customers and members to add more into their baskets and diets.

In 2025, we sponsored Veg Power's Eat Them to Defeat Them campaign, helping to inspire healthier eating habits among UK children. The campaign reached 418,999 children across 1,503 schools, with over 80% of children eating more vegetables as a result.

Throughout 2025 we used our website and membership emails to share healthy recipe ideas and promote healthier offers such as our "Fresh 3" prices on fruit & vegetables.

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 (updated in 2025 to include nicotine pouch products), to ensure that our vaping products are targeted towards existing adult smokers as a cessation aid. In 2025, we continued to work with suppliers to ensure that our ongoing range was fully compliant ahead of the new legislation changes that came into effect from 1st June 2025. We will continue to work with our suppliers in 2026 to ensure we are compliant with any further legislation changes that come into effect from the Tobacco & Vape bill.

We're also committed to selling alcohol responsibly. We work in partnership with the Drinkaware Trust and provided £277,770 of funding to them in 2025.

OPPORTUNITIES FOR THE FUTURE

In 2025, we developed our new "YES" health icon, launching in January 2026 on around 160 of our Co-op own-brand products which meet strict nutrition criteria, with more products being added throughout 2026. The icon will help customers quickly identify healthier options, supported by campaigns and promotions to make YES products even more accessible.

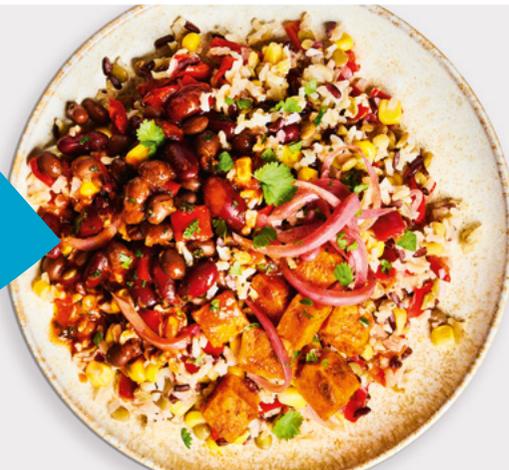


This work will help shift towards sales of more healthy, sustainable products, including non-HFSS products, and support progress towards our 2030 target.



We'll also continue our Keen Bean Promoter commitment, celebrating the benefits of eating more beans with our customers and members.

CASE STUDY



Inspiring customers to buy more fruit & vegetables

Throughout 2025, we've been exploring ways to promote fruit & vegetables through our website and member communications, to encourage healthier, more sustainable diets.

In January, we created a dedicated webpage for our "Fresh 3 prices for members" offer, signposting members to lower prices on three selected rotating fruit & vegetable products. We also featured seasonal produce-focused content on our homepage.

Our website hosts a regularly updated meal inspiration page and bank of healthier recipes to inspire our customers to use different vegetables in their meals.

Across the year, member emails & newsletters promoted fruit & vegetables through tailored offers, recipe ideas and reminders to add vegetable sides to meals. We'll keep exploring different themes we can use to further inspire our customers.