

Co-operate: Our Sustainability
Report 2023

Basis of reporting



About this document

This document explains the methodology we use to collect and calculate data reported in our annual Co-operate Report (available at www.coop.co.uk/cooperate-report).

It covers our most material datasets, including the majority of data in scope of our external assurance process.

It also sets out how we measure progress against the targets we have set ourselves.

We aim to update this document on an annual basis alongside our Co-operate Report to reflect any changes in methodology. This document was last updated April 2024.

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Scope of reporting

Performance relates to the 52-week year ending 1 January 2024 (unless otherwise stated) and to our operations and stakeholders. It covers those businesses wholly owned by the Co-operative Group Limited as at 1 January 2024.

This Report relates to the performance of the business as a whole unless otherwise stated (in some instances we refer to a particular business unit, and this is stated clearly). Reporting on sourcing impacts of products sold by Co-op Food focuses on Co-op branded products, unless otherwise stated, with the exception of indirect GHG emission reporting which (following best practice around Scope 3 accounting) covers all products sold. Co-op branded product sales accounted for 37% of total Co-op Food turnover in 2023. Like other retailers, we have greater influence over own-brand products than we do over other branded products, and our priority continues to be to improve the sustainability of these products.

Through our Nisa wholesale business, we are the exclusive wholesale supplier to Costcutter Supermarkets Group (CSG) and the Costcutter, Mace, Simply Fresh, Supershop and Kwik Save convenience stores across its network. Nisa's sales of Co-op branded products grew by 11.5% in 2023 and now represents 21% of total sales, excluding tobacco.

These stores are not under Co-op's operational control and are out of scope of our reporting, with the only exception being a small number of stores covered by direct logistics and distribution, the impact of which is included in our 'Scope 1' greenhouse gas data.

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Targets

The table below outlines the targets that have been developed as part of our responsible business strategies and were agreed in early 2024. To be transparent we've outlined how we'll measure progress against each target.

Pillar	Report section	2024 Targets	Measure
Our people	Colleagues	We aim to increase our Minority Ethnic leadership representation to 10% by 2025	KPI: % of our leaders from an ethnic minority background
		By the end of 2024, an additional £9m will have been pledged by our suppliers and partners through Co-op Levy share to support people from diverse backgrounds into apprenticeships	KPI: £ pledged through levy fund and number of apprentices supported
		We aim to achieve a colleague engagement index score of 74%, as measured through our colleague survey	KPI: Overall engagement score (%)
	Ethical Trade and Human Rights	We will carry out an independent review of our priority human rights focus areas and continue to publish the steps we are taking to mitigate the root causes of issues identified	Deliverable: Review findings reported; mitigation steps reported
		We will champion the role of women and vulnerable people in our supply chains and in 2024 we will continue to roll out training to address issues of gender-based violence in the supply chain and support collaborative initiatives to address the root causes	Deliverable: Training rolled out
		We will continue to work collaboratively to eliminate illegal and unfair recruitment fees in our global supply chains	Deliverable: Reported update on progress
		We will support our suppliers to improve human rights across our supply chains through the delivery of our global capacity building programme, reaching over 2,000 delegates at 35 events in 2024.	KPI: Number of supplier engagement events KPI: Number of individuals engaged via supplier engagement events
	Responsible Procurement	In 2024, we will seek to understand the carbon reduction plans of our strategic and critical suppliers in greater detail. We want to understand how many of these suppliers have a) 1.5°C aligned science-based Net-Zero targets. b) a published inventory of Scope 1, 2 and 3 GHG emissions. c) a plan to reduce the carbon consumed in providing services to our Co-op.	KPI: # suppliers with carbon plans demonstrating 2 or more of the listed commitments
	Healthy living	We will continue to report on the percentage of our Co-op own brand food and drink sales tonnage (excluding non-food and alcohol) which comes from healthy products (non-HFSS)	KPI: % of Co-op own-brand food and drink sales tonnage (excluding non-food and alcohol) which are from healthy products (non-HFSS).
		Co-op brand products which are 'reduced' or 'light' alternatives to a standard line will continue to be no more expensive (based on price per kg)	KPI: Number of Co-op brand products which are 'reduced' or 'light' alternatives to a standard line that are more expensive (based on price/kg)
We will continue to report on the percentage of own brand products which are non-HFSS (not High in Fat, Sugar or Salt)		% Co-op branded products which are non-HFSS included in our reporting	

Pillar	Report section	2024 Targets	Measure
Our member-owners and communities	Community	Our social activity will create value for 4m people in our members' communities, on issues member-owners care about	KPI: # people benefiting in our members' communities, on issues member owners care about. Includes beneficiaries from our external partnerships with charities, our Local Community Fund, our Academies and through our Member Pioneers
		We'll raise £5m by 2025 to bring communities together to support 750,000 young people	KPI: £ raised for Barnardo's
	Membership and Co-operation	We will invest £20m in our communities in support of our Vision and our broader Co-op principles	KPI: £ Given to communities through Local Community Fund and Community Partnerships Fund
		We aim to end 2024 with 5.5m active members	KPI: Number of Members
		The National Members' Council will continue to take action to ensure that we increase the % of candidates from diverse backgrounds who stand for election to the Council, including ethnicity, disability, age and social mobility, in order to be reflective of our Co-op's communities	KPI: % Candidates standing for Election to the National Members Council form ethnic minorities. Our Co-op communities are defined as areas in which the Co-op Group trades
Fairer for our planet	Climate Change	We commit to reduce absolute Scope 1 and 2 emissions by 66% by 2030 from a 2016 base year	KPI: % reduction in Scope 1 & 2 greenhouse gas emissions since 2016
		We commit to reduce absolute Scope 3 emissions by 48% by 2030 from a 2016 base year	KPI: %reduction in Scope 3 greenhouse gas emissions since 2016
		We will be a Net Zero business by 2035 for our operations, and 2040 across our entire business	KPI: %reduction in Scope 1 & 2 greenhouse gas emissions since 2016 KPI: %reduction in Scope 3 greenhouse gas emissions since 2016
		50% of Category 1 Scope 3 emissions covered by suppliers with validated science-based targets by the end of 2024	KPI: Number of suppliers in scope with science-based targets
	Resource Use	We will reduce food waste generated in our stores and depots by 50% by 2030, compared to 2022	KPI: % reduction in food waste vs 2022 baseline
		We will reduce our plastic footprint by 30% by the end of 2025, compared to 2018	KPI: % reduction in plastic packaging since 2018 per 1% market share
		We will reduce water consumption across our properties by 10% by 2025 compared to 2020	KPI: % water reduction
	Sustainable Sourcing	100% of soy in our Co-op products, including that embedded in animal feed, will be deforestation-free and sustainable by 2025	KPI: % soy used in Co-op products (indirect and direct) that is physically sustainable
	Fairer business	We will retain Fair Tax Mark accreditation in 2024	KPI: Fair Tax Mark accreditation
		Our pension arrangements will operate leading Responsible Investment Policies and Reporting, and be recognised as a signatory of the revised UK Stewardship Code	KPI: Rating as measured by UNPRI ¹ or AODP ² scores, relative to other UK occupational pension schemes
In line with our Co-op Values of openness and honesty, we will deliver world class, open and honest reporting on our ethics and sustainability performance in our Co-operate Report annually		Deliverable: Sustainability Report published, externally audited, and aligned with leading standards (GRI)	

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¹ UN Principles for Responsible Investment

² Asset Owners Disclosure Project

Indicators

Membership and democracy

Indicators

- Members participating in Join In Live events in communities across the UK
- Members participating in our Join In programme online (and number of opportunities to Join In)

Definitions

Join In is the activity that facilitates members' everyday participation in their Co-op. The Co-op provides authentic opportunities for members to get involved in live business issues, events or activities that sit outside more formal routes to membership participation, such as the AGM and voting. Opportunities are varied and could include anything from informing a new product development process, shaping a policy or working with a business team to develop a strategy, to attending an event.

Members participating in Join In Live events in communities across the UK:

Defined as members of the Co-op Group attending such events in person/online and using their membership details to register and get involved/attend. Colleague members are also included within the indicator when attending in a personal capacity.

Members participating in our Join In programme online:

Defined as members of the Co-op Group participating in an online activity or event and using their membership details to register and get involved/attend. Colleague members are also included within the indicator when attending in a personal capacity.

Scope

The data presented covers the calendar year. A member is counted as participating in Join In when they have clicked on the link to start participating in an activity. A member participating in more than one Join In activity annually is counted once in that year.

Data calculation and methodology

The figures represent the number of unique members who have 'joined in' in the calendar year. The data is captured at the point a member 'joins in', which is considered to be the most reliable point on the participation journey for measurement.

The indicators comprise Join In data that is collected from several sources, reflecting the number of routes available to members who wish to 'join in':

1. The Membership emails which are sent to all marketable members. When a member clicks through from their email, their unique identifying number will be carried with them, and is captured via a third-party platform, from which data is downloaded at the end of the reporting month.
2. The Join In platform, which members can access by logging into their membership account or clicking through from the Co-op App. Opportunities are presented on the member dashboard. When a member clicks through from here, the unique identifying number and opportunity number will be automatically captured. The data includes participation driven by the Co-operate app, which is also directed to opportunities on the member dashboard.
3. In 2023, data also included: members who donated part or all of their membership rewards along with participation in the 2023 elections and AGM voting.

Our Data Analysis team deduplicates members to ensure that the final figure registers unique participation.

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Community investment

Indicators

- Total invested in communities (£m)
- UK community investment (£m - split by cash, colleague time, gifts in kind and leverage)
- International community investment (£m - split by cash, colleague time and leverage)

Definitions

By Corporate Community Investment (CCI) - our total community investment figure - we mean our businesses' voluntary engagement with charitable organisations or activities that extend beyond core business activities.

As per the [B4Si](#) framework definition, all investments reported are 'Voluntary and charitable'.

Scope

The data covers contributions during the calendar year from all our businesses. In line with the B4Si methodology we follow the 80/20 principle - the first 80% of a business's community contribution takes about 20% of the time to compile. By applying the model, we focus on activities that are easily captured; not every single small donation or item of in-kind or employee time has to be quantified. We focus on larger projects and activities where data is more reliable and readily available - although we are likely to be under-reporting as a result.

From May 2021 onwards Co-op has rolled out compostable carrier bags to all communities across the UK. Compostable carrier bags are sold at 10p per bag with the cost price being 5p and 5p being generated for the Carrier Bag Levy to be distributed between community projects.

In England, Scotland and Wales, 50% of proceeds from the sale of compostable carrier bags, are returned to communities through the Community Partnerships Fund. The remaining 50% of carrier bag proceeds are used to support climate change initiatives across the UK, with 35% ringfenced to support major partnerships and the remaining 15% is transferred to Co-op Foundation to run a Carbon innovation Fund.

On the Isle of Man, 100% of proceeds from the sale of compostable carrier bags are returned to communities through the Local Community Fund. All of these activities are reported within B4Si data as "Leverage". In Northern Ireland, all money raised from the Carrier Bag Levy goes to the Northern Ireland Exchequer to distribute to good causes. As this is a mandatory agreement, executed via the Exchequer, we do not include this total in our community investment data.

Data calculation and methodology

We collate data and calculate the CCI overall total. Within this we also split out our contribution in the UK and our contribution internationally.

Data is collected on templates, set up in line with B4Si methodology. These are sent to various data owners across our businesses - generally colleagues directly delivering community investment projects, and finance and data management colleagues.

Data is checked for eligibility, errors or anomalies before being added to the final totals for each indicator.

Cash contribution is the gross monetary amount we pay in support of a community organisation/project.

Community Investment contributions are only reported if they have been paid to beneficiaries outside of the Co-op within the stated reporting year. Where funds have been raised but not yet paid out, the funds will be reported within the year in which they are paid out. Where funds have been transferred from the Co-op to the Co-op Foundation registered charity, they are not reported as charitable donations until the Foundation has donated them to an external beneficiary.

Leverage - is defined as the additional funds that we have unlocked from other sources, such as employees' contributions through Payroll Giving schemes, other employee donations, customers' donations to fundraising activities, donations from partners/suppliers in support of charitable activities etc.

Management costs (project/staffing costs) incurred in the management of our Community Investment are, wherever possible, called out separately either as Colleague Time, or in the case of external spend, as Cash Donations.

Gifts in kind are non-cash resources donated to community activities. These in-kind contributions can include donations of products or services or other corporate resources such as IT equipment, used furniture, meeting rooms or other space. In-kind contributions are valued at what it has cost the business to make, not at what the beneficiary organisation would otherwise have had to pay in the open market.

Colleague community activity

Indicators

- Colleagues involved in community activity during work time (number of colleagues, number of days, value of time)

Definitions

Eligible Time contribution is defined as 'Voluntary and charitable' in line with the B4Si definition.

As per the B4Si framework definition, 'Community activity in work time' contribution is the cost to the company of the paid working hours contributed by employees to a community organisation or activity. The term 'volunteering' is often used to describe time contributions, but it can go beyond this to include any active engagement in community activity during paid working time. Examples include:

- Employee volunteering
- Active participation in fundraising activities
- Longer-term secondments to community organisations
- Supervision of work experience placements

Scope

The data covers time contributed during the calendar year, for volunteer activity completed by colleagues in any of our businesses.

Time contributed is number of hours/days completed during paid work time, valued at the business's average employment rate.

Data calculation and methodology

Number of colleagues and hours contributed:

For functions whose activities focus exclusively on supporting communities (for example our Community Team, and Member Pioneer programme), hours invested are calculated based on:

- Actuals (where available) - for example as reported by Member Pioneers through their 4 weekly activity tracker
- Where time recording is not in place, modelling based on headcount, FTE & contractual hours

For hours contributed by colleagues outside of our Community & Member Pioneer functions, and within the broader Co-op businesses, hours invested were modelled based on responses to an organisation-wide survey (14/11/23 - 11/12/23, n=1,266) asking colleagues to identify the average number of hours per week that they spent supporting community initiatives in work time.

The percentage of colleagues from each business unit that reported spending one or more hours per week was then applied to the total number of colleagues working for that business unit to arrive at an estimate of the total number of colleagues involved.

The total number of hours invested was then calculated by counting one hour per week of time invested in communities by each of these colleagues (with adjustments made to account for factors such as annual leave).

Value of staff time:

Value per hour is calculated by a blended business rate, with data taken from the previous year's Annual Report:

$(\text{Total Wages \& salaries} + \text{social security costs} + \text{pension costs}) / (\text{Hours per year multiplied by FTE}) = \text{Av. Hourly cost}$

The total hours collected from the data sets returned are multiplied by the average hourly cost.

Greenhouse gas (GHG) emissions

Indicators

- Scope 1 and 2 emissions - UK grid average (location based)
- Scope 1 and 2 emissions - accounting for the emissions associated with our electricity supply contracts (market based)
- Scope 3 emissions
- % reduction in GHG emissions

Definitions

Scope 1 and 2 emissions - UK grid average (location based):

Defined as the GHG emissions from our operations, counted as if all the electricity we buy was from the UK grid average mix of sources.

Scope 1 and 2 emissions - accounting for renewable electricity (market based):

Defined as the GHG emissions from our operations, accounting for the emissions associated with our electricity supply contracts.

Scope 3 emissions:

Defined as the GHG emissions which aren't directly from our operations but which we influence indirectly. This includes suppliers of the products we sell, the impact of the waste we generate and the impact of the packaging we produce.

% reduction in GHG emissions:

Defined as the extent, expressed as a percentage, to which we've reduced the amount of GHG emissions we produce in a calendar year, compared to our 2016 baseline.

Scope

Scope 1 and 2 GHG emissions is provided to cover the full calendar year, with the exception of logistics emissions data which covers the full financial year (for Scope 1 and 2 emissions) and covers all properties for which we have operational control in the UK.

Scope 3 GHG emissions data is provided to cover a 12-month period as specified. It covers all material sources of emissions for the Co-op within our value chain to the best of our present knowledge.

Following best practice guidance of the Science Based Targets initiative, our Scope 3 GHG emissions target covers the most significant sources of emissions over which we may exert a degree of influence. The emissions sources that are included in our near- and longer-term Science Based Targets are listed in the Table overleaf.

We report to a baseline year of 2016, as this is the year against which our approved science-based GHG reduction targets are set.

Data calculation and methodology

Our total GHG inventory is based on:

Scope 1

- Fuel used for heating (kWh) - data from our gas supplier
- Fugitive refrigerants (Kg & associated Global Warming Potential) - data aggregated from refrigerant top-ups by Co-op subcontractors. The global warming potential of HFCs is calculated using the 100-year global warming potential of one kilogram of a gas relative to that one kilogram of CO₂, based on the Fourth Assessment Report (AR4 adopted by the IPCC)
- Mileage and fuel from all vehicles we control (miles) - data from logistics and fleet records

Scope 2

- Location based electricity - Government conversion factors for company reporting of greenhouse gas emissions
- Market based electricity - electricity supply contracts
- Electricity used (kWh) - data from our electricity supplier

These data sources are each converted to their equivalent GHG emissions, expressed as 'tonnes of CO₂-equivalent', this is based on the latest conversion factors published by the Department for Business, Energy & Industrial Strategy (DBEIS) mid-year in the calendar year reported.

We follow the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Standard to quantify our Scope emissions inventory. This requires Scope 3 emissions to be grouped into a series of emissions categories. Further detail on the Scope 3 emissions categories and emissions sources are set out in the Table below.

Scope 3 category	GHG Protocol description	Emissions sources included
Category 1 - Purchased Goods & Services	Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2 - 8	<p>Goods for Resale - coverage including all products sold in Co-op stores and in stores represented by Co-op's joint purchasing group (independent co-operative societies, franchises, Nisa)</p> <p>Emissions coverage across the following:</p> <ul style="list-style-type: none"> • Raw material/ingredients production; • Packaging production; • Transport of raw materials/ingredients/packaging materials to processing; and • Processing stages <p>This includes both FLAG and energy & industrial emissions because of current uncertainties in how these can be separately quantified. We have also only included GHG emissions in our inventory - NOT any form of carbon removals</p> <hr/> <p>Emissions from land use change linked to ingredients</p> <hr/> <p>Goods & Services not for resale</p> <hr/> <p>Emissions from Cremations</p>
Category 3 - Fuel and energy-related activities	Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in Scope 1 or 2	Emissions from extraction and processing of fuels used by Co-op (including electricity)
Category 4 - Upstream Transportation & Distribution	1) Transportation and distribution services purchased by the reporting company in the reporting year - <u>in vehicles and facilities not owned or controlled by the reporting company</u> , including inbound logistics between a company's tier 1 suppliers and its own operations, outbound logistics (e.g., depots to stores), and transportation between a company's own facilities	<p>Transportation steps including:</p> <ul style="list-style-type: none"> • UK inbound logistics, from tier 1 supplier sites to Co-op depots • Estimate of transportation from tier 1 supplier sites to UK for high volume import categories (fresh produce, horti, wine) • Internal trunking between depots (where not already covered in Scope 1) • Transport from depots to stores (where not already covered in Scope 1)
Category 5 - Waste generated in operations	Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company)	Disposal of unsold stock and packaging from Co-op stores, depots, and offices
Category 6 - Business travel	Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company)	Travel on flights, trains, taxis - plus 'grey' fleet (i.e., claimed miles in personal cars)
Category 12 - End-of-life treatment of sold products	Waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life	Disposal of food and packaging waste by Co-op customers after using it at home
Category 2 - Capital Goods	Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year	All capital goods purchased by Co-op e.g. IT equipment, etc

Scope 3 category	GHG Protocol description	Emissions sources included
Category 7 - Employee commuting	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company)	Travel of Co-op employees to offices, depots, and stores
Category 15 - Investments	Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in Scope 1 or Scope 2	Investments in Co-op Funeralcare plans.
Category 8 - Upstream leased assets	Operation of assets leased by the reporting company (lessee) in the reporting year and not included in Scope 1 and Scope 2	Energy use emissions from buildings leased by Co-op (lessee) but not in Co-op's Scope 1 & 2
Category 9 - Downstream Transportation & Distribution	Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company)	For Co-op this covers: <ul style="list-style-type: none"> • Customer travel to stores & funerals • Deliveroo (i.e., this is where customer pays for transport) • Wholesale retail distribution
Category 10 - Processing of sold products	Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers)	Not relevant to Coop as all sold products undergo no further 'processing' by business customers
Category 11 - Use of sold products	End use of goods and services sold by the reporting company in the reporting year	Consumer use of: <ul style="list-style-type: none"> • Cooking and chilling • Electrical products sold by Co-op
Category 13 - Downstream leased assets	Operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in Scope 1 and Scope 2 - reported by lessor	Building fuel and electricity use from properties owned by Co-op but leased to 3rd party and not under Co-op's control
Category 14 - Franchises	Operation of franchises in the reporting year, not included in Scope 1 and Scope 2 - reported by franchisor	Building fuel and electricity use by Co-op franchisee

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

% reduction in GHG emissions:

The difference between current year and baseline year GHG emissions as % of baseline year GHG emissions.

External standards or guidance used:

- Greenhouse Gas Protocol Corporate Accounting and Reporting Standard
- GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard
- GRI 305-5 Reduction of GHG emissions (2016)
- GHG Protocol Corporate Value Chain (Scope 3) Standard

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Energy used

Indicators

- Building energy used
- Total energy use including transport fuel

Definitions

By energy use, we mean:

- Electricity consumed at our properties
- Natural Gas consumed at our properties
- Fuel consumed for business use in company cars, fleet and private/hire cars (including where employees are reimbursed for business mileage)

We convert all of these into a common unit of energy use; kilowatt-hours (kWh) or megawatt-hours (MWh) using DBEIS conversion factors.

Scope

This data is provided to cover the full calendar year, with the exception of logistics emissions data which covers full financial year.

It covers all properties for which we have operational control, including stores, funeral homes, depots and support centres.

Data calculation and methodology

We report to a baseline year of 2016, as this is the year against which our approved science-based GHG reduction targets are set. Our restatement criteria are included at the [end of this document](#).

Electricity and gas use:

Billed or metered electricity and gas supplied to each of our sites, provided by our energy supplier.

This data is validated by a specialist team at the Co-op who check each report as it comes in, and, for natural gas, converted by supplier into a kWh figure using standard conversion factors supplied by DBEIS.

Fuel use:

Quantities of fuel in litres purchased and used for our logistics operations, based on data provided by our logistics team and mileage data for home delivery, Funeralcare fleet and business travel.

We convert litres to kWh using standard DBEIS conversion factors.

External standards or guidance used:

- Greenhouse Gas Protocol Corporate Accounting and Reporting Standard
- GRI 302-1 Energy Consumption within the organisation (2016)

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Electricity from renewables

Indicators

- % electricity from renewables

Definitions

We define this indicator as the percentage of electricity we use which has come from a certified renewable source. This is electricity purchased on a '100% renewable' tariff and for which we have been provided a 'Renewable Energy Guarantee of Origin' (REGO) certification.

Scope

This data is reported for the calendar year and includes electricity used by all Co-op sites.

Data calculation and methodology

Total electricity used by the Co-op, provided directly by our supplier.

Total REGO allocation for units of electricity used by the Co-op provided directly by our supplier.

External standards or guidance used:

- We follow the [GHG Protocol Scope 2 Guidance](#), criteria for sufficient evidence of this being a renewable source.

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Operational waste

Indicators

- Total waste from operations
- % waste reused/recycled/recovered
- % waste decrease/increase

Definitions

Total waste from operations:

The sum (in tonnes) of waste collected from all properties for which we have operational control, including stores, petrol forecourt stores, funeral homes, depots and support centre in the calendar year, by all waste contractors.

% waste reused/recycled/recovered:

The amount of total waste, expressed as a percentage, which has been diverted from landfill disposal. This may include anaerobic digestion or composting, separation and recycling, conversion into refuse-derived fuel, or energy-from-waste incineration.

Scope

Our Scope covers all waste collected in the calendar year from properties over which we have operational control.

Our reported waste figure does not include surplus food which we have redistributed to charities and communities, as this does not go to waste and is reported as a separate figure.

It further excludes collections which are facilitated by our properties, but which come from our customers, such as textile banks and battery collections.

Data calculation and methodology

For all indicators we record weight of waste collected by site, by contractor, for the calendar year. This is calculated as a sum of reports from all waste contractors, broken down by end disposal route.

Many Funeralcare properties have local waste arrangements with their local councils, and therefore are not included in reports from our waste contractors. In this case we assume these sites produce the average weight of waste for Funeralcare properties for which we have data and apply the national average landfill rate for the most up-to-date year.

% waste reused/recycled/recovered:

Calculated according to the definition above.

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Packaging

Indicators

- Packaging handled by material
- Weight (total and % change) of own-brand packaging
- % of Co-op brand packaging that is recyclable
- % reduction in plastic packaging since 2018 per 1% market share

Definitions

Packaging handled by material:

'Packaging handled' is the [legally-defined](#) weight of packaging by material that the Co-op is responsible for producing each year (both branded goods and Co-op own-brand). It includes a proportion of the packaging around the goods shipped to us, as well as the packaging around the goods we sell (any material used to hold, protect, handle, deliver and present goods sold [by us] to the end user).

Weight (total and % change) of own-brand packaging:

'Own-brand packaging' is the total weight of packaging around goods that are Co-op branded. We report this separately as we have the most control over this element.

% of Co-op brand packaging that is recyclable

Recyclable is defined as being when the majority (by weight) of a product's packaging components are labelled 'Recycle', 'Recycle at Recycling Point' or, for plastic films, where they are collected for recycling through our front of store collection scheme.

Our percentage of packaging recyclability is currently calculated by product, not by weight. It is calculated as a % of total lines on sale at the end of the calendar year. However, achieving 100% recyclable makes this distinction no longer necessary.

% reduction in plastic packaging since 2018 per 1% market share

Own-Brand Plastic Packaging Reduction is the total amount of own-brand plastic packaging used in the calendar year per 1% market share (according to Kantar) as at the last week of the calendar year compared to same in our benchmark year of 2018.

Scope

Packaging handled data covers the calendar year and covers packaging handled by our Food business. Funeralcare and Consumer Services businesses do not produce reportable packaging.

Percentage of Co-op brand easy to recycle only includes products sold by Co-op Food.

Data calculation and methodology

We use product sales data and packaging weights to calculate our reported packaging data.

Weight of own-brand packaging

The number of sales of each Co-op brand line multiplied by its packaging weight.

Packaging handled by material

The number of sales of each line multiplied by its packaging weight and packaging material type.

We use the services of a third-party data provider to report on our packaging weight.

% of Co-op brand packaging that is recyclable

We use data listing the live products on sale at year end in the reporting year and calculate whether the packaging is recyclable using the definition given above. The reported percentage is the number of products considered that are recyclable as a percentage of the total products on sale at that point in time. At 100%, this becomes identical to the percentage by weight.

Recyclability percentage is benchmarked against 2016 - that's when we started measuring by stock keeping unit (SKU) not weight.

Packaging handled data is produced in accordance with the requirements of the [Packaging waste: producer responsibilities](#) legislation.

% reduction in plastic packaging since 2018 per 1% market share

We multiply the total amount of own-brand plastic packaging used in the calendar year by our percentage market share in the last week of the calendar year according to Kantar and compare that to the same in our benchmark year of 2018. For example, in 2018 we used 20,178 tonnes of plastic packaging and our market share at year end was 6.1%, therefore our plastic packaging per 1% market share was 3,308 tonnes per 1% market share. In 2019 we used 19,950 tonnes of plastic packaging and our market share was 6.3%, so our amount of plastic per 1% market share was 3,167 tonnes. This equates to a 4.3% own-brand plastic packaging reduction per 1% market share.

Food waste

Indicator

- Food waste

Definitions

Food waste is any food not sold to customers (including reduced to clear), not given to colleagues or to community redistribution partners, and not sent for animal feed, in accordance with the Food Waste Hierarchy. The following are not considered to be food in line with the Food Loss and Waste Protocol: pet food, medicines, and vitamins and supplements.

All food and drink products sold for human consumption including bones, rind and peel are considered to be food and can become food waste or food surplus (unsold food that is redistributed to feed people or animals).

Food sent to composting, anaerobic digestion, incineration, conversion into fuel, or landfill is considered to be waste, in accordance with the Food Waste Hierarchy.

Scope

All food and drink products handled by the Co-op in Co-op Group stores and Co-op depots. (Out of scope is food and drink managed by NISA depot, franchise stores, staff kitchen and canteen food waste, in-store coffee kiosk machine grinds and milk waste and in-store café food waste).

Data calculation and methodology 2015-2017

Using the Co-op headline data on waste that is produced annually based on weighbridge data by our waste contractors, and specifically the food waste and animal by-product data tonnages, Co-op estimated the food waste totals per year. Packaging weight estimates were not deducted from the total annual tonnage.

Depot food waste was included in the reported total tonnage.

Data calculation and methodology

To report on our food waste and surplus, Co-op follow the Retailer Guidance set out by the Waste and Resources Action Programme as part of the Food Waste Prevention Roadmap. Co-op joined the Roadmap in 2018 to support our 50% reduction by 2030 target and to align with the Sustainable Development Goal 12.3. The Retailer Guidance can be accessed [here](#).

Products ranged by Co-op are assigned a net weight based on declared weight shared by suppliers, or where this is not known, a reasonable estimation.

Data collection food stores

Food waste is tracked, line by line, using the hand-held devices used by store staff for controlling stock. These devices allow staff to scan every item that is wasted and assign a "reason code" which allows tracking of the root cause of waste of the product at the end of its life in store. This information is stored and collated centrally, and used to track what wastes, and why, on a monthly basis.

The weight of food wasted in the year is the total weight of these individual products that have been scanned by store staff.

Data collection depots

Products that are wasted in depot are recorded by depot colleagues as 'scrap' using a standardised form, and the waste information is collated centrally in SAP. Colleagues will assign a "reason code" for whole or part pallets of waste to enable root cause analysis.

The central stock adjustment report lists all products moved through the depot by line and includes the same net weight matrix as the store's report. In the central stock adjustment report the scrap products are included, as well as the weight and reason code. This forms the basis for the depot food waste baseline.

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Food redistributed

Indicator

- Food redistributed

Definitions

'Food redistributed' refers to surplus, edible, unsold food which would otherwise have gone to waste, which we have distributed to our communities.

Scope

This covers all surplus food donated to a charity partner for redistribution in the calendar year from our Food business.

Data calculation and methodology

The weight of food redistributed in the year is the total of:

- Total weight of surplus food directly donated from our stores via Caboodle, measured by barcode scanners each time it is redistributed
- Total weight of surplus food collected by Fareshare, The Bread and Butter Thing and Company Shop at depots - total weights are taken from annual partner reports

What is not in scope - future improvements - we aim to include more areas of food waste and surplus in our reporting in the future to cover the full scope of our food waste footprint. Currently we cover the main volume of waste and a significant proportion is accounted for in the store and depot volumes reported.

Redistribution occurs to more organisations than listed above; occasional ad hoc redistribution does happen and is difficult to track. The volume is very small and we do not include it in reporting.

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Fish and Seafood

Indicators

- % Co-op Fish wild caught vs farmed
- Proportion of wild fish and farmed fish

Definitions

Wild caught fish includes all finfish, shellfish, bivalves and molluscs captured from fisheries.

Aquaculture includes all fish, shellfish and bivalves produced in a farmed system.

Risk profile refers to either high, medium or low risk seafood supply chains according to the Co-op Seafood Responsible Sourcing standard.

Seafood includes all fresh, frozen, ambient seafood in Co-op own-brand products including seafood used as an ingredient. Includes all Seafood that falls under the scope of the Co-op Seafood Responsible Risk Assessments.

Scope

Indicators include all seafood supplied to the Co-op for sale in a calendar year. They exclude branded products, fish extracts, gelatine and pet food.

Data calculation and methodology

% Co-op Fish wild caught vs farmed:

Calculated using the Co-op authenticate database which suppliers populate on a monthly basis with volume data for each of their seafood supply chains. Wild and farmed fish are categorised.

The Co-op Seafood Responsible Sourcing Standard uses the following standards: Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), Global Aquaculture Alliance Best Aquaculture Practices (GAA BAP), Global GAP and RSPCA Assured.

MSC and FIP* Calculation:

MSC by product: Total up number of products sourced from wild sources, confirm number of products with an MSC logo on pack through visual verification, supplier confirmation, and MSC confirmation. Calculate the % based on the numbers.

MSC by volume: Total volume calculated using Co-op authenticate dashboard, data from the dashboard will split the tonnage supplied from FIP & MSC sources.

FIP by product: Total up number of products sourced from wild sources, confirm number of products sourced to an MSC source and, using Co-op authenticate dashboard, confirm sources from a FIP. Calculate the % based on the number of products already confirmed as MSC.

*Fishery Improvement Project

Animal welfare

Indicators

- Proportion of fresh protein sales by type
- Proportion of sales by welfare standards
- Higher welfare sales

Definitions

Fresh protein sales include Co-op brand products and branded products.

Proportion of fresh protein sales by type:

We define fresh protein as Fish, Beef, Lamb, Sausage, Chicken, Turkey, Pork, Ham and Bacon products.

Proportion of own brand sales by welfare standards:

For sales by welfare standards we take a product-by-product approach. We split each product by the proportion of sales under each welfare standard for that product:

	Standard range	Irresistible Range
Beef	Red Tractor	n/a
Lamb	Red Tractor	n/a
Dairy	Red Tractor	n/a
Pork*	RSPCA Assured (Excluding select Honest Value Lines). Irresistible lines are also RSPCA assured	RSPCA assured (excluding select Honest Value lines). Irresistible lines are also RSPCA assured
Chicken	Red Tractor	RSPCA Assured
Turkey	Red Tractor	n/a
Eggs	RSPCA Assured / Free Range	n/a
Salmon	GLOBAL G.A.P	RSPCA Assured

*includes Ham, Sausage and Bacon

For Milk we identify Red Tractor Dairy Farm Assured Scheme or Certified organic.

For Eggs we identify RSPCA Free Range or Certified Organic

For Salmon all Co-op branded lines are reared to Global Gap, BAP, ASC or RSPCA

The proportion of sales by welfare standard is reported for fresh Beef, Lamb, Pork, Bacon, Sausage, Ham, Chicken, Turkey, Eggs and Milk.

Higher welfare sales:

We define higher welfare sales as total annual sales of the following products (fresh, food to go, frozen and prepared³):

- All eggs, both Co-op brand and branded (all Co-op brand eggs are free range as a minimum)
- Organic milk
- Chicken - Free range (retail line name) or Premium tier products (Premium tier are RSPCA Assured)
- Pork - all Co-op branded products are outdoor reared
- Bacon - all Co-op branded products are outdoor reared)
- Sausage - all Co-op branded products are outdoor reared
- Ham - all Co-op branded products are outdoor reared

It also includes the following:

- RSPCA Assured Cooked Meat products

³ As of 2017 reporting there are no frozen or prepared products classed as higher welfare

Scope

All indicators

Sales figures cover our financial year. We include branded products and Co-op brand products.

Proportion of fresh protein sales by type and proportion of sales by welfare standards:

Data excludes:

- Non-fresh products - those where the 'Department' (as identified by the column in the sales data) is listed as Frozen, Food to go or Prepared
- Fish products classified as 'Fish - Shellfish'

Data calculation and methodology

The basis for these indicators is a sales data report sourced from our Finance team.

Run in Microstrategy using the Trading v1.1 files then shared reports, then BI50144 Trading Prompted Report V1.1.

The following options then need to be selected:

- Accounting Year Filter
- Product Hierarchy filter - Category; Chilled & Fresh
- Product Details Attributes - ALL
- Sales Quantity Metrics - Sales (Qty)
- Net Sales Metrics - Net Sales Exc Vat (£)

Then run report and export it to excel and turn into a table, the following steps need to be taken to get the data ready:

- Filter on Net Sales Exc VAT (£) and remove anything less than £1,000 including negative values.
- Filter on CTS Section and remove the following areas: PIZZAS, BAKERY- INSTORE/CDF, COFFEE, HOT FOOD, BREAD, MORNING GOODS, CAKES, DIRECT DELIVERIES, CONTINUITY/OPPORTUNITY BUYING, BAKERY INTERBRANCH TRANSFERS, FROZEN VEGETABLES, ICE CREAM & RELATED PRODUCTS, REDUCED/PROMOTIONS, DIRECT DELIVERIES, M/P/F INTERNAL CREDITS, GRAPES & STONE FRUIT, BERRIES & CITRUS, TOP FRUIT, EXOTIC, HORTICULTURE, POTATOES, VEGETABLES, ORGANICS, INTERBRANCH TRANSFERS, JUICES, CHILLED PREPARED PRODUCE, PREPARED SALADS, SWEET, SALAD, FROZEN PIZZAS .
- Filter on Subsection and remove the following areas: BEEF - ACCOMPANIMENTS, FROZEN BREAD, OTHER, PASTA SAUCE.
- Split the data onto separate tabs by using "CTS Section" you will then have some manual movement of products to align everything, such as Cheese & Cheese Prepack, Fresh Bacon & Frozen Bacon.
- Within each tab created check that products listed are correct for that tab (eg, Beef) contains some meat free products that will need moving to the meat free section, or lamb products appearing in the Beef section. There will be quite a number of products that need realigning.
- Create total columns at the bottom of the Net Sales Exc VAT (£) covering Total for the section, Total for Branded products, Total for Co-op Products.
- Count the number of products in each section and using the Brand Type identify branded and Co-op own label.
- Identify Higher welfare products in each section (eg, all own label pork products, all shell eggs, organic milk) and ask Agricultural Managers, Technical for an up-to-date list. Then total up the value of the higher welfare products.

Proportion of fresh protein by type:

A percentage calculation for each protein type (see list above) as a proportion of total Co-op brand protein sales - excluding VAT.

Proportion of sales by welfare standards (branded and own-brand products):

Calculated for each product type (see list above), expressed as a % of total sales of that product type.

Higher welfare sales (own-brand only):

The total value of sales of all those products defined as higher welfare (see above) - excluding VAT.

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Wood and paper

Indicators

- Volume of wood and paper used in Co-op Food products, of known origin
- % wood and paper for Co-op Food from FSC
- % wood and paper for Co-op Food from recycled sources
- % wood and paper for Co-op Food from known legal source virgin material

Definitions

Volume of wood and paper used in products for Co-op Food, of known origin:

Certified to either FSC (Forest Stewardship Council), recycled or a known legal source (eg PEFC [Programme for the Endorsement of Forest Certification] or FSC material without the site being FSC certified). The % by origin is also reported:

% wood and paper for Food from FSC:

% from FSC certified sources with full chain of custody.

% wood and paper for Food from recycled sources:

Wood or paper from pre- or post-consumer recycled sources.

% wood and paper for Food from known legal source virgin material:

Covered by another credible certification - we accept PEFC or FSC but the site isn't FSC certified.

Scope

The data covers all Co-op own-brand products invoiced to us by suppliers during the calendar year, where wood, paper or pulp is used in a product. This can be food or non-food, in our Food business.

We produce this in accordance with our annual submission to [WWF's Global Forest and Trade Network](#) which is also audited by WWF. The WWF guidance does not require inclusion of products where wood and paper is less than 5% of the product content. However, for transparency we include all of the tonnage in our data, even where it is less than 5% of a product.

Branded products (ie, non-Co-op products) are excluded.

Data calculation and methodology

The wood raw material equivalent (WRME) of each product is checked annually through a supplier survey, including certification level of wood and paper (defined by WWF - see below) and amount of wood and paper products the supplier has invoiced us for.

We report against a baseline year of 2006.

External standards or guidance used:

GRI 301-2 Recycled input materials used (2016)

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FSC Coffins

Indicators

- % of coffins made from FSC-certified wood

Definitions

The amount of FSC-certified wood used in manufacture of coffins as % of total wood used in manufacture of coffins for the 12 months to the end of June.

Scope

The data covers the 12-month period to the end of June in the reporting year, to align with FSC audit period.

The FSC certification only relates to coffins produced in our Glasgow coffin factory.

If coffin production is outsourced to third parties these cannot be claimed as FSC by the Co-op under our certification code, even if the third party is FSC certified themselves.

Data calculation and methodology

Raw material usage data is calculated using balances from the year end stock count, and invoices from the production system. Invoices for coffins manufactured by third parties are excluded. Final data is subject to an annual FSC audit.

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Palm oil

Indicators

- Palm oil used in Co-op brand products
- RSPO sourcing in Co-op brand products

Definitions

Palm oil used in Co-op brand products:

Defined as the total weight of palm oil (kernel, derivatives, oil etc) used in Co-op brand products in the calendar year.

RSPO sourcing in Co-op brand products:

This is the total weight of palm oil certified by one of the [Roundtable on Sustainable Palm Oil](#) (RSPO) schemes, directly used in Co-op own-brand products (ie, Credits, Mass Balance or Segregated, Identity Preserved) in the calendar year.

Scope

The scope covers all Co-op own-brand products made and sold to our Food business during the calendar year. Only Co-op own-brand products are included in data collection - branded products are excluded as branded suppliers report directly to RSPO on their usage - and the indicators are only applied in our Food business.

Data calculation and methodology

Amount of Palm Oil used in Co-op Own-Brand products:

RSPO certification level physically in those products (Segregated or Mass Balance), or if not used number of RSPO credits purchased.

We currently use a 3rd party to collect the data. They collate data from suppliers on behalf of a number of the members of Retailer Palm Oil Group.

Our third-party provider request self-declaration information on how much palm oil a supplier has purchased and what level of certification this is and provide an annual report that aggregates total volume of palm oil used by each supplier in Co-op branded products by certification type.

When suppliers do not respond to a survey in time, estimates for that supplier are inputted based on prior year data.

External standards or guidance used:

- Data is collected and presented in a way which is aligned with what is submitted annually to the RSPO in our Annual Communication of Progress (ACOP)
- GRI 301-1 Materials used by weight or volume (2016)

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Soy

Indicators

- Footprint of embedded soy in supply chains of Co-op brand products
- Soy footprint verified deforestation and conversion free

Definitions

Soy used in Co-op brand products:

Defined as the total weight (tonnes) of soy embedded in Co-op brand products in the calendar year. This covers soy embedded through animal feed in the supply of fresh protein product, and products which use animal protein (including dairy and eggs), and soy as a direct ingredient.

We define (animal protein) ingredients as animal proteins in meat, dairy, or egg purchased directly for inclusion in a product. For example, 'cream' on purchase ledger. It excludes proteins that are embodied in other compound food products (e.g. chocolate containing milk) and by-products (e.g. fat, gelatine).

For soy as a direct ingredient we exclude soy lecithin.

Soy footprint verified deforestation and conversion free:

Defined as a percentage of soy volumes that meets the criteria of verified deforestation and conversion free. This is either by:

- a) Certification under schemes benchmarked to FEFAC Soy Sourcing guidelines with non-conversion criteria and segregated sourcing
- b) Sourced from low risk region (Non-South American sourcing)
- c) Covered by an approved verification system, with physical segregation of verified material from non verified

Scope

The scope covers all Co-op own-brand products made and sold to our Food business during the calendar year. Only Co-op own brand products are included in data collection - branded products are excluded and the indicators are only applied in our Food business.

Data calculation and methodology

Amount of soy used in Co-op brand products:

We currently use a third party to collect the data for direct soy and embedded soy in animal protein (fresh and as an ingredient). They collate data from suppliers on behalf of a number of the members of Retail Soy Group.

Our third-party provider request information on direct soy and embedded soy used by suppliers and provide an annual report that aggregates total volume of soy used by each supplier in Co-op brand products. We aim to have as accurate volume data as possible. We require all suppliers to report their data annually and we focus on our biggest users of soy - we know the nature of embedded soy means the majority is concentrated in a small number of suppliers. If we find any discrepancies in the data through missed reporting from smaller contributors of soy, we ensure these are covered through RTRS credit purchase in the following years where required.

External standards or guidance used:

- Data is collected and presented in a way which is aligned with what is submitted annually to the RTRS Report on Progress.
- GRI 301-1 Materials used by weight or volume (2016)

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Ethical trade

Indicators

- Number of sites and workers on Sedex and location of audits
- Number of supplier training events completed
- Status of improvement actions from ethical audits completed

Definitions

- We report the total number of supplying sites in all tiers that supply Co-op Food that actively supply at the point the data is reported and remain live suppliers, aggregated by continent. Discontinued suppliers are excluded. We report the number of workers in the reported supplying sites at the point the data is reported aggregated by continent. Discontinued suppliers are excluded.
- We report the total number of audits completed in the previous two calendar years at all the active (at time of reporting) supplying sites, aggregated by continent. Discontinued suppliers are excluded.
- We report the % of Tier 1 sites in a high-risk country with a valid audit at the point the data is reported.

All indicators relate to Co-op own brand suppliers of finished goods for sale in the Co-op food business only. For specific indicators we use the definitions below:

Number of sites and workers on Sedex and location of audits:

- By site, we mean site of employment, such as factory, packhouse, grower, etc.
- We define a Tier 1 site as a production site where goods are finished, ready for supply to, or sale by, the end company. A Tier 2 site is a production site that supplies goods or materials to a Tier 1 site for incorporation into the finished product. Sites 'beyond Tier 1' include sites at Tier 2 and further down the supply chain, depending on the nature and complexity of the supply chain.
- By worker, we mean any person directly or indirectly employed to work at that site.
- By Sedex, we mean the Supplier Ethical Data Exchange (Sedex), a web-based system which allows organisations to store information about labour standards within their business and to share this with one or more of their customers.
- By audits, we mean an ethical/social audit to measure, understand, report and ultimately improve an organisation's social and ethical performance based on the Ethical Trading Initiative (ETI) Base Code and International Labour Organisation standards.
- A valid audit means (as set out in our Supplier's Guide to the Co-op Ethical Trade programme) it is:
 - o Semi-announced
 - o Conducted by a third party
 - o A 'Sedex Members Ethical Trade Audit' (SMETA) or equivalent standard
 - o A 'Sedex Virtual Assessment'- introduced in 2020, this due diligence tool allows an auditor to assess the performance of a site remotely (where it cannot take place on site) through the use of video conferencing
 - o Less than two years old
- By high risk we mean countries that are stipulated as high risk in our Suppliers Guide to the Co-op's Ethical Trade Programme, based on independent expert knowledge of issues known to exist in countries.

Number of supplier training events completed:

- By training, we mean face-to-face or online events such as workshops, conferences and forums run by the Co-op Ethical Trade Team or training events sponsored by Co-op Food business for Co-op own-brand suppliers to build their knowledge of expectations with regards to their labour standards.
- We report the number of training events by country.
- We report the total number of delegates from supplying sites attending a training event.
- We report the number of supplying sites represented by delegates attending training events.
- Training data covers the calendar year.

Status of improvement actions from ethical audits completed:

- Data in this table is collated from valid audits completed in the last 2 years. Each column is split by 'Critical / major' and 'Minor' improvement actions as defined by the SMETA Non-Compliance Guidance (available to members only via the Sedex system):
 - o Critical / major (business critical/ critical/major non-conformances): Critical, severe or material breaches which represents a danger to workers/those on site or which constitutes a critical, severe or materials breach of workers' human rights or safety.
 - o Minor: An occasional or isolated problem. An issue which represents low risk to workers/those on site.
- Improvement actions are split by ETI (Ethical Trading Initiative) provision in the Sound Sourcing Code that they cover.
- By improvement actions, we mean non-compliances raised in ethical audits and corrective actions completed to resolve issues.
- We report the number of improvement actions (non-compliances) raised by audits in the last two years. These totals are split out by:
 - o number of improvement actions (corrective actions) that have been reported as completed by the site AND the evidence has been verified by the auditor
 - o number of improvement actions that have been reported as completed by the site and will be verified by the auditor during the following calendar year
 - o number of improvement actions that are due to be completed by the site during the following calendar year
 - o number of overdue improvement actions

Scope

All indicators exclude branded products (ie, non-Co-op products).

Number of sites and workers on Sedex and location of audits and Status of improvement actions from ethical audits completed:

Data covers active Co-op Food own-brand supplying sites in the scope of the Co-op Food Ethical Trade Monitoring Programme in the reported supplying sites at the point the data is reported and from audits covering the calendar year and the previous year.

Audit data is from valid audits conducted within the last two years (reporting year and previous calendar year).

Number of supplier training events completed:

Data covers training events, conferences and forums run by the Co-op Ethical Trade Team or training events sponsored by Co-op for Co-op own-brand suppliers during the calendar year.

Data calculation and methodology**Number of sites and workers on Sedex and location of audits:**

The basis for indicators relating to sites, locations, audits and improvement actions is a supply chain report from Sedex.

Sedex create a bespoke supply chain report, which is the basis for the Co-op Food Ethical Trade Monitoring Programme.

As a condition of trade all Co-op own-brand Tier 1 production sites must:

- be registered on Sedex
- complete a self-assessment questionnaire
- and, if based in a high-risk country, conduct a valid ethical audit prior to supply.

This status report is supplied by Sedex on a monthly basis from a template compiled by the Co-op Ethical Trade team based on a bespoke specification. It is benchmarked on a monthly basis against Co-op's MyCore technical system to ensure that all active direct supplying sites are included in scope.

Sites beyond tier 1 are included in the scope of the Co-op ethical trade programme where deemed necessary by the Ethical Trade Manager in consultation with Ethical Trade Officers, due to known ethical trade risks including the increased reliance on casual/temporary labour, media allegations etc. Information on Tier 2 sites is collected directly from direct suppliers, who upload supplier information into templates onto MyCore.

Number of supplier training events completed:

The basis of training data 'in person' events is an internal report maintained by the Co-op Food Ethical Trade Team. Registration data is collected using the Eventbrite web platform, which collects data on all areas required for reporting. Delegates are required to record they have attended training events via a sign in sheet, of which a copy is kept on file by the Co-op Ethical Trade Team. Data from the events is then compiled by the Ethical Trade Team into a central log.

For online events, registration data is collected using the Eventbrite web platform. Attendance reports are further downloaded from the host website to provide the number of delegates and suppliers who attended the event. Data is stored in a central log by the Ethical Trade Team.

Calculations of data are summarised under Definitions (above).

External standards or guidance used:

- The indicators measure supplier adherence to Co-op's commitments, as set out in our [Sound Sourcing Code of Conduct](#) and our [Human Rights and Trade Policy](#).
- All audits provided to the Co-op Food must comply with the [SMETA guidance](#), based on the [Ethical Trading Initiative \(ETI\) Base Code](#) and [International Labour Organisation](#) standards.
- GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.
- GRI 408-1 Operations and suppliers at significant risk for incidents of child labour.

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Fairtrade

Indicators

- Our commitment to Fairtrade across seven core categories
- Tonnage / Litres / Stems sold on Fairtrade terms
- Overall number of Fairtrade SKUs in the range
- Minimum number of Fairtrade SKUs in the range
- Our Leadership in Fairtrade
- Co-op % change in Fairtrade sales
- % Fairtrade market share

Definitions

'Fairtrade' specifically refers to products which carry the internationally-recognised Fairtrade Mark and versions thereof. These products are certified in the UK by the [Fairtrade Foundation](#) and to the standards created and controlled by [Fairtrade International](#).

'Fair Trade' refers the global movement that stands for trade between companies and producers in which fair prices are paid to the producers. Whilst recognising that 'Fairtrade' is the 'gold standard' in certification, Co-op also acknowledges that there are a small number of product and product ingredients sourced from 'lesser developed countries' for which certification by Fairtrade International does not exist. Co-op has therefore created a model to allow the development and labelling of own brand 'Fair Trade' products, outside of, but based on, the Fairtrade system.

Tonnage / Litres / Stems sold on Fairtrade terms:

The total volume of Fairtrade ingredients measured in Tonnes / Litres / Stems contained via products stocked at Co-op and wholesale partners in the calendar year. Includes Fairtrade-branded wine sales and Fair Trade Charcoal.

Overall number of Fairtrade products in the range:

The total number of Fairtrade products stocked in the Co-op in the calendar year. Including own label and branded lines.

Minimum number of Fairtrade SKUs in the range:

The number of Fairtrade products stocked in more than 99.5% of stores in the calendar year.

Our Leadership in Fairtrade:

Co-op's ranking of perceived leadership in Fairtrade as % in the calendar year. People who mention Co-op when asked 'Which UK business or retailer is the leader on Fairtrade?' in Co-op's Ethical Leadership survey. Questions in this survey are asked unprompted.

Co-op % change in Fairtrade sales:

The total increase or decrease in Fairtrade-certified sales made by Co-op in the calendar year versus the previous calendar year.

% Fairtrade market share:

Fairtrade-certified sales made by Co-op as % of total Fairtrade-certified sales made in the UK convenience sector in the calendar year.

Scope

Tonnage / Litres / Stems sold on Fairtrade terms

Data covers Fairtrade-certified products sold in the calendar year and Fair Trade Charcoal, endorsed by Transform Trade.

Overall number of Fairtrade SKUs in the range

Data covers total number of Fairtrade lines in the Co-op range in the calendar year.

Minimum number of Fairtrade SKUs in the range

Data covers number of Fairtrade lines in the Co-op range sold in more than 99.5% of Co-op stores in the calendar year.

Our Leadership in Fairtrade

Data covers % of people who mention Co-op when asked 'Which UK business or retailer is the leader on Fairtrade?' in Co-op's Ethical Leadership survey. Questions in this survey are asked unprompted. Highest perceived leadership on Fairtrade Co-op Ethical Leadership Research conducted by ICM Unlimited.

Co-op % change in Fairtrade sales

Data covers Fairtrade-certified sales made by Co-op and the total UK grocery market, as measured by [Kantar](#) for the calendar year.

Out of scope are products labelled 'Fair Trade' and 'fairly traded' unless they specifically carry the Fairtrade certification.

% Fairtrade market share

Data covers Fairtrade-certified sales made by Co-op and the total UK grocery market, as measured by [Kantar](#) for the calendar year.

Out of scope are products labelled 'Fair Trade' and 'fairly traded' unless they specifically carry the Fairtrade certification.

Data calculation and methodology**Tonnage / Litres / Stems sold on Fairtrade terms**

Fairtrade Certified: An annual report is generated by the Fairtrade Foundation from the Fairtrade Connect system which reports total Fairtrade ingredient volumes for the Co-op in the calendar year. Includes Fairtrade-branded wine. The data is reported as provided by the Fairtrade Foundation.

Fair Trade Charcoal: An annual report is generated by Rectella which reports Fair Trade total Charcoal volume for the Co-op. The data is reported as provided by Rectella.

Overall number of Fairtrade SKUs in the range & Minimum number of Fairtrade SKUs in the range

An annual report is generated by Co-op which reports the total number of Fairtrade and Fair Trade SKUs sold in the calendar year. Includes depth of distribution (DOD) of Fairtrade range. Lines available in more than 99.5% of stores are in scope for the minimum number of Fairtrade SKUs in the range.

Our Leadership in Fairtrade

The Ethical Leadership survey is conducted online, interviewing a nationally representative sample of 2,000 GB adults (aged 18+). All questions are asked unprompted (i.e. respondents do not have a checklist, they answer with the business or retailer which is top of mind when asked about a range of ethics and sustainability issues). On the topic of Fairtrade, the question is "Which UK business or food retailer do you consider to be the leader on Fairtrade?". The answer which we report is the total % of the 2,000 respondents that mentioned Co-op. Conducted by ICM Unlimited.

% Fairtrade market share

A quarterly report is generated by Kantar which reports Fairtrade and total grocery sales/share for the Co-op and the total UK grocery market. The data is reported as provided by Kantar.

Co-op % change in Fairtrade sales:

The total increase or decrease in Fairtrade-certified sales made by Co-op in the calendar year versus the previous calendar year.

% Fairtrade market share:

Kantar measures retail sales (£) of Fairtrade products across the food retail and convenience food sectors in the UK. It calculates shares of the sales for each retailer.

Third party certification is governed by the [Fairtrade Foundation](#).

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Healthier products (Product level)

Indicator

- % Co-op own-brand food and drink products which are non-HFSS

Definitions

The Government's 2004-5 nutrient profiling model (NPM) is used to determine if a product is HFSS (High in Fat, Sugar or Salt) or non-HFSS.

This indicator counts how many Co-op own-brand products are non-HFSS, as a percentage of the total number of Co-op own-brand products.

Scope

Data relate only to Co-op own-brand food and drink products.

They exclude non-food products and alcohol.

Data calculation and methodology

All Co-op own-brand products were given a NPM score. The NPM score on their specification on the MyCore system determines if a product is classed as HFSS or non-HFSS. The Authenticate system extracted this data from MyCore to calculate how many Co-op own-brand products sold throughout 2023 were HFSS versus non-HFSS. It then uses these figures to generate a percentage split.

Healthier products (Sales tonnage)

Indicator

- % Co-op own-brand food and drink products which are non-HFSS, in tonnes sold

Definitions

The Government's 2004-5 nutrient profiling model (NPM) is used to determine if a product is HFSS (High in Fat, Sugar or Salt) or non-HFSS.

This indicator calculates the weight in tonnes of non-HFSS products which customers are buying as a percentage of our total Co-op own brand sales tonnage.

Scope

Data relate only to Co-op own-brand food and drink products.

They exclude non-food products and alcohol.

Data calculation and methodology

All Co-op own brand products were given an NPM score on their specification on the MyCore system. The NPM score determines if a product is classed as HFSS or non-HFSS.

The Authenticate system extracts this data from MyCore and merges each product with their sales (in tonnes) from the Data Warehouse (the system which stores sales data). The Authenticate system can then calculate the sales weight (in tonnes) of non-HFSS and HFSS products. Using these figures, it then generates a percentage sales weight split (in tonnes).

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Gender and Ethnicity

Indicators

- % colleagues that are female
- % females in leadership roles
- % colleagues identified as belonging to an ethnic minority group
- % of our leaders from an ethnic minority background

Definitions

Leadership roles are defined as colleagues in the grade 1-5; for food store colleagues those in position of Team Manager or above. Ethnic minority backgrounds are classed as either Asian, Black or Mixed backgrounds.

Scope

The scope of these indicators covers payrolled employees - total number of employees payrolled via Oracle, both active (including Full-time/Part-time, Regular/Temporary employees) and non-active (ie, on Maternity Leave, Paternity Leave, Adoption Leave, etc.).

It excludes Agency Temporary Workers ('Contingent Workers') eg those payrolled via recruitment agencies. This is in line with current reporting guidelines from the ONS and Gov.uk.

Data calculation and methodology

% colleagues that are female:

This is calculated as the number of payrolled employees (at 31 December) recorded in the Oracle system with Female Gender, divided by total payrolled employees recorded in Oracle. Gender reported based on self-identification.

% leaders that are female:

Gender is reported is based on self-identification.

% colleagues identified as belonging to an ethnic minority group

% of our leaders from an ethnic minority background

These three indicators are calculated based on data provided by colleagues on the Oracle system.

External standards or guidance used:

GRI 405-1 Diversity of governance bodies and employees (2016).

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Number of colleagues

Indicators

- Total colleague headcount at calendar year end

Definitions

Total headcount is defined as the number of payrolled employees at 31 December. It is the absolute headcount number and not the number of full-time equivalents.

Scope

Data covers payrolled employees - total number of employees payrolled via Oracle, both active (including Full-time/Part-time, Regular/Temporary employees) and non-active (ie, on Maternity Leave, Paternity Leave, Adoption Leave, etc.).

Excludes Agency Temporary Workers ('Contingent Workers') such as those payrolled via recruitment agencies. This is in line with current reporting guidelines from the ONS and Gov.uk.

Data calculation and methodology

Calculated as the total number of payrolled employees recorded in Oracle at calendar year end (31 December).

External standards or guidance used:

GRI 102-8 Information on employees and other workers (2016)

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Health and safety

Indicators

- Number of non-reportable accidents
- Number of non-reportable accidents/100,000 colleagues
- Number of reportable accidents
- Number of reportable accidents/100,000 colleagues

Definitions

Non-reportable accidents:

These are accidents (event resulting in injury or ill health) which have happened but are not legally reportable to the HSE (Health & Safety Executive, Government body).

Reportable accidents:

These are accidents which have happened and due to the severity of the accidents we have to report to the HSE as a RIDDOR (Reporting of Injuries, Diseases, and Dangerous Occurrence Regulations 2013).

The number of colleagues:

For these indicators the total number of colleagues is calculated as the total headcount of colleagues payrolled both through Oracle and the recruitment agency Rullion at calendar year end (31 December).

Accidents involving colleagues payrolled through any recruitment agency are recorded on our system, but we are only able to accurately include those from Rullion in the headcount (this is the majority of agency colleagues). As a result, we slightly over-report number of accidents per 100,000 colleagues.

Scope

The data set is taken for the full calendar year.

The indicators cover all recorded colleague accidents, including accidents for Agency Temporary Workers ('Contingent Workers') payrolled via recruitment agencies.

It covers colleagues working in all properties for which we have operational control, including stores, petrol forecourts stores, funeral homes, depots and support centres. It also covers colleagues travelling for work (apart from commuting).

The scope excludes:

- Sickness incidents - unless related to occupational health
- Accidents travelling as part of a colleague's commute to normal workplace
- Customers' accidents

Data calculation and methodology

The data source is Co-op Incident Management System, currently '@Risk' moving to a cloud-based system 'MySafety (Sphera)'.

Colleagues self-report on the system. Data is reviewed by business units, and then by the Safety Team. We then run reports to produce the figures according to the scope and definitions identified above.

- **Number of non-reportable accidents/100,000 colleagues and Number of reportable accidents/100,000 colleagues:**

Calculation for these indicators is:

Number of accidents/(total end of year headcount/100,000)

To understand the level of accidents occurring a comparable data set is used by way of 100,000 colleagues which helps demonstrate if we as an organisation are becoming safer (or not).

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Restating and re-baselining criteria

Criteria for restating previously reported data

Co-op will restate data previously reported when:

- A material error is identified in the basis for the previously reported figure.
- More accurate and materially different data becomes available for the previously reported figure

By 'material' we mean that we will only restate a previously reported figure if the amendment alters the originally-reported headline figure by five percentage points or more.

As a guiding example: Part of the waste tonnage we report may be based on estimated weights for specific bin types collected. If we receive actual weighed data for these collections which is different to the estimate used and materially impacts the reported waste figure, we will then restate this figure.

Criteria for altering the baseline used for long-term targets

Co-op will re-baseline targets in the case of mergers, acquisitions, divestments or in/out sourcing of emitting activities which will materially affect a headline environmental figure, ie, altering it by five percentage points or more.

As a guiding example: If we acquire an entirely new business unit, such as a new convenience retail business, and this increases our headline waste or GHG emissions by more than 5%, the elements of that which fall under our direct control will be added to our baseline and backdated as if we had always operated this business. We would not however alter our baseline after opening a series of new stores, as this is organic growth rather than a significant change to our business.

Similarly: If we divest from a business unit, such as our previous pharmacy business, the impacts from that are removed from our baseline and backdated as if we had never operated this business. We would not however alter our baseline as a result of closing a series of pharmacies, as this is organic decline.

This means our targets remain like-for-like and can't be met (or invalidated) simply as a consequence of changing our business structure.

Criteria for the boundaries of 'direct' environmental impacts

Co-op's reporting of environmental impacts from our direct operations follows the principle of [operational control](#), meaning that we report those impacts for which we have direct control of the operation in question. This includes:

- Scope 1 and 2 greenhouse gas (GHG) emissions
- Waste generated from our occupied premises
- Water used within our occupied premises

As a guiding example: We report the GHG emissions from the trucks and vans we operate to distribute food to our stores in our direct 'Scope 1' footprint. We wouldn't however include the GHG emissions from rail distribution, as we don't operate that element, this would instead be an indirect 'Scope 3' GHG emission.

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