# **SUPPORTING BRITISH FARMERS**

Our long-standing commitment to delivering 100% British fresh and frozen protein has helped maintain our strong farmer relationships, ensuring access to <u>high animal welfare standards</u> for everyone, regardless of their budget.

## **CO-OP FARMING GROUPS**

Co-op farming groups and our wider sourcing policies have helped us engage directly with our hundreds of British producers and/or suppliers. As the industry changes, we've evolved our approach to encompass all our fresh meat and dairy supply chain. This expanded partnership improves our supply chain data, offering more detailed insights into animal welfare and the environmental impact of the products we sell.

### **CLIMATE CHANGE**

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

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

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



## Beef sustainability pilot

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

In late 2023, we launched a new partnership with our red meat supplier Dunbia. We will now work closely with beef farmers who carry out environmental assessments, such

as carbon footprint of their farms. Farmers will receive additional bonus payments for reducing their environmental impact through taking actions that lower their carbon intensity<sup>1</sup>. Between 2023 and 2024, we ran a pilot covering 10% of our supply volume. In the first year of our pilot, farms achieved a 15-30% reduction in carbon emissions - well below the average carbon intensity for UK beef. As we move into year two, we'll continue working closely with these farms to better understand the full potential for carbon savings this initiative can deliver, and scale up the scheme to cover 25% of our supply.

<sup>1</sup> The carbon footprint per kg of beef



#### Dairy sustainability plans

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

We have long-standing relationships with UK farmers through our Co-op Dairy Group (CDG), which accounted for more than 90% of our milk supply in 2023. The CDG allows us to work closely with specific farms on key issues whilst guaranteeing a fair milk price for farmers.

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

To achieve our climate change commitments, we know we must move faster to reduce the carbon intensity of milk. In 2023 and 2024, alongside independent dairy consultants Kite and supply partner Müller, we have increased the focus on sustainability. Each of our 140+ farms will receive a detailed sustainability plan for their farm. These sustainability plans will help our farmers focus on the key areas to improve not only their carbon intensity, but also overall efficiency and financial performance.

Working together with the CDG, we have set a target to reduce the average carbon intensity of our dairy supply by 30% per serving by 2030. We achieved a 2.5% reduction this year. While modest, we expect to see the benefits increase over the coming years.

# ENGAGING OUR FARMERS AND PRODUCERS

We have continued with farmer engagement through on-farm meetings and webinars. Our Farming & Fisheries 'X'² account, with nearly 5,000 followers, comprises of producers, suppliers, industry stakeholders and NGOs. It facilitates supplier interaction and promotes industry events, such as Sustainable Seafood September and 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.

#### A FOCUS ON BRITISH GROWERS

We're deepening our commitment to British growers with a renewed focus on strengthening ties within the sector. We're working with growers to address some of the critical challenges facing British horticulture, including climate change, labour availability and the removal of certain pesticides. Demonstrating our support, we recently hosted a Supplier Engagement Day, bringing together farmers and growers to share best practice and collaborate on sustainable solutions. This initiative underscores our commitment to fostering a resilient, innovative and thriving future for British fresh produce. (Read more)

# **100% BRITISH**

for our our meat, fresh milk, fresh cream, eggs and Cheddar cheese.

<sup>2</sup> Formerly Twitter

#### **SUPPORTING BRITISH FARMERS DATA**













Issue	2024 Target	Performance against Target	KPls	2021	2022	2023	2024	2025 Target	SDGs
			% Co-op branded fresh and frozen meat is British	100	100	100	100		
			% Co-op branded eggs, milk, farmed salmon and cream is British	100	100	100	100		
			Number of British farmers and growers in our Farming Groups	310	N/A	152	191		
Supporting British Farmers			We have increased our numbers through th farmers for their efforts in reducing carbo across beef, lamb and dairy sector	on emissions ar	id promotina n	ature on their fa	wards rms		
			Number of British primary protein farmers in our supply	-	-	7,945	8,687		
			Beef, Lamb, Dairy, Chic	ken, Egg, Pig ar	nd Salmon Farn	าร			
			Independent audits across Farming Groups	285	N/A	145	185		