FAIRTRADE



Around one third of the world's food is produced by 570 million small-scale family farms, many in parts of the world facing the most extreme poverty¹. Driven by our passionate members, we have championed the Fairtrade movement for 30 years, supporting trade justice through fairer prices, working conditions and terms of trade.

We believe Fairtrade is the gold standard of ethical and sustainable certifications. Fairtrade is more than a label - it is a movement for trade justice.

In 2024, we were incredibly proud to celebrate three decades of championing the Fairtrade movement, supporting farmers and workers to improve their livelihoods and invest in their communities.

The challenges facing farmers and workers are greater than ever. Unfair and unjust trading practices mean commodity and agricultural supply chains are especially vulnerable. The climate crisis is having an increasingly devastating impact on our food system as well as communities across the globe, with unpredictable weather patterns impacting food supply and producer 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.

Through FACSCA², we have been taught about how to plant indigenous trees, indigenous vegetables, use of organic fertilizers and how to place drainage in the farm. Now when I go to the farm, I get good yields and thus I have money for food, children's clothes and a few things in the house. There is a huge difference. ***

Emily Chepngenoh Rotich, Fintea Growers Cooperative Union.



¹ Our World in Data

² Fairtrade Alliance for Climate-smart Supply Chains in Africa

CO-OP'S FAIRTRADE LEADERSHIP

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



1992

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



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2000

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





2003

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





2016

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





2008

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





2004

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





2017

We were the first UK retailer to commit to sourcing all of the cocoa used as an ingredient on Fairtrade terms





2018

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





2022

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



2024

We became the first UK retailer to extend our commitment to sourcing 100% Fairtrade roses²







OWNED BY YOU

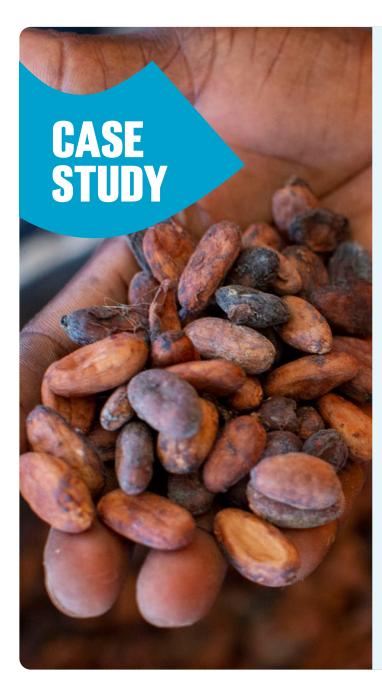
Last year, more than 70,000 members joined in to share their ideal chocolate bar flavour combinations with us, and in January, they chose their favourite from our shortlist.

As shaped by Co-op members, bars of our Fairtrade Chunky Salted Caramel and Pretzel chocolate landed on shelves in Co-op stores in July.

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Read more <u>here</u>.

² From September 2024



Pioneering 30 years of Fairtrade

2024 marked the 30th anniversary of the first FAIRTRADE Mark and Co-op is very proud to have been supporting Fairtrade since the beginning, driven by our passionate members.

To celebrate, we developed a bold Fairtrade Fortnight campaign, encouraging our members and customers to 'choose a fairer future'. We rebranded over 30 of our Fairtrade products in bold new designs that illustrated the impact of choosing Fairtrade and the positive change that can be driven by farmers and workers. We developed a range of in-store promotional materials and member discounts on own-brand and branded Fairtrade products to make our Fairtrade range even more accessible. We also reached thousands of members through a suite of exclusive 'Join In' activities and launched a marketing campaign showing our support for Fairtrade, with our press activity over the fortnight reaching two million people.

Cur member-owners have continually challenged our Co-op to do right by the farming communities in our global supply chains by championing Fairtrade. 2024 is a proud year for our Co-op; marking three decades of standing for fairness for farmers and workers around the world.

Our partnership with Fairtrade is not just a marketing message; it is a commitment to responsible sourcing, working with our suppliers and their communities, to change almost half a million farmers' and workers' lives for the better and deliver real social value.

We need others to join the Fairtrade movement to tackle the challenges the food systems face in the next 30 years. Join us. ¶¶

Shirine Khoury-Haq, CEO, Co-op

Our valued and longstanding partnership with Co-op over the past 30 years demonstrates the powerful and tangible impact of working with farmers and workers to improve their livelihoods and their communities around the world. Co-op's commitments and achievements continue to inspire; they were the first to make a 100% global Fairtrade rose commitment in 2024, they continue to innovate and launch the first-of-their-kind Fairtrade products, which will positively impact even more farmers and workers around the world, and they also show what can be done to raise awareness and engagement on Fairtrade in the UK via bold marketing and clear communications to their members and customers. Together, we are collaborating to drive progress and build a fairer and more sustainable future for the farmers and workers in Co-op's global supply chains.

Nyagoy Nyong'o, Chair, Fairtrade Foundation Board of Trustees Our objective to be the UK's biggest supporter of Fairtrade is underpinned by a three-pillar plan:

SOURCING

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

- 100% of our Co-op own-label bananas, tea, coffee, bagged sugar, roses and cocoa (including as an ingredient) are sourced on Fairtrade terms, and we are the world's biggest seller of Fairtrade wine.
- In 2024, we continued to be a Fairtrade leader in the UK. We sell more Fairtrade flowers and wine than any other individual grocery retailer. In 2024, Co-op became the first UK retailer to extend our commitment to sourcing all of our roses on Fairtrade terms, and to introduce Co-op branded Fairtrade rum.
- Co-op's Fairtrade sourcing supports around 182 producer organisations across 27 countries, reaching almost half a million farmers and workers.
- Despite another volatile year for global supply chains, overall in 2024 we maintained steady volumes of Fairtrade ingredients sold, despite some drops in categories caused by availability issues. We continue to champion Fairtrade, with our market overtrade increasing in 2024.

INNOVATION

In 2024, we delivered outcomes across four multi-year Co-op Future of Food Sourcing projects, investing in support for improved livelihoods and climate change resilience of Fairtrade farming communities:

- Tea, coffee, and flowers: We finalised a 3-year programme with Fairtrade Africa, supporting 19,430 producers from 12 organisations in Kenya, Ethiopia and Rwanda. The programme focused on supporting producers to become more resilient and adaptive to climate change (see case study here)¹.
- Bananas: Partnering with CLAC Fairtrade
 Producer Network, Fairtrade Foundation and
 Fyffes to improve soil health and productivity
 in the Dominican Republic and Colombia,
 supporting smallholder resilience and livelihoods
 (see case study here).
- Cocoa: Partnering with Fairtrade Africa to support women with training, strengthening their leadership to support better livelihoods in Ghana and Côte d'Ivoire, as part of the Women's School of Leadership.
- Flowers: Partnering with our supplier, Flamingo
 Horticulture, who are delivering a programme,
 'Inua Dada' (meaning 'Uplift Women' in Swahili),
 to improve women flower farm workers'
 earning potential through training and income
 diversification initiatives in Kenya (read more here).

COMMUNICATIONS

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, celebrating 30 years of
 Fairtrade, and 30 years of Co-op championing
 this movement for trade justice².
- Advocating for Climate Justice: Since 2021, we have led the call for climate justice, advocating for farmer-focused climate action.
 During Fairtrade Fortnight, we educated our customers and increased awareness on why action is needed. We also supported Fairtrade Foundation's 'Be The Change' campaign, asking MPs to pledge their support.



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¹ £378,106 given to the programme ² Scheduling over 90 events



FACSCA: Building climate resilience

2024 was the final year of our three-year flagship FACSCA³ programme, designed to support Fairtrade farmers and workers to become more resilient and adaptable to climate change. The programme was funded by Co-op, implemented by Fairtrade Africa and worked with 12 producer organisations in Ethiopia, Kenya and Rwanda. Through FACSCA, farmers and workers in Co-op's coffee, tea and flower supply chains have implemented climate mitigation and adaptation measures at farm level, while also increasing crop yields and quality. Investments in local youth enterprises have supported participants to implement income diversification initiatives. Through a Training of Trainers model, and the establishment of two Fairtrade Centres of

Excellence, local farming communities retain access to training and developmental resources, helping to drive continuous improvement in these supply chains.

The programme reached 19,430 farmers and workers and achieved the following results:

- Out of the 91.4% of the trained coffee farmers, 90.4% are implementing good agricultural practices on their farms, increasing their average annual production by 56%⁴, whilst improving the quality of their coffee.
- Tea farmers have adopted more sustainable practices such as introducing drought and frost-tolerant tea varieties and effective soil

management strategies. Through climate change sensitisation training, flower farm workers now have a good understanding and awareness of the causes and implications of climate change, with 100% of those interviewed taking precautions to manage the impact of daily activities. Additionally, 93.8% were taking precautions to reduce deforestation.

• 12 youth groups received youth seed capital for climate-change-focused enterprises. 255,000 seedlings were distributed to farmers and 785 farmers participated in training on income diversification initiatives.

³ Fairtrade Alliance for Climate-smart Supply Chains in Africa

⁴ From 1288.01 kgs in 2021 to 2018.26 kgs per farmer

Key Performance data icons

FAIRTRADE DATA







Issue	2024 Target	Performance against Target	KPIs	2021	2022	2023	2024	2025 Target	
Fairtrade			Number of core commodities and categories with a Fairtrade Commitment	7 7		7	7 A		
			Our commitment to Fairtrade continues across seven core categories - 100% of our tea, coffee, bananas, cocoa, bagged sugar, South African wine and roses are Fairtrade, and we are the biggest retailer of Fairtrade wine in the world.						
			Amount of Fairtrade ingredients we purchase via our Fairtrade products (volume measured in tonnes/litres/stems) ²	49,517 Mt 16.7 million litres 53.3 million stems	48,967 Mt 16.1 million litres 52.4 million stems	43,126 Mt 14.7 million litres 71.3 million stems	40,751 Mt 15.95 million litres A 64.8 million stems		
			Demonstrates material impact to Fairtrade producers. They benefit from Fairtrade Standards, Minimum Price and Premium with every Fairtrade purchase.						
			Number of Fairtrade lines in our range (own-label and branded)	383	464	422	346 A		l,
			Shows extent of full range of Fairtrade products. Includes seasonal lines. We introduced new Fairtrade lines into our own-brand and branded ranges in 2023.						1
			Minimum number of Fairtrade lines in any Co-op store (own-label and branded)	71 90 93		93	90 A		8
		Ensures a minimum Fairtrade range available in any store.							ŀ
			Fairtrade overtrade	416	450	462	458		
			Fairtrade market share among UK convenience stores (%)	81.5 (vs 60.2 total convenience)	84.1 (vs 59.2 total convenience grocery market share) 22.4 (vs 5 total grocery market share)	82.9 (vs 59.1 total convenience market share)	82.1 (vs 55.7 total convenience market share) 20.7 (vs 4.5 total grocery market share)		
			Fairtrade market share among UK total grocery market (%)¹	21.1 (vs 5.1 total grocery market share)		21.7 (vs 4.7 total grocery market share)			

 $^{^{1}\,}$ Kantar grocery (food & drink) market share $^{2}\,$ This includes ingredients purchased for NISA Fairtrade products

INTERNATIONAL DEVELOPMENT





On World Water Day 2024, we celebrated our pioneering partnership with The One Foundation at the House of Lords, as they reached the incredible milestone of £30 million raised and 5 million lives changed through clean water, hygiene, and sanitation projects around the world. This milestone was achieved largely in thanks to Co-op members and shoppers purchasing Co-op own-brand water.

This shared co-operative vision is creating a fairer world for communities across the Global South and has been instrumental in enabling us to provide WASH¹ services to our Fairtrade supply chains.

Shirine Khoury-Haq, Co-op CEO

Now more than ever, we must make the world a more water secure place.

Water security remains one of our key priorities. We believe that investing in water security - sustainable, resilient water resources and services for all - is one of the best ways to address increasing climate vulnerability and inequalities.

As part of our partnership with The One Foundation, we invest directly in water security programmes within our supply chain. We also collaborate with other retailers and food businesses to take collective action in key food-sourcing areas through WRAP's Water Roadmap (read more here).



ONE FOUNDATION

Clean water for all remains a core part of our water security strategy. Thanks to our member-owners and customers, we raise donations



through sales of Co-op own-brand bottled water to support projects bringing clean water, sanitation, and hygiene (WASH) solutions to communities living in some of the most extreme poverty. We've donated more than £21m over the past 18 years and over £2m in 2024 alone. In partnership with The One Foundation, these funds have helped to drive water security and deliver safe water and improved sanitation to over 193,000 people living and working in Kenya, Rwanda, Ghana, and Malawi during 2024. Over the last 18 years, over 3.2 million lives have been changed through this partnership.

10% of our donations to The One Foundation are ringfenced to provide direct support in humanitarian emergencies, providing WASH solutions. To date, we have provided over £1.8m in funding for crises ranging from famine, war, and viruses through to natural disasters.

¹ Water, sanitation, and hygiene



Emergency access to water during conflict

An Oxfam report, from July 2024, found that the amount of water available in Gaza had reduced since the start of the conflict by 94 per cent to 4.74 litres a day per person - just under a third of the recommended minimum for survival in emergencies and less than a single toilet flush. Due to a lack of clean water and basic hygiene items, cases of diarrhoea, hepatitis, and jaundice have been increasingly prevalent. Through our partnership with The One Foundation, Co-op provided £150,000 to enable Oxfam and its

partners to deliver life-saving WASH services including water trucking, installing desalination units and latrine blocks, distributing hygiene kits and rehabilitating wastewater networks. Our contribution, together with funding from others, helped Oxfam and partners reach nearly 780,000 people between October 2023 and September 2024 in Gaza and the West Bank, nearly half of them children. We are grateful to our memberowners and customers who made this possible by purchasing Co-op bottled water.

WATER UNITE

With help from our member-owners and customers, we donated £607,523 to global charity Water Unite in 2024.

WAJER UNITE

Donations from sales of participating brands means Water Unite can fund innovative and scalable solutions to tackle the global and inter-related problems of water conservation, sanitation, and plastic pollution. Water Unite uses an innovative funding model to leverage investment in the systems needed to keep clean water flowing, and to tackle plastic pollution. Together with our branded suppliers, we've generated over £4,334,802 for Water Unite since 2017. This funding has helped support innovative local entrepreneurs working to tackle water, sanitation, and plastic waste issues in developing countries across Africa and Asia.

In 2024, **Water Unite Impact (WUI) secured U\$\$7.5 million** from the U.S International
Development Finance Corporation (DFC).
DFC's funding will accelerate WUI's mission to connect impact-driven companies with capital, expertise and networks for substantial growth.

Our funding enabled WUI to successfully complete its pilot phase (2021-2023) and make its initial five impact investments. This strong portfolio of social enterprises and track record enabled WUI to catalyse additional funding from DFC.



Water Unite & Mr. Green Africa

Total plastic production in Kenya has reportedly reached approximately 400,000 tons, posing significant environmental challenges¹. Globally, an estimated 15-20 million people depend on informal waste collection for their livelihood². Without formal employment, wastepreneurs often face exploitation from traders who pay them poorly or refuse to purchase collected materials, leaving them without income.

Mr. Green Africa (MGA) addresses these issues by recycling and selling ethically sourced plastic materials, empowering marginalised wastepreneurs to responsibly gather and process waste. These materials are then distributed to local markets, helping to formalise the plastic supply chain, create job opportunities, and reduce plastic pollution in developing cities.

Water Unite has been working with Mr. Green Africa since 2021, following an investment of US\$ 200,000 via the Water Unite Impact Fund. This has been made possible thanks to pioneering partners such as the Co-op. Since then, MGA has been able to scale its operations, most recently illustrated by the launch of its pre-processing hub. As of November 2024, MGA processed over 4,300 tonnes of plastic waste with more than 1,900 active wastepreneurs in the region.³

If we look at the scale of the issue, such funding will allow us to bring it to the next level and prove the case that you can do local value addition by empowering the people that are involved in the collection, ultimately creating better livelihoods.

Keiran Smith, CEO and Co-Founder of Mr. Green Africa

¹ Mogoatlhe, L. (2019, November 22). How Companies Are Turning the Tide of Plastic Pollution in Kenya. Global Citizen

² GRID-Arendal (2022). A Seat at the Table: The Role of the Informal Recycling Sector in Plastic Pollution Reduction, and Recommended Policy Changes. GRID-Arendal.

³ Co-op's impact as a proportion of funding was 24 tonnes of plastic waste processed and 11 active wasteprenuers.

INTERNATIONAL DEVELOPMENT DATA













Issue	2024 Target	Performance	KPIs	2021	2022	2023	2024	2025 Target	SDGs
		against Target	£ raised for One Foundation (since 2007) (£m)	15.1	17.2	19.3	21.3		
			f raised for Water Unite (since 2017) (fm)	2.5	3.1	3.7	4.3		
			£ raised for Disasters Emergency Committee (DEC)	140,000	1.2 m	161,000	120,000		
			Our £ raised for DEC has returned to levels consistent with 2021 after the 2022 peak driven by funds raised in response to the invasion of Ukraine.						
			Fairtrade & Sustainable Sourcing Projects	298,400	384,779	285,000	185,000		1 POVERTY 小文章 中市市
International			International community investment (£m) Cash	3.6	4.1	3.1	3.1		6 CLEAN WATER AND SANITATION
development and clean water			International community investment (f) Colleague time	2,000	1,000	0	0		8 DECENT WORK AND ECONOMIC GROWTH
			This reduction is due to the end of our ClimateCare scheme. We continue to back climate-related community investment through domestic initiatives (see page \times for more details).						8 ECONOMIC GROWTH
			International community investment leverage (donations by members, customers and suppliers)	0	1.1m	61,000	32,500		_
			Our leveraged funding has reduced after the 2022 peak driven by funds raised in support of the DEC appeal in response to the invasion of Ukraine.						
			International investment as a % of pre-tax profit	6.3	1.7	1.3	1.9		
	For years we've invested above and beyond 0.7% of our pre-tax profit in internatio development projects and are committed to for the years to come.						al		