



Co-operate:

It's what we do

Our Sustainability Report 2022



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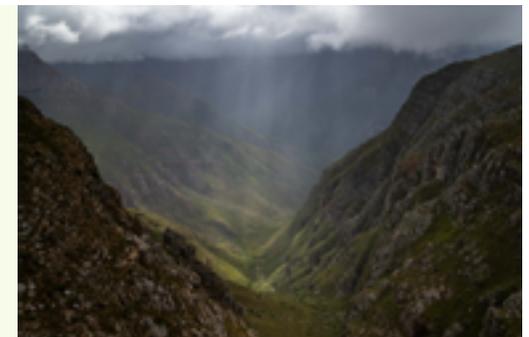
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Our 2022 Co-operate Report

This Report sets out how our Co-op is delivering its Vision of 'Co-operating for a Fairer World'. It's our 17th report on our sustainability, ethics and community performance and impact.

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

Last year, we set ourselves 34 targets for 2022, 24 of which have been achieved or are 'on track'. Within this report, we set out 32 targets for 2023 and beyond, including 12 headline targets and commitments around our most material issues.

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

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

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

Reading the report

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

🕒 **2022 highlights:** 2 minute read

🕒 **2022 Vision summary:** 15 minute read

🕒 **Fairer for our People:** 30 minute read

🕒 **Fairer for our Members and Communities:** 30 minute read

🕒 **Fairer for our Planet:** 30 minute read

🕒 **Fairer Business:** 20 minute read



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

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

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

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

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



Strategy and highlights

- ▶ 2022 Highlights
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- ▶ **2022 Summary**

2022 Highlights



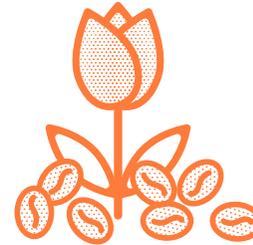
1,397 matched apprentice opportunities confirmed to a value of **£14m** through Co-op Levy Share.



£15m invested in payments on to colleague membership cards during the cost of living crisis and colleague discount extended to 30% on own brand products.



We removed a further **1.2 billion calories** from our own brand products in 2022.^{*1}



We partnered with Fairtrade Africa to support **1,400 producers** in Kenya, Ethiopia and Rwanda to adapt to climate change



Our members have taken action in support of our Vision almost **2 million times**. (See p.17 for definition of taking action)



Member Pioneers have invested **116,000 hours**, **engaging 51,000 people per month**, to support the delivery of our Co-op community missions and increase co-operation in our communities.



We were recognised with a **Queen's award for enterprise for sustainable development**.



24% cut from our plastic footprint since 2018.^{*3}



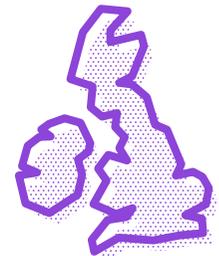
56% reduction in our direct greenhouse gas emissions since 2016. (2021: 51%)



Our CEO launched our **'Water Security for People and Planet Report'**, speaking on climate justice at COP27. We've donated over **£20m** for water security through sales of our water since 2007.



Our community missions of access to food, mental wellbeing support and opportunities for young people, have supported **over 1.56m people**.^{*2}



Our Members have raised **£117m** supporting the delivery of community missions in local communities since 2016, including support for over **30,000 causes** across the UK.

^{*1}Based on annual sales.

^{*2}Based on average estimated no. beneficiaries submitted by partners between 2020-2022.

^{*3}Relative to our market share.



About us

Our Vision is 'Co-operating for a Fairer World.'

Our purpose is **championing a better way of doing business for you and your community** by offering a range of products and services which create value for our members and their communities.

Our Co-op is the UK's largest consumer co-operative, with more than four million active members. We're a major food retailer and wholesaler, the largest funeral provider in the UK, a significant provider of regulated consumer legal services and the UK's largest provider of probate services. We're also a substantial provider of life planning and insurance products.

Our Co-op was founded in 1844 to provide fair, affordable and ethical access to food and goods, with profits being shared amongst our members for their benefit and the benefit of their communities. We were the original business with purpose and, in today's modern world, those ethical principles continue to guide our decision making.



Food retail



49,500+
colleagues*



£7,805m
sales



2,573
stores



Wholesale



290+
colleagues*



£1,439m
sales



14
depots



Funeralcare



3,600+
colleagues*



£271m
sales



806
funeral branches



Legal Services



650+
colleagues*



£46m
sales

Our [Annual Report](#) provides more detail.

Our Values and Principles

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

We use these values to guide us in fulfilling our purpose. The co-operative principles are guidelines by which we put our values into practice. Our value and Principles are demonstrated throughout our report, and in particular in our [members and communities section](#):

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



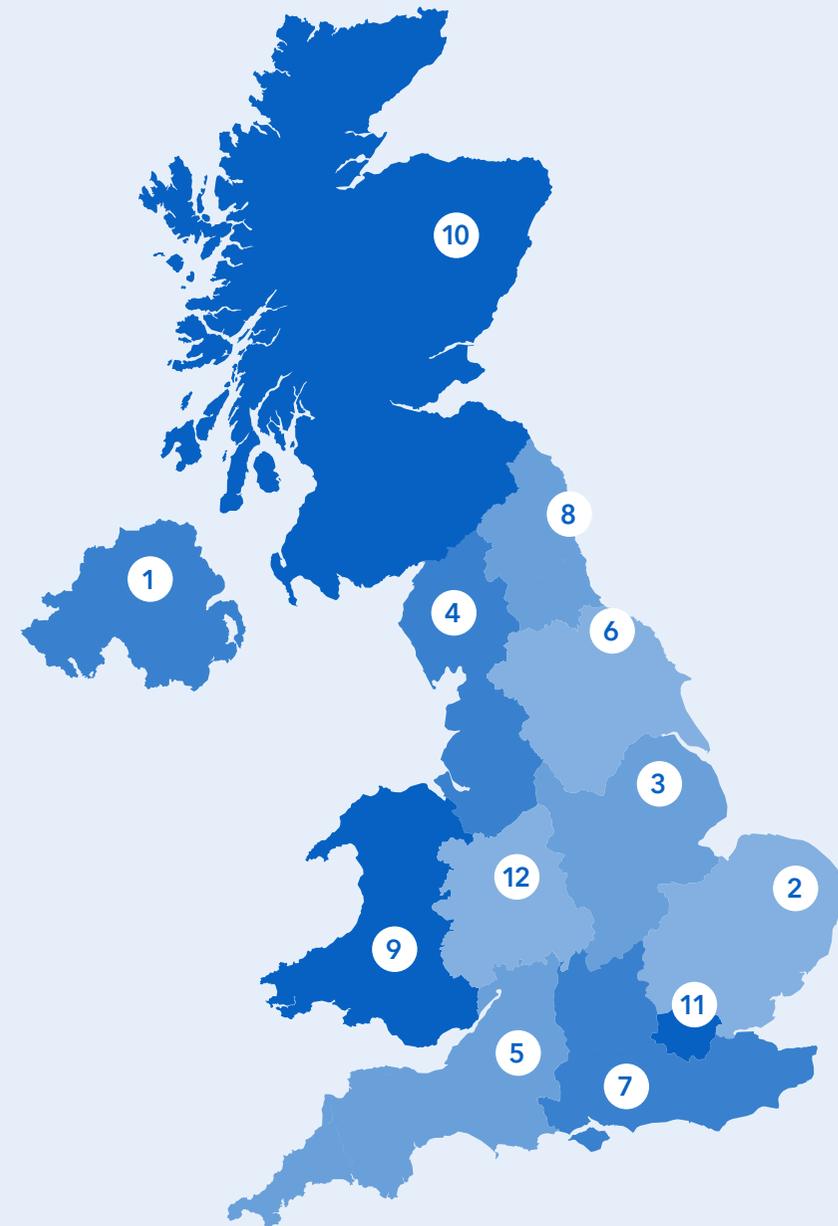
Our wider impact

Our businesses are all UK-based and our main support centre is in Manchester. Now, more than ever, our Co-op's unique placement at the heart our communities has a role to play.

As the world continues to change, our Vision remains at the heart of what we do. We believe in using co-operation to create a fairer world. Access to food, education and wellbeing support is needed now more than ever and our colleagues, members and communities rely on us to be there for them, where and when they need us the most.

With a presence in every postal area in the country, we can do this by directing our members support into around 4,000 local causes annually across the UK as well as into targeted partnerships to address specific challenges across our community missions. Our 1,000 member pioneers based across the UK help us reach more people in the community by bringing together Co-op members, colleagues and local causes to make communities a better place to work, play, live and learn.

	Area	Stores	Funeral homes
1	Northern Ireland	25	0
2	East Anglia	63	24
3	East Midlands	138	41
4	North West	259	115
5	South West	260	69
6	Yorkshire and The Humber	224	78
7	South East	467	142
8	North East	131	73
9	Wales	154	48
10	Scotland	328	109
11	Greater London	246	85
12	West Midlands	126	22
13	Isle of Man	11	0



CEO statement

As our members, communities and colleagues worked to recover from the ongoing effects of the pandemic, no-one could have predicted new challenges coming in waves in 2022.

The conflict in Ukraine, the international energy crisis and increases in the cost of living exacerbated a difficult time for so many people who rely on our Co-op. Our Vision for 'Co-operating for a Fairer World' found new ways to address problems felt at a domestic and international level, while staying as relevant as ever.

I am so proud of the achievements and incredible efforts that went into making 2022 Fairer for Members and Communities; Fairer for our Colleagues, and address climate change on behalf of our members to make things Fairer for our Planet. I want to take this opportunity to say a huge thank you to all our partners, collaborators and the 57,000 colleagues who came together co-operatively, to make everything in this report happen.

As the cost of living crisis hit hard, we worked with our colleagues to determine what would help their wellbeing most. We worked with them to provide significantly discounted food and cost of living support payments into the winter in addition to existing financial and wellbeing support. For our members and communities, we continued to innovate with our Fairtrade partners in 2022, and the efforts of our members and colleagues came to real fruition as we celebrated raising an incredible £117m together for local causes since 2016.

It was a great honour to have our Co-op's efforts recognised with the Queen's Award for Enterprise for Sustainable Development, and for our Co-op to be invited by the World Resources Institute to speak at COP27 about our pioneering water security partnership with Water Unite and the One Foundation. We also collaborated with other retailers through the British Retail Consortium's Climate Action Roadmap Steering Group and the WWF Retailer's Commitment for Nature Steering Group to address supply chain related climate change issues at an industry level. These presented incredible opportunities to make our members' voice heard and find routes to working co-operatively with others, for the sake of our planet and our future.

And as much as this report celebrates successes like these, we know we still have work to do and have identified new targets to achieve. This report is published to offer full transparency, covering where we've made real progress, but also on the lessons we've learned, in the hope we can inspire others to drive their ambitions and work with us to deliver meaningful change.

As we face further headwinds in 2023, alongside our members, communities, colleagues and partners, we remain committed to strengthening and evolving our organisation. We must continue to be there to support those who rely on us, delivering our Vision, reaching new goals and fully realising the further potential I'm so proud to share with you in this report.

“ I am so proud of the achievements and incredible efforts that went into making 2022 Fairer for Members and Communities; Fairer for our Colleagues, and address climate change on behalf of our members to make things Fairer for our Planet. ”



Shirine Khoury-Haq
CEO, The Co-op Group



Our Vision is Co-operating for a Fairer World



Fairer for our Colleagues

Making sure they get a fair deal and ensuring they can fulfil their potential.



Fairer for our Members and Communities

Focusing on providing fair access to food, mental wellbeing and access to opportunities for young people.



Fairer for our Planet

Focusing on addressing the challenges and opportunities in carbon reduction and sustainable sourcing.



Inclusive Culture

Delivering our Vision

Our long-term commitment to Co-operative Values and Principles, as well as our insights into the needs of our people, communities and planet, have helped us to shape the commitments that will deliver our Vision. All of this is underpinned by our commitment to delivering an inclusive culture throughout everything that we do. We also recognise the important role our partners and suppliers play, so our approach ensures we're making things fairer for them too.

Key strategies

In 2022, we delivered our Vision and Purpose through a number of key strategies, including our Climate Plan, Future of Food strategy, Community Strategy, Funeralcare's focus on sustainability, and Commitments to Diversity and Inclusion. You can see an overview of progress against our key Vision strategies and campaigns in our 2022 Vision Summary.

Co-operation

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

Co-operation - within the UK and with our overseas partners - remains as powerful and as important as ever and is embedded in our Vision of *'Co-operating for a Fairer World'*. It's in our DNA and provides a guiding principle in everything we do - from engaging our members, communities and customers on the issues we address through our campaigning and community strategies, to sharing our expertise with our supply chain partners and other co-operatives and businesses to reduce costs and cut carbon emissions. More detail on our co-operative way of working is included throughout this Report.

Campaigning and Public Policy

We were founded to address social injustice and continue to use our influence to campaign on those issues that matter most to our members and their communities. In 2022, we engaged with the development of public policy across an enormous breadth of issues with the UK Government and the Devolved Administrations, and continued to engage with elected representatives across the UK and all political parties.

Our three advocacy campaigns aligned to our vision pillars have continued throughout the year. We were delighted to see the new legislation introduced by both the Scottish and the UK Parliaments to tackle violence against shop

workers come into force in 2022. Thanks in large part to the tireless campaigning by our members, colleagues and partner societies, it's an example of our Safer Colleagues, Safer Communities campaign driving real change.

We launched both our Climate Justice campaign, aligned to the 'Fairer for our planet' pillar, and our Social Mobility campaign, aligned to the 'Fairer for our communities' pillar, back in 2021.

Over the course of 2022, we have built on the success of our 'Co-op 26' climate festival and continued to make the case for urgent climate action, for example, launching our Water security for People and Planet report, as our CEO addressed delegates at COP27.

Throughout 2022 we sought to lead by example on social mobility; using our Co-op Levy Share scheme to not only support apprenticeships for individuals from disadvantaged backgrounds but also to make the case for reform of the apprenticeship levy.

We've also committed to collecting insight about the socio-economic background of our colleagues to encourage others to consider how it can impact on the opportunities of individuals.



Engaging and collaborating with our stakeholders

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



Customers



Members



Colleagues



Community



NGO's¹



Partners



Suppliers

The channels we use:

Co-op Collective - our online consumer research platform consisting of over 12,000 Co-op members and customers

Join In

Our listening tools - Talkback, Pulse and Colleague Voice

Experience and Impact surveys for our 4,000+ community causes funded by the Co-op Local Community Fund.

Engaging NGOs to inform our policies

Collaborating with partners to progress our climate goals

Supplier Social Value Survey

The issues we explore:

In 2022 more than 100 different Co-op Collective research projects were completed, including Future of Food which looked at what is important to Co-op customers and Members in relation to health, sustainability and the environment. We also continued our research into the Cost of Living

Through Join In, members can share their views on our latest plans, products and services as well as help us with our product development.

To focus on Cost of Living - To understand where colleagues are with their finances, how they are getting by in difficult times, their goals and our opportunities to support them.

Through our surveys we seek to understand more about the experiences of the causes we support and the impact that our funding is having.

Worked with organisations such as the Miscarriage Association, Cruse Bereavement Care and Fertility Matters at Work, to inform the development of a set of colleague policies to support people through difficult life moments.

Our approach is to champion cross-industry collaboration, eg. our CEO is chair of the British Retail Consortium (BRC)'s Climate Action Roadmap Steering Group and we're founding members of the WRAP-led Courtauld Commitment 2030. Read more on our climate collaboration on page 84

We shared our Social Value survey with our Goods Not for Resale (GNFR) suppliers to help us better understand the scale of social value delivery in our supply chain, basing activity on our most material issues of climate change, community, diversity, equity and inclusion, and wellbeing and mental health.

The outcomes:

This is an annual piece of research which allows Co-op to ensure it stays close to the issues important to people and to stick to core principles around being an ethical retailer.

Thousands of members joined in to help us create our first ever member-designed Cheese on Toast Slices, which launched in 2022.

We shared insights to inform the development of two one-off support packages to help colleagues with the rising cost of living, including increasing colleague discount on Co-op own brand products to 30%

More than 80% of causes responded in 2022, providing invaluable evidence, informing future rounds of funding and enabling us to engage both Co-op colleagues and Co-op members with the impact they were having.

A new set of Co-op policies, covering Pregnancy loss, Menopause, Bereavement, Fertility Treatment and Domestic abuse. We've also been working to make a change by influencing other employers to consider their approach and campaigning for regulatory change.

Retailers share supply chains - it's confusing for suppliers to get different messages, so alignment and a common voice is critical. As a result of our partnerships we've agreed a consistent way of communicating the climate action support we need from suppliers; are working on a common way to track progress; and are co-funding a supply chain net zero programme to accelerate action.

In these times of challenge in the global community, it is more important than ever to connect with our highly valued Fairtrade producers whose welfare has been front of mind. That's why in 2021 we ensured people and planet were at the heart of our Climate Plan, and why we launched our climate justice campaign.

¹ Non-Governmental Organisations

Oversight of our responsible business approach

Our Board

Our Board determines the strategy for our Co-op, consistent with our Purpose, Values and Principles. Our Board is responsible for final approval of this Report.

Our ethical decision making tool is used to support decisions requiring Board and Executive approval. The tool prompts users to consider the following when making a decision: what our members would think of the decision; whether it creates commercial and social value for members; the potential impact on our communities; and whether members could understand what we have done and why.

Our Risk and Audit Committee (RAC) is a committee of our Board that reports directly to the Board. Ethics, sustainability, colleagues and community are embedded in our risk framework, oversight of which sits with RAC. In addition, members of RAC review this Report; RAC considers our external sustainability report assurance feedback as well as reviewing Internal Audit reports on aspects of our responsible business behaviour.

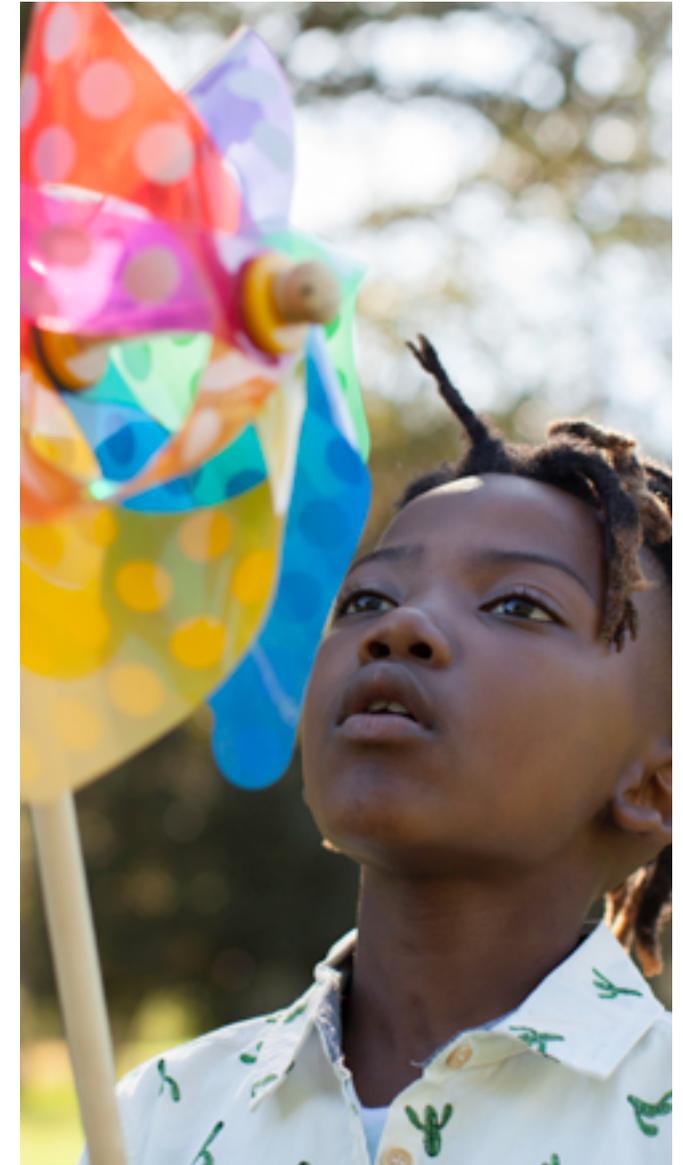
National Members' Council

Our National Members' Council holds our Board to account. As part of its 'holding to account' role, it's responsible for reviewing and commenting on drafts of this Report. Its 'approvals' role includes approving how Values and Principles are embedded within the Co-op based on recommendations submitted by the Executive.

The framework that supports the Members' Council in its role of holding the Board to account is called the Co-op Compass, used to monitor and measure business performance against four key co-operative lenses - Member Value, Member Voice, Co-operative Leadership and Ethical and Sustainable Leadership. The Council has formed a number of sub-committees to aid it in this work, including the Ethical and Sustainable Leadership Committee.

In addition to our formal governance framework, our colleagues, Executive and Board have regular informal dialogue with members of our Council on our approach to ethics, sustainability and community.

Our National Members' Council has championed a range of actions which have been implemented across our Co-op. During 2022 the Council has championed assets such as our Member Pioneers, and input into areas such as our Diversity and inclusion strategy and our cost-of-living support to members, colleagues and communities has proved invaluable. To demonstrate how our Co-op Difference can offer meaningful support, especially during the cost of living crisis, our Council continued to help develop key initiatives that matter to our members, including a Warm Spaces funding boost for local community organisations helping others to navigate energy costs during winter.





Embedding our Vision

Our Vision - *'Co-operating for a Fairer World'* has been defined along with the Strategies and Missions that will deliver it. Our Vision Activation Leadership Circle, made up of senior leaders from across our Co-op, ensures these missions are executed in the most impactful way. This circle also ensures engagement with colleagues, so they understand our Vision and their role in it, as well as communicating the Vision to other stakeholders such as members, customers, Suppliers and Policy Makers.

Members of our Vision Activation Leadership Circle also sit on our Operating Board - seventeen of our most senior leaders and decision makers, working together collaboratively on the decisions and actions we need to take to run our business effectively. They ensure that our members, colleagues and Vision are at the heart of our organisation.

Our Vision is embedded across business and operational plans. In 2022 different groups developed policies and programmes across the three pillars of our Vision - for example the Ethics and Sustainability Leadership Forum, which oversaw issues such as Fairtrade and healthy lifestyles; the Climate Change

Working Group; and the People Leadership team, which oversaw issues such as our diversity and inclusion and colleague wellbeing strategies.

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

In recent years, we've been exploring how we can better articulate and evidence the extent to which our activities and programmes create positive impacts for society. We want to understand the impact of activity to deliver our Vision of *'Co-operating for a Fairer World'*. During 2022, we've been developing our approach to measuring our social value impacts.

You can read more on this in our [Annual Report](#).



2022 Summary: Fairer for our People

Co-operation, by its very nature, relies on people working together to get things done. Whether it's our colleagues, our suppliers, our producers, or our partners, treating our people fairly and creating the right environment for them to thrive in is essential for us to achieve our Vision of 'Co-operating for a Fairer World'.



✓ Headline KPIs

 **7%** of our leaders from an ethnic minority background.

 **£1.9m** saved by our colleagues by using Wagestream.

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

🎯 Headline targets

We will increase our ethnic minority leadership representation from 7% to 8% by 2023 and 10% by 2025.

Our ambition is to be the UK's biggest supporter of Fairtrade - in 2023 we will define our methodology for demonstrating this.

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.

As a Co-operative, celebrating diversity and fostering an inclusive culture are fundamental to how we do business. Our progress over the last few years has meant we've been able to embed diversity and inclusion into how we operate.

Our continued focus on ensuring that we have a representative workforce and actively pursuing interventions that can shift the dial was evidenced this year by exceeding our 6% target for ethnic minority leaders.

In 2022, we developed our new holistic Diversity and Inclusion Strategy, embedding our approach across Colleague Diversity, Brand & Members, Products & Services, Suppliers and Community Impact. We also strengthened our data collection to drive better intelligence and published our ethnicity pay gap for the first time.

Wellbeing continued to be one of our key people priorities in 2022, with the cost of living challenges meaning our approach to financial and mental wellbeing is more important than ever.

We listened to the lived experiences of our colleagues to support them in the ways that they need it most.

This led to ramping up engagement in our services such as Wagestream, and making our mental health training accessible to more colleagues by bringing it online, as well as introducing a package of targeted financial support measures to support our colleagues through the rising cost of living. Next year, we'll trial new ways to help colleagues build up their savings, through which we hope to help thousands of colleagues to save more. Our colleagues continued to work exceptionally hard for our members and customers. Once again we increased our lower pay rates to align with the Real Living Wage.

We've championed the Fairtrade movement for over 28 years, supporting trade justice through better prices, working conditions and terms of trade. Despite global supply chain challenges over the past year, we've continued to grow our

Fairtrade commitments, standing side by side with farmers by investing in climate adaptation and resilience, and introducing new UK retailer 'Fairtrade firsts'.

Across our broader ethical trade and human rights work, our focus is to provide support for our suppliers, work collaboratively to protect the most vulnerable, protect workers, and continue to champion resilient livelihoods for everyone in our supply chain. In 2022, we continued to innovate in due diligence and transparency.

You can read more about how we are making things fairer for our people, suppliers and partners, including through our [apprenticeships scheme](#), [responsible procurement strategy](#), [healthy living commitments](#) and [approach to ethical trade](#), [Fairtrade](#) and [international development](#).



Campaign - Safer Colleagues, Safer Communities

Since 2018, our Safer Colleagues, Safer Communities campaign has aimed to make our colleagues safer through both what we do as a business and by ensuring greater protection in law for shopworkers.

We were delighted that following the campaign's intensive lobbying activity, alongside partner societies in 2021, the Government agreed to make assaulting a shopworker - or anyone performing a public duty or a service to the public - an aggravated offence. This became law in 2022 when the Police, Crime, Sentencing and Courts Act received Royal Assent.

Sitting alongside the specific offence of abusing or assaulting a shopworker which the Holyrood Parliament passed in the summer of 2021, shopworkers now have greater protection in law.

Our focus in 2022 has been to continue to support USDAW's Freedom From Fear campaign, including the Respect for Shopworkers Week in November 2022, and on the use of legislative protections by police forces up and down the country. This will be our ongoing focus in 2023.

2022 Summary:

Fairer for our Members and Communities

At the Co-op, our members are at the heart of our business and the decisions we make. As a co-operative, we're owned by our members, who have a say in how the business is run, as well as on the issues we champion, the causes we highlight, the injustices we tackle and where we use our voice to help make a difference. So making life *Fairer for our Members and Communities* is a key part of delivering our Vision.



✓ Headline KPIs

 **1.94m**
times members took action¹ in support of our Vision.

 **592,000**
new members recruited

 **£22m**
raised through members choosing Co-op.

 **350** community fridge locations identified.

 **1.4m people** signposted to mental wellbeing support since 2020.

 **6,511** young people engaged in social action through research and volunteering as changemakers.

🎯 Headline targets

In 2023, 2m members will take action in support of our Vision.

In 2023, more than £20m will be raised to support local communities through members choosing Co-op.

Access to food: by the end of 2023, we will have opened **350 Community Fridges, 50 Community Food Hubs and 75 Local Pantries**, enabling sustainable access to food which reaches local communities that suffer most from food inequality.

Access to mental wellbeing support: by the end of 2023, we will signpost over **1.5 million** people to mental wellbeing support, enable **3.7m** more conversations on mental health and wellbeing through our partnership with Mind, SAMH and Inspire on Time to Talk Day, and engage 2,000 people in community-led bereavement support with Cruse.

Access to youth opportunities: by February 2028, we will work with over **13,000** young people, supporting them through the cost of living crisis by providing youth voice, changemaking and employment opportunities.

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

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

In 2022, 33,862 members voted in our AGM, supporting our collective action on climate change as well as our plans to 'level up', shaping our action in tackling inequality and social mobility. For the first time, members voted to receive our Co-operate sustainability report.

Members also get involved in 'everyday' participation opportunities; participating a total of 750,000 times during 2022 in everything from co-creating new food products to supporting our community mission on Time to Talk day and championing our Palm Oil project.

Our community plan focuses on three interconnecting missions: Access to Food, Mental Wellbeing Support and Opportunities for Young People.

Our members support 4,000 local projects each year through the [Local Community Fund](#). Since 2016, our members have raised £117m¹ for local communities, including supporting over 30,000 causes across the UK.

In 2022, insight from UK local causes showed that 84% of local causes have seen an increase in demand, particularly supporting people through the cost of living crisis. So, we launched a [£1m funding boost](#) to help local community groups support communities during the coldest months.

Our Community Partnerships Fund enables us to partner with other organisations to support the work we're doing across our missions, targeting the most vulnerable communities that need extra help the most. Since the launch of the fund in 2020, we've committed £13.3m to support these partnerships.

Our partnership with [Hubbub](#) continued to go from strength to strength as we identified 350 community fridge locations by 2022. Offering more than just food, they bring people together to build skills, improve mental wellbeing and increase their resilience. We also announced our partnership with Your Local Pantry to triple the network from 75 to 225 within three years.

Launched in 2021, the [Peer Action Collective](#) provides 10-25-year-olds with a voice and the opportunity to make their own communities safer and fairer places.

The £5.2m youth-led programme – £1.6m of which is funded by our members through their contribution to the [Community Partnerships Fund](#) – has supported 6,511 young people across England and Wales. This year, we also partnered with UK Youth to grow the #iwill movement in Scotland and Northern Ireland which will see us engage 2,200 young people until the end of 2023.

We exceeded our target of raising £8m for our partners [Mind](#), [SAMH](#) and [Inspire](#), helping to launch more than 50 new mental wellbeing services across the UK, supporting over 22,000 people so far (58% of which were young people).

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



¹ Includes Community Partnerships Fund



Campaign - Social mobility

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

We believe that social mobility means, quite simply, fairness. That means, wherever you start should not determine where you end up.

Putting this right is everyone’s responsibility. Whilst the Government has a leading part to play, we must all – employers, schools, communities and individuals – step up to the challenge.

The Social Mobility Commission¹ recommends that employers seek to understand the socio-economic background of their colleagues to understand how to make sure opportunities are open to all. In 2022, in addition to continuing to ask questions about the socio-economic background of colleagues in our annual colleague survey, we also included optional questions, for the first time, in our colleague data system.

We joined the ‘Equality of Opportunity’ coalition – a wide range of organisations bringing together private and public sector organisations committed to tracking their employees’ socio-economic diversity. Members share experiences and ideas – with a view to driving change.

We’ve been recognised as one of the leading businesses on the issue and have been ranked 51st in the Social Mobility Foundation’s Social Mobility Index that recognises employer-led social mobility. We’re proud to be the only retailer in the index. We are also one of just 12 businesses asked to join the Social Mobility Commission’s Employer Advisory Group which aims to drive social mobility in UK workplaces.

We’re continuing to create opportunities by championing apprenticeships, delivering hundreds of opportunities within our own business. We’ve also supported other employers to do the same through the Co-op Levy share scheme, tackling some of the inequality which exists within apprenticeships.

Since its launch in April 2021, our levy share scheme has brought together a fund of **£15.6 million** from **54 employers** and matched **1397 apprenticeships**.

During 2022 we continued to call on the Government to reform policy on apprenticeships so that employers can do more to support groups who would most benefit.

We also continue to sponsor the Co-op Academies Trust and our partnership with Marcus Rashford and the Food Foundation to lobby the Government to extend eligibility for free school meals and Healthy Start vouchers to more children.

Our partnership with the Youth Endowment Fund (YEF) sees us, alongside the #iwill Fund, invest in giving young people the chance to make their communities safer, fairer places to live through a Peer Action Collective (PAC).

Working with The Purpose Coalition, we produced an [Impact Report](#) to review all the activity undertaken by the Co-op to promote social mobility. This report was launched at an event in Parliament in July 2022 and included a series of recommendations for future activity and focus, which will inform our plans in 2023.

¹ The lead Government agency that seeks to promote social mobility.

2022 Summary: Fairer for our Planet

In 2022, the climate emergency continued to impact our planet and the communities that share it. In November, world leaders reaffirmed their climate commitments at COP27; but the reality is simple - we must reduce our greenhouse gas emissions at a faster rate than we currently are, and everyone has a part to play.

✔️ **Headline KPIs**

 **56%**
reduction in **direct**
greenhouse gas
emissions since 2016.

8%
reduction in **indirect**
greenhouse gas emissions
since 2016 (2021 data¹).

 **24%**
reduction in our plastic
footprint since 2018².

🎯 **Headline targets**

We are resetting our climate targets across all scopes (our direct and indirect carbon emissions) to ensure that they are in line with keeping global temperature rise to no more than 1.5°C above pre-industrial temperatures. We expect these updated targets to be released and validated by the Science Based Target Initiative (SBTi) later in 2023. **Our long-term goal is to reach net zero GHG emissions from both operations and products by 2040 at the latest.**

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

We will reduce our plastic footprint by 30% by the end of 2025, compared to baseline year of 2018³.

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

¹ Indirect emissions data are updated every two years
² Per 1% market share.
³ Per 1% market share.

Delivering our Climate Plan, and focused work towards achieving our climate targets, continues to be the core to our sustainability strategy, and we intend to publish an update in 2023 on our progress and approach. We remain committed to the three principles set out in the Plan, which are:

1. We follow the science in setting targets to reduce emissions;
2. We work for a fair and just transition and support the need to adapt to a changing climate;
3. We co-operate for systems change.

In 2022 we super-charged our efforts to become a more energy smart business, through capital investment projects, colleague communications and exploring opportunities for energy efficiency in our stores. During 2022, the carbon emissions from running our business have continued to reduce by a further 10%.

At the same time, we know that the indirect share of our carbon footprint, from the products we sell, is over 10 times greater than the direct emissions from running our business. Whilst far more challenging to address, we've made progress on tackling our indirect emissions during 2022.

For example, we have invested in improving supply chain emission data to inform decision-making. (Read more on page 81)

We're proud to be part of a coalition of retailers supporting the WWF's ambition to halve the environmental impact of UK shopping baskets by 2030. We've committed to leading the way in cutting the impact of our own brand food production and encouraging the rest of the sector to reduce its impact across climate, deforestation, and nature, including tackling food waste and packaging. Our headline targets on the previous page reflect key focus areas.

As part of this work, and as a co-ordinated group of retailers, we're working closely with suppliers that collectively contribute 50% of our targeted emissions, requesting that they follow our lead in setting science-based, net-zero targets aligned with 1.5°C, and publicly reporting scope 1, 2 and 3 emissions inventories.

You can read more about how we are making things fairer for our planet through progress against our [climate](#) commitments work to tackle [resource use, including food waste, plastics and packaging](#), and [sustainable sourcing](#).





Campaign - Climate Justice

When we launched Co-op's Climate Justice campaign in May 2021, it was already clear that the twin climate and nature crises are the gravest threat facing our global society. Acting and advocating for climate justice is something that our Co-op has been doing for many years. Our Climate Justice campaign focuses on three key strands:

1. Taking action

As a Co-operative, we're helping our members and customers to understand the action that they can take, such as supporting initiatives like the Climate Coalition's Great Big Green Week, or supporting local environmental causes through their Local Community Fund.

However, taking action isn't all about individuals - it's also about business action and Government driving meaningful progress, from increasing levels of understanding and transparency to calling for stronger due diligence requirements in key supply chains where deforestation is a major risk.

2. People and Planet

This theme draws attention to the impact that the climate crisis is already having on our suppliers in the Global South. We're outraged that those who have the least resources to respond to the climate crisis are the worst hit by its impact.

So, we've been drawing attention to the connection our members and customers have to these communities through the products that they buy from us. Our longstanding partnerships with organisations like Fairtrade, The One Foundation and Water Unite, also give us credibility to continue to speak to policy priorities, including Overseas Development Assistance and Water Security. We launched our report, [Water Security for People & Planet](#), as Shirine Khoury-Haq - our Group CEO - addressed delegates at COP27 on the need for strong business and political leadership in order to address water scarcity, water pollution, sanitation and access to clean water.

In 2022, Shirine took the reins in chairing the British Retail Consortium's Climate Action Roadmap and was invited to join the Broadway Initiative, which brings together Government and industry bodies on the issue of climate change, on behalf of the Retail Sector.

3. Greening the Grid

As the impact of the global energy crisis sparked by Russia's invasion of Ukraine earlier in the year became apparent, we convened a number of businesses and other organisations to call on the Government to address the decarbonisation of the grid with greater urgency. Together, we're making the case that renewable energy is the answer, whether the question be energy resilience, driving economic prosperity, or net zero.

We know that delivering a greener grid here in the UK will require co-operation - between the Government, generators and suppliers, and customers of electricity. There's also a need for a fairer and more transparent system for certifying renewable energy. (See Page 82)

We will continue to build the momentum on all three of themes over the course of 2023.



Fairer for our People

- ▶ Our people
- ▶ Health and safety
- ▶ Ethical trade and human rights
- ▶ Fairtrade
- ▶ International development
- ▶ Responsible procurement
- ▶ British farmers and producers
- ▶ Local sourcing
- ▶ Healthy living

Our people

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

Colleague Wellbeing

Wellbeing continues to be one of our key people priorities, with the emphasis in 2022 being on Financial Wellbeing. The cost-of-living challenges have meant that we have focused our attention on providing additional support to our lower-paid colleagues, whilst maintaining our general Wellbeing offering.

We carried out a Financial Wellbeing survey to listen to and understand the lived experiences of our colleagues. From the colleagues that participated in the survey, 26% told us that they were struggling to meet all outgoings, had little or no savings, and were often overindebted.

So this year we have continued to promote the support that Wagestream can provide, such as an instant access savings account and easily accessible educational resources on financial wellness as well as introducing a package of targeted measures. It has been a great example of engaging with colleagues to support them in ways that they need it most.

In 2022, we made the decision to move our face-to-face mental wellbeing training for managers to a more accessible digital offering for all colleagues. Designed to give colleagues the confidence to talk about mental health issues and be aware of the support available to them, our online Headsmart training has now been accessed by 36,322 colleagues and will continue to be offered throughout 2023.

In 2023 we aim to refresh our total Wellbeing Strategy to make it more focused on prevention and needs-driven, and to improve the colleague experience with streamlined pathways to easily access support.



Financial



More money for essentials:

During 2022 we put in place a cost-of-living support package to help our colleagues with the rising cost of living (see Reward section for more details).



Greater flexibility: We've relaxed the limits we set on how much earned pay a colleague can advance via Wagestream.



Getting the message out: We've produced a guide to all our financial wellbeing support so all our line managers know what benefits we have and what support they can give.

General Wellbeing



We completed a full launch of YuLife, an app which incentivises colleagues for healthy behaviours and have seen 26% of colleagues download the app, with 9% becoming regular users.



We transferred to YuDoc - a virtual GP service - as usage of this service continues to rise. We've continued our other partnerships to support physical, mental and financial wellbeing.



36,322 colleagues completed our online mental Health Training module "Headsmart".

Diversity and Inclusion

Our commitment to Diversity and Inclusion continues to be one of the key drivers in achieving our Vision of 'Co-operating for a Fairer World'. Our progress over the last few years has meant we've been able to embed Diversity and Inclusion into how we operate, resulting in a deeper understanding of inclusive practices, helping us to prioritise them. Alongside this, we've continued to focus on ensuring that we have a representative workforce and concentrated on understanding the contributors to under-representation, allowing us to actively pursue interventions that can shift the dial.

Pay Gap Reporting

We're committed to being open and fair in how we pay our colleagues. Pay gap reporting shows the overall difference in the average pay for specific groups, such as men and women, or people from different ethnic groups.

The Gender Pay Gap has seen a steady improvement since 2017 when the mean pay gap was 34%. This has reduced to 13.5%. Although this is a positive trend, we acknowledge that a gap remains evident and we will continue to focus on its reduction. Our Gender Pay Gap report is published in April and can be accessed [here](#).

In 2022, we published our [ethnicity pay gap](#) for the first time.

2022 has delivered a range of key D&I outputs that has helped us to elevate the positive impact of our work. They include:



Developing a new D&I Strategy, with a holistic focus both on internal practices and external impact focusing on:

- Colleague Diversity and Our Culture
- Brand, Customers, Clients & Members
- Products & Services
- Supplier Behaviours
- Community Impact



Strengthening data collection to drive better intelligence.



Hitting our 6% target for ethnic minority leaders by the end of 2022.



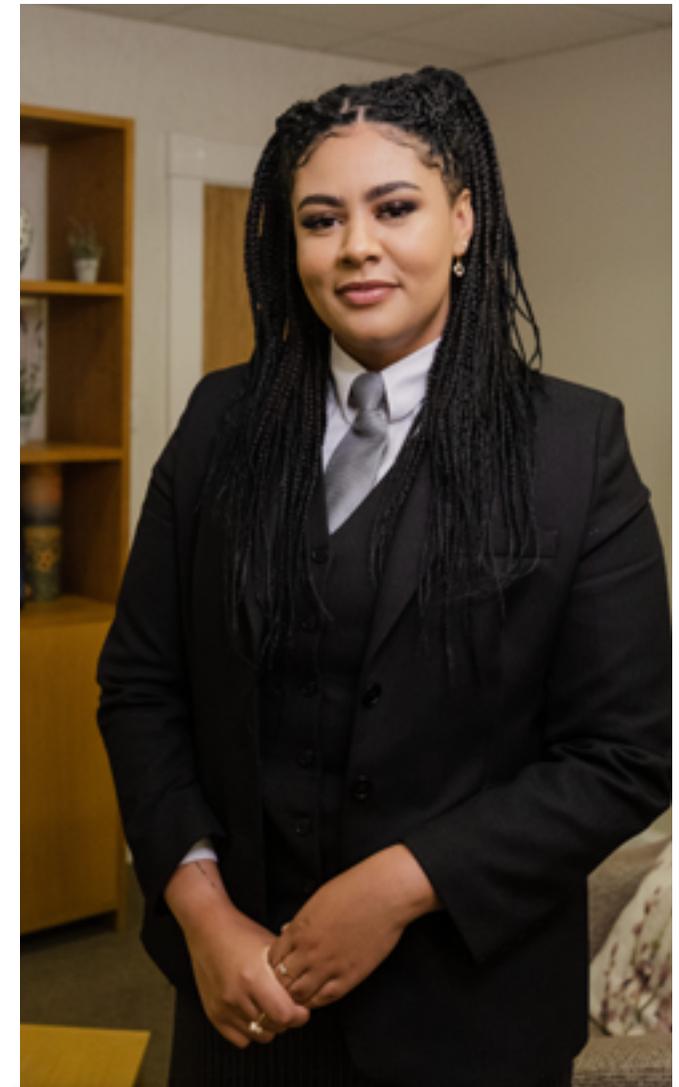
Conducting a deep-dive into our recruitment processes and data, developing an Inclusive Hiring training intervention for hiring managers.



Aligning the terms of reference for diversity networks, and establishing a new set of executive sponsors with clear accountabilities and expectations for their roles.



We've begun working across the organisation to address the challenges of non-inclusive behaviours and practices, introducing a new Colleague Code in Funeralcare and developing effective interventions across Food and Logistics.



Performance Benchmark

We have been ranked at **51 in the Social Mobility Employer Index**, an improvement of 25 places on 2021 which puts us in the published list of top 75 organisations in the UK (2021: 76th).

Building skills at our Co-op and in our communities

During uncertain times, we're proud to continue to offer our apprenticeship programmes; supporting career progression for our colleagues, as well as recruiting apprentices who are new to our business.

Co-op Levy Share

Launched in 2021, and bringing together our suppliers and other employers to support thousands of apprentices, Co-op Levy Share continues to go from strength to strength; tackling inequality and supporting opportunities for individuals from disadvantaged backgrounds.

The service now has 54 donating employers, and 138 receiving organisations supporting apprentices:

- 34% of which are from ethnic minorities compared to 14% nationally
- 63% of which are female compared to 50% nationally
- 16% of which declare a learning disability or disability compared to 14% nationally

We have exceeded our target to facilitate £15m of funding in 3 years after only 18 months, with £15.8m pledged and a new target of £23m set. To date, 1,397 matched apprentice opportunities have been confirmed to a value of £14m.



1,397

Matched apprentice opportunities to a value of £14m to date

Co-op Apprenticeship Programme

In 2022, there were close to 500 apprentices on programmes, with a 43% male to 57% female split across 30 different programmes, with ages ranging from 16 to 70+.

We've grown the number of Solicitor apprentices, allowing school leavers to bypass the more traditional university route. In response to the shortage of drivers in Logistics, we've recruited over 50 LGV driver apprentices from our warehouse colleagues and other external sources.

Also in 2022, 87 Funeralcare colleagues achieved their full apprenticeship, and we started a new apprenticeship programme in Buying and Merchandising.

We have continued to be recognised for our apprenticeship programmes:

- RateMyApprenticeship (RMA) Top 100 Employer - moving up a further 23 places from 50th to 27th place
- National Apprenticeship Top 100 Employer
- Co-op Levy Share achieved a Highly Commended Gold Award for Innovation at the Social Mobility Awards (SOMOs)



Leadership

Our “Leadershift” leadership development offering, which aims to help our Co-op leaders deliver our Vision of ‘Co-operating for a Fairer World’, continued in 2022 with a focus on leading through coaching and empowering others.

We also began the rollout of our immersive “Race at Work” programme to support our senior leaders with a deep understanding of the impacts that race has on the lived experienced of minority ethnic groups at work. Six cohorts took place in 2022, with plans to continue rollout into 2023.

Early indications from programme attendees show that their understanding of things like microaggressions has improved, and that leaders felt more comfortable to have conversations at work about race as a result of attending. As we continue into 2023, we will be looking at how these initial indications create wider behavioural change in our Co-op, in pursuit of us becoming a more inclusive organisation.



CASE STUDY

Making things fairer in difficult times

Making things fairer for our colleagues means looking beyond employment legislation requirements and working with our colleagues to identify where we could make a difference to people through difficult life moments.

In 2022, We worked with organisations such as the Miscarriage Association, Cruse Bereavement Care and Fertility Matters at Work, alongside our colleague networks, unions and colleague insight channels to develop a new set of policies including:

- Pregnancy loss - supporting both those experiencing loss and their partners
- Menopause - refreshing our policy and developing a guide for managers

- Bereavement and loss - building on our valued flexible approach to compassionate leave
- Fertility treatment
- Domestic abuse

These leading edge policies recognise that when our colleagues experience challenges in their lives, having the right support in place at work can make difficult times a little easier. Going beyond our own employees, we’ve also been working to make a change by influencing other employers to consider their approach and campaigning for regulatory change. We’ve also made many of our guides accessible to other employers, free of charge to help people, wherever they work, have access to the support they need.



Engagement and Recognition

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

Our engagement score for 2022 was 68%¹. Whilst this is below the industry benchmark, it remains 'good'² as determined by our engagement survey delivery partner. Talkback results for 2022 revealed strengths in colleague experience, such as our Manager Recommendation Score which has risen year on year and now sits 15 points above the Retail benchmark. Colleagues are increasingly positive about our inclusivity, with 81%³ feeling Co-op is a place where people from diverse backgrounds can succeed, a reflection of our ongoing commitment to nurturing an [inclusive culture](#).

This year, we launched our Colleague Value Proposition (CVP) with a colleague brand/promise 'A different way', which clearly describes what it's like to work at our Co-op in a way that inspires existing colleagues and attracts potential co-workers. For 2023 we will focus on activating our colleague promise and bringing it to life in all that we do.

The #BeingCoop Awards returned for a fifth year and colleagues really appreciated being able to attend the event following Covid restrictions.

In addition to previous award categories such as our Inclusion award, reflecting our commitment to 'Co-operating for a Fairer World', this year, we introduced a 'Climate Star' award reflecting our commitment to sustainability.

Reward

Our colleagues continued to work exceptionally hard, providing a fantastic service to our members and customers. Once again, we've increased our pay rates to align with the Real Living Wage.

In 2022, all our Customer Team members in our stores received a pay increase of 4.2%, with similar pay increases to other frontline roles across the Co-op. During 2022 we put in place a cost-of-living support package to help our colleagues with the rising cost of living, inflation and energy costs which included increasing our colleague member own brand discount to 30% and loading three £50 payments onto colleague member cards in November, December and January (2023).

Following the sale of our petrol stations to Asda, we were also able to use some of the proceeds to put an additional winter support package together which involved loading an additional £75 onto membership cards just before Christmas for all our colleagues (except those in senior management roles). We also continue to look at ways to be more inclusive in our approach to pay. Our pay ratios can be found in the Report of the Remuneration Committee in our [2022 Annual Report](#).



4.2%

pay increase for all our Customer Team members and other frontline roles.



Our engagement score is **68%**
(2021: 72%).

¹ -4v 2021, - 6 vs UK retail benchmark.

² Good 60-69%

³ +2v 2021, +6 v UK retail benchmark.



Pensions

Our pension scheme is available to all our colleagues from day one of joining the Co-op, including those who do not meet automatic enrolment criteria, and our automatic enrolment offer exceeds the minimum required. In 2022, 41,500 colleagues were in the scheme, which equates to 71% of all colleagues.

Our pension scheme is also responsible for the pensions of colleagues who have left the business, and in 2022 this comprised 41,500 pensioners (2021: 44,000) and 72,000 deferred pensioners yet to retire (2021: 64,500).



41,500

colleagues in our pension schemes (2021: 44,000).

Engagement with Trade Unions

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

Whistleblowing

To ensure we do the right thing by our Values and Principles, we operate a whistleblowing procedure. The policy is included in the Code of Business Conduct and is available on our website.

An external independent company operates a hotline and weblink known as "Speak Up", that allows colleagues and suppliers to raise concerns confidentially about business practices or wrongdoing. In 2022 we received 297 reports through this process (2021: 265). As well as whistleblowing reports, the external provider also takes calls requesting feedback, providing additional information and seeking advice.

In addition to the reports made via the external provider, 37 reports were made direct to Co-op colleagues (2021: 32). We have a procedure for recording and investigating whistleblowing reports, a summary of which is presented to our Risk and Audit Committee.

2023 targets

We aim to increase our Minority Ethnic leadership representation from 7% to 8% by 2023 and 10% by 2025.

By end of 2023, £23m will have been pledged and 1,750 apprentices matched through Co-op Levysare since launch of the service (2021).

We aim to achieve a colleague engagement index score of 70%, as measured through our colleague survey.



Health and safety

Protecting the health and safety of our colleagues and members of the public is of paramount importance.

In 2022, as part of our Safer Colleagues, Safer Communities campaign, we continued to engage with external parties including statutory bodies such as the Home Office, National Crime Agency (NCA), National Business Crime Centre (NBCC), and National Police forces. Alongside Mitie, our security provider, we have supported Nottinghamshire Police with rehabilitation-of-offender programmes and continued working to optimise colleague time by collaborating with Sussex Police on one-touch reporting. Our partnerships and collaboration show that by working together we can tackle persistent and violent offending within our Co-op and make our colleagues feel safer at work.

How we manage safety

Our 'MySafety' incident-management system is accessible to all colleagues. Since its introduction in 2018, we've seen colleagues embrace the system and report all manner of safety and crime-related incidents. Every one of these incidents represents a learning opportunity that helps reduce the likelihood of reoccurrence. MySafety is now enabling data-informed decision making to support continuous improvements across our Co-op.

Looking ahead

We're closely monitoring potential changes to our regulatory landscape. Following Brexit, all EU-derived legislation will be automatically repealed on 31 Dec 2023 unless the Government decides to retain them. As the retained EU Law (Revocation and Reform Bill) proceeds through parliament, the scale of potential deregulation should become clearer. We will review the impact of any changes and how we build these into our Co-op ways of working appropriately. It's important to remember that domestic primary legislation such as the Health and Safety at Work Act 1974 remains unaffected.

 **5,157**
Non-reportable accidents (colleagues)
in 2022 (2021: 5,718).

 **9,014**
per 100,000 colleagues. Non reportable
accidents per 100,000 colleagues in 2022
(2021: 9,487).

 **203**
Reportable accidents (colleagues)
in 2022 (2021: 250).

 **355**
Reportable accidents per 100,000
colleagues in 2022 (2021:415).

Our people data

✔ Target Achieved
⊖ On Track
👉 Close to Target
🔴 Behind Schedule
⬇️ Target Dropped
❌ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	2019	2020	2021	2022	2023 Target	SDGs
Wellbeing	By the end of 2022, we aim to double the number of managers who have received mental health training from 1,500 to 3,000.	👉 In 2022, 486 colleagues attended a face-to-face Headsmart session between January - June '22. In order to make the training more accessible, The Headsmart digital module was launched in May '22 and since then has been completed by 36,322 colleagues, 2,095 of which were manager level.	% The Co-op provides me with resources to help me manage my wellbeing	-	-	73	70		
			% of colleagues who downloaded wellbeing app	Lifeworks - 33	Lifeworks - 41	Lifeworks - 43	Lifeworks - 40 YuLife - 26		
			Calls received by colleague assistance programme	2,300	1,052	2,356	2,158		
			Cases covered through colleague assistance programme	1,099	1,052	1,368	1,336		
			Number of cases referred for follow-up counselling with a trained counsellor	478	404	138	408		
			Absence rate (%)	4.0	3.8	3.4	3.3		
			Financial support given to colleagues via Wagestream (£m)	-	-	4.7	12.37		
			Amount saved with Wagestream (£)	-	-	351,876	1,993,142		
			Number of GP appointments provided by virtual health service Smart Health	-	-	658	1,200		
SmartHealth figures available Jan to end Sept. Service then moved to YuDoctor. Usage figures for new service unavailable at time of publishing. The usage figures for 2022 are for the 9 month period.									

Our people data continued

✓ Target Achieved
⊖ On Track
👉 Close to Target
⊙ Behind Schedule
⬇️ Target Dropped
✗ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	2019	2020	2021	2022	2023 Target	SDGs
Diversity and Inclusion	We will increase our Minority Ethnic leadership representation from 3% to 6% by 2022 and 10% by 2025.	<p>✓ We achieved the 2022 target of 6% of our leaders from an ethnic minority background and have set a further interim target of 8% by 2023.</p>	% of colleagues who feel "My manager creates an environment where I can be myself"	77	78	77	84	We will increase our Minority Ethnic leadership representation from 7% to 8% by 2023 and 10% by 2025.	
			Question changed in 2022. Previous question - % of colleagues who feel their leader creates an environment where they can be themselves.						
			Number of colleague networks	4	5	6	6		
			Number of members in networks	2,000	2,000	2,000	2,747		
			% colleagues who feel that they have experienced bullying, harassment or discrimination	13	14	Internal (7%) External (12%)	Internal (6%) External (8%)		
			Reporting has been amended to separately record internal (by a colleague or manager) and external bullying, harassment or discrimination. 2021 gives the baseline for future reporting.						
			Gender balance of applications and hires	50% men, 50% women	47% men, 53% women	48% men, 52% women	53% men, 47% women		
			% female colleagues in leadership roles	34	37	42	42 Ⓐ		
			% of our leaders from an ethnic minority background	-	4	6	7 Ⓐ		
			% colleagues identify as non-heterosexual	7	8	8	8		
			% colleagues identify as having a disability	6	7	8	25		
			% colleagues identify as belonging to an ethnic minority group	11	11	11	14 Ⓐ		
% colleagues have dependant or caring responsibilities	29	30	30	31					

Our people data continued

✔ Target Achieved
⊖ On Track
👉 Close to Target
⬅ Behind Schedule
⬇ Target Dropped
⊗ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	2019	2020	2021	2022	2023 Target	SDGs
Apprenticeships	We will commit to hosting a minimum of 750 apprentices on our programmes at any one time, and make sure these programmes enable personal development and align to our business priorities. In addition, we have made a commitment to support a minimum of 500 apprentices through Co-op Levy Share.	⬇ <p>During 2022, re-engaging some of our apprentices after breaks in learning, as a result of the pandemic remained a challenge. Many areas of the business looked at the operational effectiveness of their teams and some hiring decisions were delayed. It is now appropriate to remove the target as business areas determine their most effective workforce structures for 2023+. Our commitment to apprenticeships across our communities remains strong, through Co-op Levy Share.</p>	Apprentice starts	936	367	278	320	We aim to have reached a cumulative total of £23m of pledged levy funds, and 1750 apprentices supported by the end of 2023	
			Total apprentices on programme (at end of year)	1,376	1,232	472	535		
			% apprentices male and female	40% male 60% female	36% male 64% female	46% male 54% female	43% male 57% female		
			Funeralcare: Number of apprentices	817	685	91	146		
			Support Centre: Number of apprentices	59	88	100	66		
			Food: Number of apprentices	450	341	246	183		
			Logistics: Number of apprentices	38	50	26	64		
			Legal Services: Number of apprentices	12	68	9	14		
			Number of apprentices from Academies	1	1	4	0		
Leadership			Leadership Index	79%	72%	74%	Plus 46		
			In 2022 we changed our leadership KPI to our manager recommendation score, using the question "how likely would you be to recommend your line manager to a colleague". In 2022, the MRS was +46 (a 4 point increase from 2021). This is 15 points above the UK Retail benchmark.						

Our people data continued

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

Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	2019	2020	2021	2022	2023 Target	SDGs
Engagement & Recognition	We will achieve a colleague engagement index score of 74%, as measured through our colleague survey.	Our engagement score for 2022 was 68%.	Overall engagement score (%)	76	76	72	68	We aim to achieve a colleague engagement index score of 70%, as measured through our colleague survey	
			Total colleague headcount at year end	62,616	63,324	60,232	57,219		
			Total voluntary turnover (%)	22	17	25	30		
			Overall headcount decreased due to a number of influences across the business in 2022. We saw a rise in the number of leavers, up 10% on the previous year, resulting in our overall turnover to increase by 5% compared to last year, due to challenging trading conditions amidst rising inflation. This impacted the organisation significantly throughout 2022, resulting in structure changes, along with the sale of 129 petrol forecourts in late August 2022.						
Pension scheme			Number of Pensioners	47,000	45,000	44,000	41,500		
			Number of deferred pensioners	58,000	60,500	64,500	72,000		
			% of colleagues in a pension scheme	68	67	72	71		
Speak Up			Whistleblowing reports through Speak Up	199	235	265	297		
			Number of whistleblowing reports made direct to Co-op colleagues	34	26	32	37		
Health and Safety			Reportable accidents (per 100,000 colleagues)	388	340	415	355		
			Reportable accidents (colleagues total)	243	233	250	203		
			Non-reportable accidents (per 100,000 colleagues)	7,037	6,280	9,487	9,014		
			Non-reportable accidents (total)	4,406	5,897	5,718	5,157		
			Reportable customer accidents	16	18	18	14		
			Non-reportable customer accidents	2,077	1,920	1,709	1,481		

Ethical trade and human rights

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

Around the world, growers and producers face everyday challenges caused by low wages, irregular income and an uncertain future.

Our [Future of Food](#) ambition commits us to ensuring that the people in our supply chains are secure from end to end. We focus on labour rights, including fair reward, safe and decent working conditions, protection from forced labour, modern slavery and harsh or inhumane treatment. Our main responsibility is towards our Co-op brand suppliers and supply chains, where we can create positive change and influence.



To meet our Future of Food human rights ambition, during 2022 we continued to focus our work around four strategic priorities:

- Driving innovation in due diligence and transparency
- Embedding ethical trade into core business activities and winning hearts and minds - we continued internal engagement and training for colleagues, as well as raising awareness of our approach to tackling modern slavery in our business and supply chains
- Building capacity and resilience in our supply base to address the underlying causes of human rights issues
- Tackling modern slavery and mitigating human rights risks

These four key strategic areas will remain a focus of our work into 2023 and beyond.

We work with key partners and member groups because we know that human rights violations will only stop if we work together to share what we know and combine our efforts. We continued to work with partners during 2022, such as the [Food Network for Ethical Trade \(FNET\)](#), [Responsible Recruitment Toolkit \(RRT\)](#), [Stronger Together](#), the [Modern Slavery Intelligence Network](#), [Unseen's Helpline Business Portal](#) & Modern Slavery and Exploitation Helpline and the [Seafood Ethics Action Alliance](#).

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

Monitoring labour standards and driving due diligence and transparency

We're founder members of the Ethical Trading Initiative (ETI) and we have adopted the [ETI Base Code](#), which is founded on the conventions of the International Labour Organisation, and is an internationally recognised code of labour practice.

We drive improvements to working conditions, making sure that the workers who make our products are treated responsibly and ethically. Co-op Food has a robust programme of assessing and monitoring high risk supplier labour rights issues. Where issues are raised, we expect suppliers to implement action plans and we support them in addressing the root causes of issues.

Our programme covers all our tier 1 and tier 2¹ supplier sites - 2,838 sites in 66 countries, across six continents with almost 800,000 workers.

We require all Co-op own brand suppliers² in our food business to join [Sedex](#) (Supplier Ethical Data Exchange³) and tier 1 sites in high-risk countries need an independent audit in place prior to approval.

¹ 734 tier 1; and 2,104 tier 2. A tier 1 site is a production site where goods are finished, ready for supply to, or sale by, the end company. A tier 2 site is a production site that supplies goods or materials to a tier 1 site for incorporation into the finished product. Sites 'beyond tier 1' include sites at tier 2 and further down the supply chain, depending on the nature and complexity of the supply chain.

² Defined at the Co-op as bakery, beer, wine and spirits, dairy, food to go, grocery, prepared non-food, produce and protein.

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

We also identify suppliers for audit using a risk-based approach determined by: supplier responses to Sedex self-assessment questionnaires (SAQs), worker profiles, use of temporary workers, country of origin and industry sector, and external intelligence from experts, trade unions and NGOs.

In 2022, we continued to innovate in due diligence and transparency to meet our Future of Food targets. We did this by:

- Bringing to a close two independent human rights impact assessments in high-risk food supply chains including pork from the UK and prawns from Vietnam and drafting action plans to address the issues identified (see case study in our [Modern Slavery Statement](#))
- Gender-sensitive audits. This year we have completed a joint project with Tesco, Partner Africa and Sedex to pilot a gender-sensitive audit methodology in Africa. The results of the project showed how standard audit methodologies need to be more effective at identifying risks of gender discrimination in supply chains. A [learning paper](#) and workshop have been delivered to share findings of the pilot.
- Publishing the details of all sites beyond tier 1 in four high-risk supply chains including [top fruit and stone fruit](#) (e.g. apples, pears, peaches and plums), [warm water prawns](#) and [pork](#), including worker data split by employment status, gender and trade union presence

We have published our plans to mitigate the most significant [human rights risks](#) in our supply chain. For our defined high-risk categories, we go beyond tier 1. For example, we collect data on our growers due to high levels of casual labour and seasonality in those supply chains.

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

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

In 2022, we focused our capacity building on responding to current threats, including labour shortages resulting from the conflict in Ukraine and changes in immigration laws, to the cost of living impact on workers and growing risks of labour exploitation in our supply chains.

Through supplier engagement and support for collaborative initiatives we have enabled suppliers to share common challenges and ways to mitigate impacts. We also recognised supplier best practice and innovation in human rights projects and programmes by publishing [case studies](#).

These case studies, developed as part of Co-op's Treating People Fairly Awards, celebrate excellence in human rights practices and encourage suppliers to learn from each other. Training and wider collaboration have been key to helping identify, manage and mitigate the risks of modern slavery and human rights abuses.



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supplier events and webinars supported reaching 6,557 participants globally (2021: 82).



Launch of a gender empowerment project in Kenya

In 2022 we launched a two-year diversity and inclusion programme in Kenya with our supplier, Flamingo Horticulture, called 'Inua Dada': 'uplift women' in Swahili. Almost 5,000 people received training as part of the first year of the programme which aims to economically empower, and increase the confidence and visibility of female flower farm workers, both at the workplace and in the community.

We worked with Flamingo, our Fairtrade flower supplier based in Kenya, NGOs and stakeholders, to address the dominance of men in managerial and technical positions. The project seeks to enhance the socio-economic and health status of female workers through improved personal financial literacy, diversified extra income generation and enhanced health interventions. Agriculture, agronomy and mechanics courses are increasing women's confidence and ambition, while on-farm 'leadership hubs' are enabling peer support on income-generating activities and social projects, and sharing of key principles.

Mitigating human rights risks

As part of our efforts to eliminate illegal and unfair recruitment fees in our global supply chains, in 2022, we provided free access to the Responsible Recruitment Toolkit and training to all suppliers and labour providers in our supply chain. This reached 367 delegates in five training courses across 23 training sessions. We continued our work to understand and map the use of recruitment fees in our supply chains.

In light of the global issues affecting welfare of workers in our supply chains, we continued to play a key advocacy role in driving the human rights agenda at an industry level during 2022, facilitating global supplier engagement through the launch of events in the UK, Spain, Kenya and Egypt.

We also focussed on sourcing seasonal labour responsibly in the UK, in light of growing risks of exploitation. (See case study, right)

We continue to implement our [Human Rights and Trade Policy](#), which identifies the exceptional circumstances under which we'll [suspend trade](#) with a nation state or designated region. Our approach to ethical trade and human rights for our goods not for resale can be found [here](#). For full details of our approach to Ethical Trade and Human Rights in food supply chains please see our [Modern Slavery Statement](#) and [website](#).



CASE STUDY

Mitigating risks associated with recruitment of UK seasonal labour

In 2022 we responded to issues affecting seasonal workers by collaborating with other retailers and leading the set up of two Seasonal Worker roundtables. The roundtables sought to review human rights abuses and their root causes with the aim of identifying opportunities for scheme change in the future.

Further to this, we supported the launch of the [Just Good Work](#) app which shares Seasonal Worker Scheme information for workers on their rights, risks of hidden exploitation, and where to go to for help if needed. In 2022 over 19,000 jobseekers and workers downloaded the app, many in their home country, while applying for a job.

🎯 2023 targets

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

We will support our suppliers to improve human rights across our supply chains through the delivery of our global capacity building programme, reaching over 1,500 delegates in 25 events in 2023.

We will champion the role of women and vulnerable people in our supply chains, and in 2023 we will support roll out of training to address issues of gender-based violence in the supply chain.

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

Ethical trade and human rights data

✔ Target Achieved
⊞ On Track
⏸ Close to Target
⌚ Behind Schedule
⬇ Target Dropped
✖ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against target	2023 Target	SDGs
Supply Chain Transparency	We will share details of suppliers at all tiers of three of our highest-risk food categories by the end of 2022.	<p>✔ Working closely with our key suppliers we published full details of our pork, warm water prawns, and top fruit and stone fruit supply chains, including worker profile data in 2022. This builds on our transparency of all the tier 1 sites we source from and the publication of our activities to address our salient human rights risks.</p>		
	We will improve the lives of workers by carrying out independent human rights impact assessments in three high-risk supply chains by mid-2022, using our findings to drive change.	<p>⏸ In 2022, we completed two independent Human Rights Impact Assessments (HRIA) in our pork and seafood supply chains, which have been published along with steps that will be taken to address findings. These in-depth assessments have engaged with a wide range of stakeholders with a strong focus on worker interviews. For further details, see our Modern Slavery Statement.</p> <p>Due to the impacts of an internal re-structure in 2022 and changing issues and priorities in our supply chain we did not commence work on the 3rd planned HRIA. We have refocused our resources on working collaboratively to improve our understanding of the root cause of issues impacting seasonal workers in the UK (see our Modern Slavery Statement).</p>		
	We will champion the role of women and vulnerable people in our supply chains and will launch a gender strategy in 2022.	<p>⏸ In 2022, we continued our work to increase visibility of gender data across our supply chains and completed a pilot to understand how standard audit methodologies can be more effective at identifying risks of gender discrimination in supply chains in collaboration with Tesco and Partner Africa. The learnings from this pilot have been published and shared at industry events.</p> <p>We also launched a two-year gender empowerment programme in Kenya in our flower supply chain which aims to economically empower female flower farm workers, both at the workplace and in the community.</p> <p>Through our global supplier engagement programme we have embedded focused training to address gender inequality in key focus countries such as Egypt and Kenya and continued to champion diversity and inclusion with suppliers in the UK.</p> <p>Finally, we have strengthened our Human Rights and Ethical Trade Position Statement to share our commitment to women empowerment and will be sharing greater details of future priorities with the launch of Future of Food 2 in 2023.</p>	We will champion the role of women and vulnerable people in our supply chains, and in 2023 we will support the rollout of training to address issues of gender-based violence in the supply chain.	
	We will eliminate illegal and unfair recruitment fees in our global supply chains by 2025.	<p>⊞ We continued our work to understand and map the use of recruitment fees in our supply chains. A key focus in 2022 has been the impact of seasonal workers scheme on workers in the UK. We are working collaboratively to address growing issues we have been identifying (See our Modern Slavery Statement).</p> <p>We rolled out free training on responsible recruitment through our ongoing support of the Responsible Recruitment Toolkit which reached 367 supplier delegates in five training courses, 23 training sessions and global events in key sourcing countries including Egypt, Spain and Kenya.</p>	We will continue to work collaboratively to eliminate illegal and unfair recruitment fees in our global supply chain.	
				We will carry out an independent review of our priority human rights focus areas and continue to publish the steps we are taking to mitigate the root causes of issues identified.

Ethical trade and human rights data continued

✔ Target Achieved
⊖ On Track
👉 Close to Target
🔴 Behind Schedule
⬇️ Target Dropped
❌ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	2019	2020	2021	2022	2023 Target	SDGs
Supply Chain Transparency			Number of supplier sites globally (Tier 1 and Tier 2)	2,026 (824 Tier 1, 1,202 beyond)	2,480	2,620 (733 Tier 1, 1,887 Tier 2)	2,838 (734 tier 1, 2,104 tier 2)		
			% Tier 1 suppliers completing self-assessment in sedex	100	100	100	100		
			% high-risk Tier 1 sites audited	100	99	99	100		
Supplier Capacity Building			Number of supplier engagement events	20	35	82	91		
			Number of individuals engaged via supplier engagement events	1,296	6,872	7,208	6,557		
			Hours of engagement at supplier engagement events	8,517	16,361	9,427	6,551		
			Number of sites reached through supplier engagement events	844	4,166	1,441	1,106		
		<p>From 2021 we have included all virtual events in the scope of our events programme, which includes Stronger Together and Responsible Recruitment training sessions which were not included in the 2020 number of event figures. This is because our events programme has evolved to improve accessibility for individuals.</p> <p>Whilst we continue to see events and training being delivered online (72 events were delivered online in 2022), in 2022 we saw more events once again being delivered in-person or in a hybrid format rather than virtual formats which had been adopted through Covid. This has meant that individual, more regular online events attended by a higher volume of people were replaced with in-person events which were less regular but slightly longer with a slight drop in the number of attendees due to the accessibility of in-person vs. online.</p> <p>In 2022 we launched a two-year diversity and inclusion programme in Kenya (see case study). Due to differences in the ways the data has been collected, this project is reflected in the number of individual and number of supplier figures, but not the numbers of events and hours of engagement figures.</p>							
		<p>We will support our suppliers to improve human rights across our supply chains through the delivery of our global capacity building programme, reaching over 1,500 delegates at 25 events in 2023.</p>							 

Ethical trade and human rights data continued

✔ Target Achieved
⊖ On Track
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Number of sites and workers on Sedex and location of audits in 2021/22	Sites	Workers	Audits	Issues
Africa	817	266,629	542	3,322
Asia	126	44,514	95	389
Europe	1,344	298,959	594	2,641
North & Central America	49	16,932	37	358
Oceania	53	4,665	2	9
South America	449	157,481	145	976
Total	2,838	789,100	1,415	7,695

Status of improvement actions identified in valid audits in 2021/22	Total improvement (actions raised)		Improvement (actions completed and verified)		Improvement (actions completed by supplier; verification due in 2022)		Improvement (actions due for completion in 2023)		Overdue improvement actions	
	Business Critical/Critical/Major	Minor	Business Critical/Critical/Major	Minor	Business Critical/Critical/Major	Minor	Business Critical/Critical/Major	Minor	Business Critical/Critical/Major	Minor
Exploitation of labour	69	51	54	48	11	1	4	1	0	1
Freedom of association	63	177	55	167	3	6	4	4	1	0
A safe & hygienic working environment	2366	1724	2091	1612	108	42	164	67	3	3
Child labour	28	36	25	28	2	2	1	6	0	0
Living wages to be paid	409	350	317	309	36	11	49	21	7	9
Working hours are not excessive	492	291	329	246	65	14	84	31	14	0
No discrimination	30	45	24	44	2	0	4	1	0	0
Regular employment	522	146	451	134	29	5	42	6	0	1
No harsh or inhumane treatment	157	29	139	25	8	2	10	2	0	0
Other Issue types	353	357	259	329	24	10	60	13	10	5
Sub Total	4489	3206	3744	2942	288	93	422	152	35	19
Total	7,695		6,686		381		574		54	

Fairtrade

Driven by our passionate members, we have championed the Fairtrade movement for over 28 years, supporting trade justice through better prices, working conditions and terms of trade.

We've heard directly from Fairtrade farmers and workers the meaningful difference Fairtrade makes to their communities, so we're proud to support Fairtrade and the difference a fairer price, the Fairtrade Premium, and empowerment makes for the lives of farmers and workers across the world.

Sadly, the world is changing in ways that are having a real impact on our food system – impacting our planet and the people who produce our food. The climate crisis continues to have a devastating impact on our communities both here in the UK and across the globe, with unpredictable weather patterns that have impacted food supply and worker and farmer livelihoods.

Unfairly, these farming communities are some of the most vulnerable to the shocks of extreme weather, disease outbreaks and often lack capital or resources to protect themselves and their livelihoods.

Now more than ever, we know that working to achieve climate justice for workers, farmers and their communities is essential, both to safeguard food security and to support our most vulnerable communities to protect themselves and their ecosystems, for all our futures. That's why we put people and planet at the heart of our Climate Justice campaign, launched in 2021, and are standing side by side with farmers by investing in climate adaptation and resilience.

While we've continued to grow our Fairtrade commitments over the past year, 2022 brought market challenges and global supply chain shocks that impacted our ability to set new targets; we'll review our strategy in 2023.

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

- Sourcing
- Innovation
- Communications.

“What I am afraid of is where we are going to be in the next 5-10 years if we do not do anything about climate change. There is drought, flooding, low yields, and infestation of pests and diseases. Definitely there is going to be famine, because if the farm produce did not do well, there is going to be scarcity of food. The cost of living will also go up.”

Mary Warau, Fairtrade Flower worker at Rainforest Farmlands Kenya Limited



Mary Warau, Fairtrade Flower worker at Rainforest Farmlands Kenya Limited

Sourcing

We know that it's crucial to continue our support for Fairtrade - with an ambition to be the UK's biggest supporter of Fairtrade, we are continuing to drive impact through our sourcing.

- 100% of our Co-op own label bananas, tea, coffee, chocolate, bagged sugar, African roses, and cocoa (including as an ingredient¹) are Fairtrade, and we are the world's biggest seller of Fairtrade wine (volumes sourced are detailed [here](#))
- In 2022 we introduced several new UK retailer 'Fairtrade firsts'. We were the first in the industry to convert all our own label and branded South African wine to Fairtrade and we were the first in the UK to market Ecuadorian Fairtrade roses in our Serenity Bouquet. Working with existing Fairtrade partners, we also launched the UK's first Fairtrade stir fries and the first own label Fairtrade olive oil to support diversification of products and to scale up our partners' Fairtrade offering. We also introduced 100% Fairtrade Co-op coffee brand - Ever Ground - products into the retail range, including canned lattes and both ground and whole bean bags
- Despite another volatile year for global supply chains, in 2022 we maintained steady volumes of Fairtrade ingredients sold. As well as expanding our Fairtrade range, we increased the number of Fairtrade lines available in all stores. We continue to lead on Fairtrade with our market overtrade increasing in 2022 (occurring when a retailer's market share in Fairtrade is higher than its market share in grocery).



Emily Rotich, tea farmer from Fintea co-operative, Kenya

CASE STUDY

Supporting producers in our tea, coffee, and flower supply chains to adapt to the climate crisis

We have partnered with Fairtrade Africa (FTA) since 2021 and were the first UK retailer to invest directly into the Producer Network's climate strategy, ensuring a farmer-centric approach to adapting and mitigating the very worst effects of climate change and channelling funding to areas of greatest need.

To deliver the Network's climate strategy, the Fairtrade Alliance for Climate Smart Supply Chains in Africa (FACSCA) is working with 12 at-risk producer organisations in the Co-op's tea, coffee, and flower supply chains in Kenya, Ethiopia and Rwanda. Over 3 years, this partnership aims to reach over 16,000 smallholder farmers and workers, as well as directly impacting over 67,000 beneficiaries.

At the end of year one:

- Over 1,400 farmers have gained knowledge on the causes of climate change and how to reduce their environmental impact
- Farmers and workers have been trained on, and have started adopting, sustainable agriculture land management practices to boost productivity

whilst reducing water and carbon footprints. They have also introduced environmentally friendly income-generating activities and enterprises to diversify their incomes and protect themselves against climate shocks, e.g. kitchen gardens. Next year, they will receive seed-funding to grow these initiatives further

FACSCA has demonstrated how much can be achieved if the agricultural communities closest to the climate challenge have access to resources and training and can meaningfully input into the design of mitigation and adaptation activities.

"FACSCA has really supported me. When I go to the farm, I get good yields and thus I have money for food, children's clothes..."

The kitchen garden now gives me personal money. There is a huge difference."

Tea farmer Emily Rotich, from Fintea cooperative Kenya.

Fairtrade and our Co-op now hope to grow the alliance and secure further funding, so more farmers are equipped to face our climate reality.

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

Innovation

The cornerstone of our Fairtrade difference is our commitment to producer engagement through depth and authenticity of our relationships with producers, some spanning decades.

In 2022 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 communities:

- **Tea, coffee, and flowers:** Partnering with Fairtrade Africa to support 1,400 producers in Kenya, Ethiopia and Rwanda in adapting to climate change (see [case study](#))
- **Bananas:** Partnering with CLAC Fairtrade Producer Network, Fairtrade Foundation and Fyffes to improve soil health and productivity in Colombia and Dominican Republic, to support smallholder resilience and livelihoods (see case study, right)
- **Cocoa:** Partnering with Fairtrade Africa to support women with training and strengthen their leadership to support better livelihoods in Côte d'Ivoire, as part of the Women's School of Leadership. In 2021-22, 83 students participated in this programme. Find out more about our support for the WSOL on our [website](#)
- **Flowers:** Partnering with our supplier, Flamingo Horticulture, who are delivering a programme 'Inua Dada' (translating to 'Uplift Women' in Swahili) to improve female flower workers' earning potential through training and income diversification initiatives in Kenya. Read more [here](#)

For more information on our programmes and the impact they have on farmers, workers and their communities, see our Fairtrade [website](#).



Celenia Orozco,
Fairtrade Banana Farmer and
Member of Asobanarcoop
Co-operative, Colombia

CASE STUDY

Supporting banana farmer resilience and livelihoods in Dominican Republic and Colombia

Small-scale banana farmers are facing challenges such as the impacts of climate change, loss of soil fertility, low productivity and growing threats of pests and diseases.

To address these issues, since 2019, Co-op has co-funded two phases of the Productivity Improvement Programme (PIP), delivered by CLAC (Fairtrade Latin American and Caribbean network) to support small-scale banana farmers in Colombia and Dominican Republic.

By improving the fertility and productivity of banana farms in a sustainable way, smallholder farmers' incomes have increased and the environmental footprint of banana production has reduced.

Results¹ so far show that PIP farms (compared to non-PIP farms):

- use 12% less water
- have 29% lower greenhouse gas emissions
- are more resilient to extreme changes in climate

And average yields have increased by 36% per hectare on PIP farms in the past year, with associated increase in farmers' income.

We are pleased to be co-funding phase 3 of this programme in Colombia in 2023.

¹ Study conducted in Colombia by CIAT (International Centre for Tropical Agriculture) comparing PIP and non-PIP farms



Jorge Hernan, Fairtrade coffee farmer at Aguadas Co-operative in Colombia

Communications

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

- **Fairtrade Fortnight 2022** - we delivered another successful Fairtrade Fortnight campaign, landing 100 Fairtrade Live events in stores which reached over 4,000 members and customers. We also issued over 4,000 Fairtrade packs to members, stores, and Co-op Academy Schools, detailing the value of Fairtrade and our commitments
- **Advocating for Climate Justice** - since 2021, we have led the call for climate justice, advocating for farmer-focused climate action. During COP27, Business Fights Poverty published an article sharing the success of the first year of the FACSCA project (see [case study](#)). On COP27's Water Day we also launched our [Water Security for People & Planet](#) report, calling for urgent action for water security. Since 2017, half of the funding from our partnership with The One Foundation has been invested into Fairtrade producer communities in sub-Saharan Africa. Read more [here](#).

2023 targets

Our ambition is to be the UK's biggest supporter of Fairtrade - in 2023 we will define our methodology for demonstrating this.

Fairtrade data

✔ Target Achieved
⊖ On Track
👉 Close to Target
⬅ Behind Schedule
⬇ Target Dropped
⊗ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	2019	2020	2021	2022	2023 Target	SDGs			
Fairtrade	In 2022, we will set targets to achieve our ambition to be the UK's biggest supporter of Fairtrade, based on the metrics we developed in 2020.	⬅ While we continued to grow our Fairtrade commitments, 2022 brought market challenges and global supply chain shocks that impacted our ability to set new targets.	Number of core commodities and categories with a Fairtrade Commitment	7	7	7	7		Our ambition is to be the UK's biggest supporter of Fairtrade - in 2023 we will define our methodology for demonstrating this.			
			Our commitment to Fairtrade continues across seven core categories - 100% of our tea, coffee, bananas, chocolate, bagged sugar & African roses are Fairtrade, and we are the biggest seller of Fairtrade wine in the world.									
			Amount of Fairtrade ingredients we sell via our Fairtrade products (volume measured in tonnes/litres ¹ /stems) ²	49,026 M 14.9 million litres 40 million stems	53,617 M 14.1 million litres 41.4 million stems	49,517 M 16.7 million litres 53.3 million stems	48,967 M 16.1 million litres 52.4 million stems					
			This demonstrates material impact on Fairtrade producers. They benefit from Fairtrade Standards, voice, Minimum Price and Premium with every Fairtrade purchase.									
			Number of Fairtrade lines in our range (Own label and Branded) ³	-	329	383	464					
			Shows extent of full range of Fairtrade products. Includes seasonal lines. We introduced new Fairtrade lines into our own label and branded ranges in 2022.									
			Minimum number of Fairtrade lines in any Co-op store (Own label and Branded)	-	63	71	90					
			Ensures a minimum Fairtrade range available in any store. ⁴									
			Consumer awareness of our Fairtrade leadership (highest perceived leadership)	25%	25%	23% (highest perceived leadership compared to rest of grocery market)	-					
			This demonstrates Fairtrade leadership perception by general public. Research most recently conducted by ICM for Co-op Ethical Leadership Survey in 2021.									
Fairtrade overtrade				360	391	416	450					
Fairtrade market share among UK convenience stores (%)				79	80 (vs 59.4 convenience market share)	81.5 (vs 60.2 total convenience)	84.1 (vs 59.2 total convenience grocery market share)					
Fairtrade market share among UK total grocery market (%)				19.6 Fairtrade market share (vs 5.2 total grocery market share)	21 (vs 5.5 total grocery market share)	21.1 (vs 5.1 total grocery market share)	22.4 (vs 5 total grocery market share)					
Overtrade is the direct comparison between the market share in Fairtrade vs market share in the total grocery market. An overtrade occurs when a retailer's market share in Fairtrade is higher than its market share in grocery.												



¹ Includes Fairtrade branded wine.

² 2019-2021 data from Fairtrade Connect system, excluding Fairtrade cotton and vanilla, including Fairtrade charcoal. 2022 data from Fairtrade Connect system with the addition of Fairtrade charcoal.

³ Includes seasonal lines & Fairtrade charcoal.

⁴ Fairtrade lines sold in more than 99.5% of stores. Includes seasonal lines.

International development

For years we've invested above and beyond 0.7% of our pre-tax profit in international development projects and it's a principle we're committed to upholding for the years to come. Our water security donations contribute to this commitment.

Our Co-op invests directly in water security programmes within our own supply chain, develops solutions for the lack of water security in key sourcing locations, and responds to disasters to provide emergency relief. We are proud of the impact of our partnerships with The One Foundation and Water Unite (see below), and our collaboration through WRAP's Roadmap towards water security for food and drink supplies. There is no doubt, however, that there is much more to do to ensure the sustainable management of water which will require collaboration from governments, businesses and communities to ensure a water-secure future for all.

We believe that investing in water security - sustainable, resilient water resources and services - is the best way to address climate vulnerability and inequalities, and reduce the effects of climate change (read more [here](#)).



Over £20m water security donations generated through the Co-op's sales of water since 2007, (The One Foundation and Water Unite), changing the lives of 2.9 million people.



Water Security for People & Planet Report

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

On COP27's Water Day (14 November) our CEO, Shirine Khoury-Haq, launched our [Water Security for People & Planet](#) report whilst addressing a COP27 event.

The Report calls for urgent action on water security, along with a series of recommendations for communities, businesses and governments, across three pillars: access to safe water, sanitation and hygiene for all; water scarcity; and water pollution.

In our 2021 Report we said we would develop KPIs for our commitment for supporting international development. Given the increasing urgency of water security we have progressed the development of our strategy instead.

The One Foundation

Our Future of Food commitment to clean water for all remains a core part of our international development work. We raise money through our Co-op own label bottled water sales to support projects bringing clean water, sanitation and hygiene solutions to some of the world's poorest communities, donating over £17m in the past 16 years and over £2m in 2022 alone. In partnership with The One Foundation, these funds helped to drive water security and deliver safe water and improved sanitation to over 396,400 people living and working in Kenya, Rwanda, Ghana, and Malawi during 2022. More than 2.9 million lives have been changed over the last 15 years.

10% of our donations to The One Foundation is ringfenced to enable us to provide direct emergency support through partners of the Disasters Emergency Committee (DEC). We've now donated over £1.2m towards the efforts to respond to crises ranging from famines, war and viruses through to natural disasters such as droughts, earthquakes, hurricanes, cyclones and flooding. In 2022, we supported DEC Appeals for the floods in Pakistan and the war in Ukraine, as well as urgent emergency relief for Malawi in the wake of cyclone Ana (see case study) and for the devastating famine in East Africa.



CASE STUDY

The One Foundation & Co-op Malawi Tropical Storm Ana Programme (£80,000 grant)

In 2019, Malawi was impacted by one of the worst tropical cyclones on record to affect Africa and the Southern Hemisphere and, in January 2022, Malawi was struck again by Tropical Storm Ana, leaving further devastation and destruction in its wake. Declared a State of National Disaster, over 990,000 people in 18 districts urgently required life-saving and life-sustaining humanitarian assistance. By February, almost 190,500 people were displaced and sheltering in over 150 Internally Displaced People (IDP) sites.

Through our partnership, The One Foundation and our Co-op were able to deploy urgent emergency funding in the aftermath of the disaster to support the distribution of chlorine tablets, the repair of non-functional water points, the training of water point committees and the promotion of community hygiene campaigns. The response also supported learning sessions which aimed to develop recommendations to improve collaboration between humanitarian responses and development work, and to upscale learnings with regional and National WASH Clusters for wider dissemination.



CASE STUDY

Water Unite and Co-op - GREE New Energy, Indonesia

Through our donations, Water Unite is supporting projects like GREE Energy in Indonesia to help decarbonise food-processing companies by transforming their wastewater into biogas, supplying green power to rural areas. We've invested over £220,000¹ in the project.

The first pilot is currently removing 3,600 tonnes of organic water pollution per year, creating clean water for the local population, and mitigating climate change by producing green energy and reducing the equivalent of 65,000 tonnes of CO₂ per year.

Water Unite

Through our branded bottled-water sales, we are a pioneering partner of Water Unite – a global non-profit – funding innovative and scalable solutions to tackle the global and interrelated problems of water conservation, sanitation, and plastic pollution. Water Unite uses an innovative funding model to leverage investment in the systems needed to keep clean water flowing, and to tackle plastic pollution. In 2022, over £500,000 was donated to Water Unite together with our branded water suppliers and over £3m has been raised since 2017.

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

Carbon Offset Projects

Our support for carbon offsetting projects aligns with our commitment to a fair transition. The projects we choose have tangible benefits to people and communities all over the world as detailed [here](#).

¹ As per the FX rate on 18.10.22

International development data

✔ Target Achieved
⊖ On Track
👉 Close to Target
⬅ Behind Schedule
⬇ Target Dropped
✘ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Issue	2022 Target	Performance against target	KPIs	2019	2020	2021	2022	2023 Target	SDGs
International Development and Clean Water			Amount raised for One Foundation (since 2007) (£m)	11.4	13.3	15.1	17.2		
			Amount raised for Water Unite (since 2017) (£m)	1.5	2.1	2.5	3.1		
			Amount raised for Disasters Emergency Committee (DEC)	7,000	50,000	140,000	1.2m		
			Fairtrade & Sustainable Sourcing Projects	Data not available	Data not available	298,400	384,779		
			International community investment cash (£m) ¹	2.98	2.82	3.6	4.1		
			International community investment colleague time (£)	4,000	4,000	2,000	1,000		
			International community investment leverage (donations by members, customers and suppliers) (£)	100	0	0	1.1		
			International investment as a % of pre-tax profit	4.9	2.6	6.3	1.7		
For years we've invested above and beyond 0.7% of our pre-tax profit in international development projects and are committed to do so for the years to come.									

¹ International community investment includes The One Foundation, Water Unite, Fairtrade & Sustainable Sourcing projects, Disasters Committee Appeal investment and carbon offset projects from our insurance and funeral businesses.

Responsible procurement

Our Goods Not for Resale (GNFR) Responsible Sourcing Strategy sets out how our sourcing activity helps to achieve our Vision of 'Co-operating for a Fairer World'.

We're continuing to deliver against that strategy via:

Meaningful Supplier Management

Our approach to supplier management focuses on driving honest and collaborative relationships in order to protect human rights and the environment, whilst also supporting the communities we serve.

This year we introduced our supplier anti-bullying, harassment and discrimination policy, which sets out our expectations of suppliers and provides guidance on what to do if a supplier were to experience bullying, harassment or discrimination from anyone at the Co-op.

Effective Due Diligence and Risk Management

Using tools such as the Sedex Members Ethical Trade Audit (SMETA) and Sedex Self-Assessment Questionnaires (SAQs) for our highest risk tier one and two suppliers, and the use of direct worker reporting to help identify and manage risks.

Driving Collaboration

We're pleased to continue to be a steering group member of the Indirect Procurement Human Rights Forum (IPHR) which allows us to collaborate with other retailers around protecting human rights across our supply chain.

This year we collaborated on the production of the Waste & Recycling Sector Modern Slavery Protocol, a voluntary agreement and public pledge of commitment from organisations to work collaboratively to tackle modern slavery and prevent exploitation or abuse of workers.

We're also continuing to work in partnership with Minority Supplier Development UK (MSDUK) and SEUK (Social Enterprise UK) to achieve our Racial Equality and Inclusion commitments. Our Social Value Charter encourages collaboration from our suppliers, specifically on activity to support our vision.

Ethical Trade and Human Rights

In 2022, we completed our waste and recycling direct worker voice survey with 8 organisations¹. The results of this survey were shared back into the IPHR Forum.

This year we have been an active member of the Sedex Service Provider Working Group, which was created to improve the approach to supplier profiling and risk management of supply chains, and we now monitor 92 suppliers which fall under high-risk categories.

We've also continued to improve our team's knowledge by providing Ethical Trade training, ensuring that our category managers feel equipped to manage ethical risks across our supply chain.



¹ 5 of which were direct suppliers

Supplier Diversity

We continued to embed our Supplier Diversity Strategy and are very proud to be the only UK retailer to have joined the Social Enterprise UK ‘Buy Social Corporate Challenge’. In 2022 we spent £500k with Social Enterprises and £1.3m with Not for Profit organisations.

Environment

In 2022, we reviewed our contract templates to ensure that we have the right environmental clauses when buying goods and services in categories where the environmental impact could be high, such as uniform or logistics providers.

We worked together with our print provider HH Global, to remove 26 tonnes of plastic per year from our in-store point-of-sale (PoS). We’ve also removed 115 tonnes of carbon from our footprint in 2022 by improving timings and using our point-of-sale routes to store as a driver.

Social Value

In 2022 we continued to capture the social value activity in our supply chain.

For the first time this year, we shared our GNFR Social Value survey with our suppliers to help us better understand the scale and scope of social value delivery in our supply chain, basing activity on our most material issues of climate change, community, diversity, equity and inclusion, and wellbeing and mental health.

We also held a ‘Mental Wellbeing’ webinar during which our charity partner Mind joined Co-op colleagues and members of our supply chain to share personal experiences of mental wellbeing.

Youth and Employment

Our suppliers have contributed a huge amount towards our [Co-op Levyshare scheme](#), with BT alone contributing £2.8m of their levy. In 2022 we had a total of £9.3m donated which has resulted in over 630 apprenticeship matches being made.

In June, we launched our [virtual work experience](#) programme to Co-op Academies. For the third year, many of our suppliers got involved, offering speakers for webinars and live panels, and sharing inspiring stories.



CASE STUDY

Saltash Community Kitchen

The continuing impacts of Brexit, Covid-19 and the cost-of-living emergency are forcing many households into food poverty.

Weatherheads and some of our other GNFR suppliers teamed up with PL12 Enterprises in Saltash to create a Community Kitchen which aims to use food that was originally destined for landfill to help teach home economics, food skills, meal planning and preparation through housekeeping and simple IT awareness.

The space hosts a Community Fridge, Café, meeting room and kitchen stations supporting struggling families with increasing domestic costs and helping to upskill the local community.

🎯 2023 targets

We will continue to explore opportunities to promote and encourage the use of diverse suppliers within our own and our wider supply chains as well as continuing to encourage our suppliers to play their part in ‘Co-operating for a Fairer World’.

British Farmers and Producers

Our long-standing commitment to British sourcing has helped us to build strong relationships with farmers and producers. For the past 10 years we have used our established farming groups and farming pioneers programme to address shared challenges such as climate change and sustainable sourcing, alongside maintaining exceptional animal welfare standards.

Moving forward Co-op is committed to evolving and developing our farmer group model to really deliver us greater visibility of our supply chain and give us the opportunity to continue to have meaningful impact in the farming sector.

Co-op Farming Groups

Our long-standing commitment to delivering 100% British fresh and frozen protein¹, has helped us build strong producer relationships and enabled us to offer everyone food that is produced to high animal welfare standards, regardless of their budget. For the past 10 years, our Co-op Farming groups have been providing mutual support networks for our British suppliers. Currently, these groups cover over 400 producers across the UK, however we work with more than 3,700 farmers feeding into our own brand fresh supply chain.

This will allow us to better understand how we can work with our farmers on our Greenhouse Gas (GHG) impact within our total supply chain. We will then be

able to set more meaningful reduction commitments in addition to addressing challenges such as animal welfare, responsible resourcing, supply chain transparency, mental wellbeing, and farm safety on a wider scale.

Climate Change

Over the past 11 years we have been working collaboratively with environmental specialists such as Alltech Ec02 and ADAS RSK to develop GHG emission reduction plans for our farmers, setting ambitious targets that are aligned to our broader science-based targets to reduce emissions from dairy and beef production. We have focused on dairy and beef as this is where we identified we could have the most impact, and data from this approach continues to feed into our overall GHG emissions model to demonstrate the impact on our targets.

Engaging our Farmers and Producers

Throughout 2022, we explored how we could engage with our farmers better using a mix of on-farm meetings and webinars to provide better communication. With just under 5,000 followers, made up of our producers, suppliers, industry stakeholders and NGOs, our Farming & Fisheries Twitter account documents our work in this area and provides a platform to share best practice.

This account has allowed us to engage with our suppliers while promoting industry events such as sustainable seafood week and agricultural mental health week.

A key event in the farming and fisheries calendar sponsored by the Co-op, is Open Farm Sunday – a national event held in June giving our farmers the opportunity to open their farms to the general public, helping to promote the amazing work they do.

Farming Pioneers

Now in its eighth year, our Farming Pioneers programme continues to champion the next generation of farmers and growers aged between 21 and 35. Through a free 30-month training programme, we're teaching business skills like lean management and succession planning, as well as exploring salient issues such as mental health. We aim to continue investing in and expanding the Farming Pioneers programme so more young people can benefit from the scheme. The Pioneers programme has successfully helped 100 young farmers experience a number of different business opportunities and training over the past 8 years. In 2023 we'll review the programme and look at the next steps we can take to increase opportunities for young farmers.



¹ Not applicable to some Salmon & Dairy lines

Local sourcing

Our members and customers tell us that access to local products and support for small producers is important to them and, as a community retailer, we're proud to promote locally sourced products and showcase small producers within our stores.

Local Sourcing

Our insights tell us that customers associate local products with those that are high quality, better for the environment and support the local community, so our local strategy aims to improve the range we currently have.

It focuses on working closely with local and small producers to create a more diverse supply base. We now know which product categories our customers most value and we're looking to grow the range in these areas, whilst reducing the range in areas that are less valuable to them, simplifying our offer in line with our Pure Convenience strategy.¹

Supporting small suppliers

Our Co-op Incubator scheme - The Apiary - supports small suppliers who are aligned with our Co-op Values and is based on a programme of support designed to help small suppliers upskill and get their products 'retail ready'.

By underpinning our Incubator programme with collaborative knowledge and skill-sharing, member-centric insight and mentoring, we have created a sustainable space for entrepreneurs to develop their businesses.

Our first cohort of 5 brands landed in-store in September 2022, and our offering will expand with more brands coming on board in Q1 of 2023. Partnering with suppliers who keep sustainability and purpose at the forefront of everything they do will help us to get closer to what our members need and care about and deliver on our Vision of 'Co-operating for a Fairer World'.



¹ See our [Annual Report](#) for more detail on our Pure Convenience Strategy

Responsible procurement data

✔ Target Achieved
▬ On Track
👉 Close to Target
🔴 Behind Schedule
⬇️ Target Dropped
❌ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	2019	2020	2021	2022	2023 Target	SDGs		
Buying Our Goods and Services	We will continue to explore opportunities to promote and encourage the use of diverse suppliers within our own and our wider supply chains as we enter a phase of discovery to target the barriers to entry.	✔ See p.51								We will continue to explore opportunities to promote and encourage the use of diverse suppliers, within our own and our wider supply chains, as well as continuing to encourage our suppliers to play their part in 'Co-operating for a Fairer World'.	
Supporting British Farmers			% 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	328	344	310	N/A				
			Numbers reduced in 2021 due to farmers leaving groups and large scale recruitment not being possible. Data unavailable in 2022 as we have reviewed our ways of working and will be working with suppliers on new data collection opportunities in 2023								
			Independent audits across Farming Groups	328	181	285	N/A				
			Data unavailable in 2022 as we have reviewed our ways of working and will be working with suppliers on new data collection opportunities in 2023								
			% compliance with animal welfare KPI data from our Farming Groups	93.4	92.2	79.6	N/A				
			Data unavailable in 2022 as we have reviewed our ways of working and will be working with suppliers on new data collection opportunities in 2023								
			% producers completing EnviroMap	100	100	100	100				
			Now part of annual audit.								
Number of active members of Farming Pioneer programme	104	64	64	20							
The Pioneer program has successfully helped 100 young farmers experience a number of different business opportunities and training over the past 6 years, for 2023 we are reviewing the program and looking at the next steps we can take											

Healthy living

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

Our [Future of Food](#) ambition sets out our commitment to designing products with quality, health and sustainability in mind.

Healthy, sustainable diets

In 2021, we joined the [WWF's Retailers' Commitment for Nature](#), committing to play our part in supporting the WWF's ambition to halve the environmental impact of UK shopping baskets by 2030. As part of this, in 2023, we will continue to develop our reporting capability on the split between animal and plant-based protein sales.

At the start of 2023, our plant-based brand GRO is comprised of 43 products. In February 2023, we revised our ambition for GRO, moving from our commitment to price parity for all lines, to specific targets around range growth. This enables us to drive innovation in the category and grow our plant-based offer to suit the changing needs of our customers.

We are committed to improving the availability of GRO products and will ensure there are 10 products from the GRO range in over 1000 stores by the end of 2023, increasing to 15 by 2025. We will also increase the number of plant-based products in other Co-op ranges, by introducing new lines and using plant-based ingredients more frequently.



CASE STUDY

[Research](#) has shown that prominent positioning of meat-free products in the meat aisle can increase sales of meat-free alternatives.

In Summer 2022, 17 GRO products were moved from their designated space in our Ready Meals fixture to their 'parent' categories elsewhere in store. Six of the products re-positioned were meat-free products which moved to the meat aisle. Analysis showed that these six meat-free products saw an 18.4% increase in volume sales¹. We will continue to review the sales of the GRO products which were re-positioned.



¹ Volume sales is the quantity of products sold

Healthier products

Our Future of Food ambition commits us to increase the amount of fruit and vegetables as ingredients in our Co-op brand products and continue to take a responsible approach to reducing the amount of salt, sugar and calories in our Co-op own brand products.

By the end of 2022, 95% of our Co-op own brand products already met the Office for Health Improvement and Disparities 2024 maximum salt targets (2021: 94% of Co-op own brand products met the targets).

In 2022, we removed a further 1.2 billion calories through product reformulation across our Co-op range (based on annual sales).

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

Accessibility

We help our customers to identify healthy products in store and to make healthier and more informed choices. Our traffic-light labelling provides front-of-pack, colour-coded nutritional information at a glance. At the end of 2022, 58% of Co-op own brand products were healthy (non-HFSS¹) in accordance with the [Government's nutrient profiling model](#).

We make healthier options more affordable through price investments and promotions and we use our communication channels to promote healthier lifestyle choices.

Co-op has had a Marketing to Children Policy in place for a number of years. In 2022, we developed

a Marketing to Parents policy to ensure that we are marketing products that children will consume as responsibly as possible, for example, through back-to-school campaigns.

Price parity

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

Inspiring healthy behaviour change

We made a commitment in Future of Food to work with partners to inspire healthy, sustainable behaviour change in communities. In 2022, we ran a campaign to highlight healthier choices by calling out the nutritional benefits of products, such as 'low in saturated fat'. We supported the [Veg Power](#) campaign again in 2022, working with other retailers to encourage children to eat more veg. As part of the campaign we provided Veg Power activity packs to our Co-op Academy students. We are an official partner of parkrun, using the partnership to reach and engage with a passionate community to promote health and wellbeing.

As part of our support for the [Peas Please](#) campaign, we used our product labels to inspire customers to eat more vegetables through the front-of-pack photography and back-of-pack messaging. We have increased the presence of vegetables in our Co-op Food Magazine recipes, and on social media through activities such as promoting seasonal produce.

In summer 2022, our Food to Go salads relaunched with 75% of the range containing at least one of your five-a-day and in autumn 2022, over 53% of our ready meals contained at least one of your five-a-day.

Performance Benchmark

Peas Please scored us 'yellow: on the road to success' in their 2022 report. (2021: 'orange: made a good start').

In January 2022, we updated our website to promote the Government's [Better Health](#) campaign.

Alcohol and tobacco

We sell e-cigarettes and smoking cessation products in most of our stores. In 2022 we adopted our new Responsible Sourcing Policy for E-Cigarettes, to ensure that our vaping products are targeted towards existing adult smokers as a cessation aid. We're also committed to selling alcohol responsibly. We work in partnership with the Drinkaware Trust, and provided £248,741 of funding to them in 2022.

2023 targets

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.

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

We will ensure there are 10 GRO products in over 1,000 Co-op stores by the end of 2023.

¹ HFSS is shortened term for food and beverage products which are high in saturated fat, salt, and sugar.

Healthy living data

✔ Target Achieved
⊖ On Track
👉 Close to Target
🔴 Behind Schedule
⬇️ Target Dropped
❌ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against Target	KPIs	2019	2020	2021	2022	2023 Target	SDGs	
Healthy Living			% Co-op branded products which are non-HFSS (not High in Fat, Sugar or Salt).				58	We will continue to report on the percentage of own brand products which are non-HFSS.		
			We have previously reported on the percentage of products without red traffic lights. However we will now align with Government regulations and will use the OFCOM nutrient profiling model (https://www.gov.uk/government/publications/the-nutrient-profiling-model) and will report on the % of own brand products which are non-HFSS (not High in Fat, Sugar or Salt).							
			% Co-op branded products that meet their calorie reduction target, which are in line with or lower than the Office for Health Improvement and Disparities' reformulation programme.				95			
			% Co-op branded products that meet their Office for Health Improvement and Disparities 2024 maximum salt target.	-	-	94	95			
	Co-op brand products which are 'reduced' or 'light' alternatives to a standard line will continue to be no more expensive (based on price/kg).	✔	All products that are 'reduced' or 'light' alternatives to a standard line met our commitment to be no more expensive in 2022.	Number of Co-op brand products that are 'reduced' or 'light' alternatives to a standard line that do not meet our commitment to be no more expensive (based on price per g/ml).	1	1	1	0	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.	
	Our Co-op GRO products will continue to be no more expensive than their meat and dairy-based equivalent.	⬇️	In February 2023, we revised our ambition for GRO, moving from our commitment to price parity for all lines, to specific targets around range growth.					We will ensure there are ten GRO products in over 1,000 Co-op stores by the end of 2023.		



Fairer for our Members and Communities

- ▶ Membership and co-operation
- ▶ Communities

Membership and co-operation

As a co-operative, we're owned by our millions of members, and we exist to meet their needs and work with them to create a fairer world.

We're founded on a set of Co-operative [Values and Principles](#) describing a different, fairer and better way of doing business. We use these Values and Principles to guide us in fulfilling our Vision and Purpose.

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

Democratic member control

Democratic member control is achieved both in our governance structure and in other, less formal, ways. Our Board is made up of 11 directors, of which four are Member-Nominated Directors (MNDs). All of our Board directors are members themselves and they must meet both membership and eligibility requirements.

Our MNDs are elected through a direct ballot of our members. Our Independent Non-Executive Directors are appointed by the Board and subsequently put forward for election by members at our AGM.

We have 100 members elected to our National Members' Council by individual and Independent Society members.

Our Council has an important role in holding our Board to account for our performance, championing our Values and Principles, and representing members' interests, as well as influencing our policies and strategies.

Members are encouraged to have their say in our AGM and elections. This is done through our system of 'one member, one vote'. For more information on our democracy, visit [here](#).

National Members' Council

Our National Members' Council is made up of 100 Co-op members from around the UK, including colleagues, and it meets six times a year. In 2022, the Council fed into plans and discussed important issues for our Co-op, like financial performance and our new Food strategy, helping the business to meet the needs of our members and the diverse communities we serve and support.

A key role for our Council is holding the Co-op Board to account on the strategic and operational decisions it makes. To do this effectively and in a way that takes our co-operative Values and Principles and the views of our members into consideration, the Council uses

a framework called the Co-op Compass. Within the compass, there are four lenses: Member Value, Member Voice, Ethical & Sustainable Leadership, and Co-operative Leadership. To monitor these areas, each lens has key performance indicators and a committee, which meets with colleagues throughout the year to hear the latest updates.

To keep in touch with our members, the Council holds Join In Live events every autumn, bringing together co-operators, directors and colleagues to talk about what's happening around our businesses and shape plans around our campaigns, membership and community activity. This year, we introduced attendees to our new partnership with Your Local Pantry and asked them to help shape how we support communities with access to food during the cost-of-living crisis. For more information on the work of our National Members' Council in 2022, please read the Council Annual Statement in our [2022 Annual Report and Accounts](#).



AGM

Our members vote on motions at our AGM, which are put forward by our Board, our Council or our members. In 2022, members could attend our AGM in person for the first time since the pandemic or they could watch and ask questions in real time online.

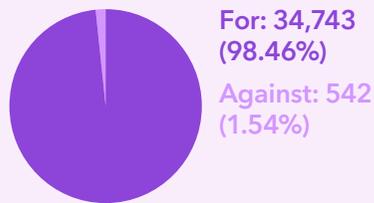


33,188 members voted¹
in our 2022 AGM and elections
(2021: 53,863).

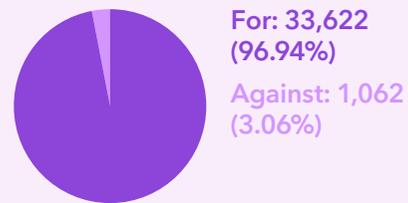
535 members attended the AGM, 280 in person and 255 online (2021: 831 online) and were able to hear about the Co-op’s annual performance, put their questions to the Board and were also invited to participate in a sustainability workshop hosted by the Council which was held prior to the event. Following the AGM, a further 1,750 members (2021: 1,100) have viewed all, or parts, of the meeting on our website. For the first time, in 2022, members voted to receive our Co-operate Report on our responsible business performance: **For: 24,457 (83.38%), Against: 4,875 (16.62%).**

Members also voted on the following membership and sustainability-related motions from the Members’ Council - full motion wording can be found in the [AGM notice booklet](#) and a response on the actions we’re taking will be published [here](#) in April.

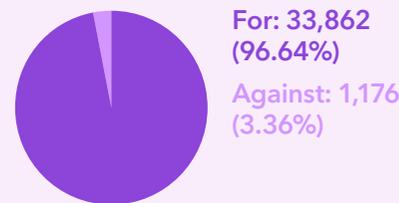
Motion for our Co-op to commit to increasing opportunities for members to participate in their Co-op:



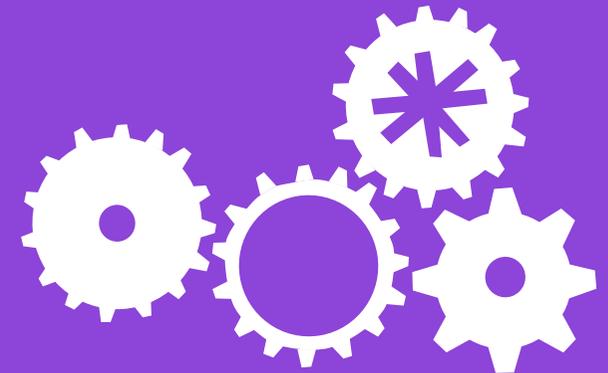
Motion for our Co-op to be a leading voice and champion on tackling inequality and how businesses make a difference in communities:



Motion for our Co-op to work with the co-operative retail sector to mobilise colleagues, members and customers to accelerate collective action on climate change:



How our governance works



- Members:** As a co-operative, we’re owned by individual members and other co-operatives, not by shareholder investors. This means that as well as being rewarded for trading with us, our members have an opportunity to have their say on key issues including who represents them on our Council and Board.
- Council:** Responsible for holding the Board to account. Acts as a guardian of our Values and Principles, our Purpose and our constitution.
- Board:** Responsible and accountable for determining strategy and holding the Executive to account.
- Executive:** Key members of management running the business on a day-to-day basis in accordance with the strategy determined by the Board.

¹ Includes Independent Society Member “weighted” votes cast on AGM motions.



Our membership

Our members get 2p back for every £1 spent on selected Co-op branded products and services, with the same going to local communities.

The money members raise for local communities is split between:

- Supporting the [Local Community Fund](#), helping thousands of grassroots community causes
- Supporting the [Community Partnerships Fund](#) working with partners, to create lasting change on big issues we care about

Through the Co-op app and online, members are able to choose which community cause they support whenever they shop at the Co-op and they can choose to donate their personal reward to the Co-op Foundation to help build fairer and more co-operative communities.

Co-op members can save money every week with:

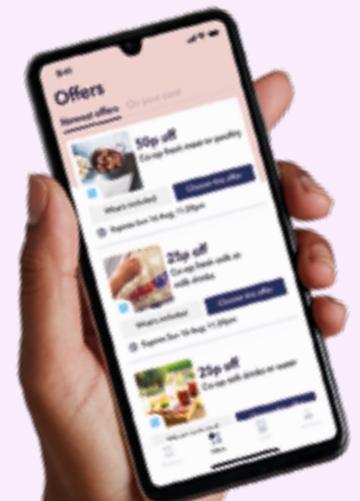
- Weekly personalised digital offers via the Co-op app and online
- Exclusive member deals in-store
- Discounts on products across our family of businesses such as Co-op Insurance, Co-op Funeralcare and Co-op Legal Services

Members are also able to participate in their Co-op to help design new products and services, shape strategies and policies and support us with campaigning.

In 2022, over 190,000 new members were offered a bonus digital offer of £3 off a £10 shop in store as a welcome to Co-op membership and introduction to everything else the Co-op app has to offer.

And, as a thank you for helping us raise £117m for local communities since 2016, members received an offer for 25% off a Co-op Irresistible product.

New and existing members were also able to boost their membership reward balance in the second half of the year. When they bought or renewed a car insurance policy with Co-op Insurance, they received £50 back on their membership card and a further £5 went to community food projects.¹



¹ Available July - December 2022.

Member Participation

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

We aim to increase the reach and reward of member participation, with a particular focus on its appeal to younger members, by working with members in four areas.

1. Co-creating products and services

We launched four of our member-designed products this year. In June we saw the launch of our new ice cream and soon afterwards our member-designed cheese blend hit the shelves across the UK along with new chocolate lollies. Finally in October our latest Crumbs gingerbread helped members and customers celebrate Halloween.



2. Bringing members closer to the community programme they fund

We've been helping members understand more about the impact they have in the community. As well as helping to shape our community missions, in early 2022, members got behind our community mission of mental wellbeing by supporting Time to Talk Day. We helped members find resources, gave them practical advice and linked to groups that provide support through our Co-operate platform.

3. Standing up for what we care about

We have continued our work in supporting members to understand the issues behind ethical decisions, engaging them in campaigns and giving them the tools they need to make a difference. Our palm oil project was a way for members to understand more about what they could do to take a stand on this important ethical issue.

4. Helping members understand our unique co-operative model

This year we have seen a positive response to our activity working with the Co-op National Members' Council (NMC). The Co-op Member Education Training and Information activity is part of the NMC strategy and has seen us deliver 10 online training opportunities through quizzes to help members value our co-operative difference.



CASE STUDY

Great Ice Cream Hunt

Over the summer, we helped our members understand more about our local causes during our Great Ice Cream Hunt. Over six weeks we showcased local community fund recipients and asked members to guess where they were from. It was a fun way to engage members and to talk about the amazing things they do in their communities.



During 2022 members participated in our Join In opportunities over **774,000** times across 78 opportunities¹. This represents an increase of 34% on last year.

¹ Members participated 581,836 times in 2021



A focus on young members

Made up of six members aged 16-25, our Co-op Young Members' Group (CYMG) acts as an advisory panel to make sure young people are better represented in our Co-op.

This year CYMG celebrated Fairtrade Fortnight and other sustainability campaigns, taking part in live events with university franchise stores to encourage students to join in with Co-op's Fairtrade Fortnight activities, alongside Member Pioneers.

CYMG members have been instrumental in representing young voices on the Community Partnerships Fund Advisory Panel throughout the year, being part of the group that scrutinise the partnership projects we deliver as the Co-op.

CYMG members also spoke about their role at our AGM and participated in a workshop with Senior Co-op Leaders, to develop ideas for our Future of Food strategy along with Co-op Academy students.

In 2023, the group will be making sure they are in the right spaces to influence our Co-op and to enable more young people to get involved, with a particular focus on community and co-operation.

Membership and Co-operation Data

We have continued to evolve how we measure and report participation in our Co-op and for 2022 we have created a more comprehensive view across a wider range of channels. We now include measurement and reporting across the following channels:

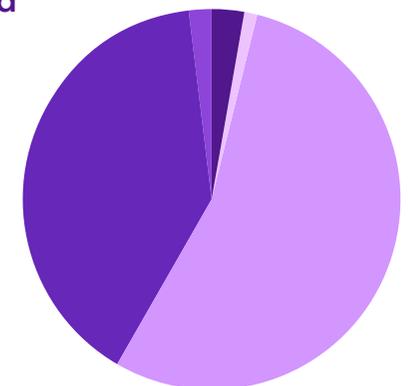
1. Choosing a community cause
2. Participating in a Join In activity
3. Donating their personal reward to the Co-op Foundation
4. Participating in the Co-op Collective insight group
5. Voting in our elections and AGM

Our members participate in their Co-op in many ways, helping us meet our Vision of 'Co-operating for a Fairer World'. In 2022, members participated across these opportunities 1.9 million times against a target of 1.8 million. This represents an increase on last year of 15.9%

How we measure participation:

Total Participated 1,938,389

- Co-op Collective: 56,414
- Donated personal reward: 23,201
- Selected a cause: 1,051,227
- Join In: 774,074
- Voted: 33,473



Join in Live events

Hundreds of Co-op members attended our Join In Live events during October, which were held online for the second successive year. Hosted by our Co-op National Members' Council, the four online events provided members with business performance updates and the chance to ask questions directly to members of the Co-op Board and Executive.

Co-operation among Co-operatives

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

It's our ambition to be at the forefront of this movement, using our scale and influence to help others. We continue to be by far the largest funder of the Co-operative Movement and its institutions, providing over £1.6m of funding to a diverse range of organisations.

In 2022, we took part in initiatives such as:

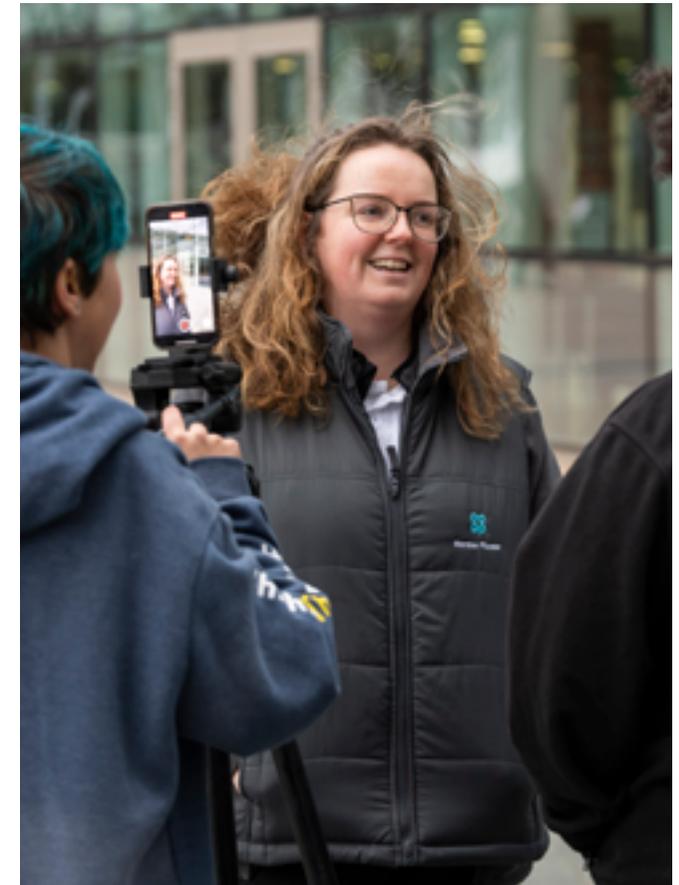
- Highlighting the co-operative sector's national campaign Co-operatives Fortnight, promoting co-operation based on the theme #UnwrapCoops, through social media and local activities led by Member Pioneers.
- Identifying procurement opportunities through Social Enterprise UK's corporate challenge, which forms part of their Buy Social initiative.
- Supporting the Plunkett Foundation's Rural Business Awards.

- Connecting the Woodcraft Folk to our Co-op Academies as part of their Green Influencers' campaign
- Continuing to work closely with the Co-op Party in Parliament and in devolved assemblies supporting a variety of campaigns, most recently on renewable energy.
- Sharing the economic advantages of size and scale by joining with other large UK retail co-operatives in the Federal Retail and Trading Services Limited (FRTS), a federal model of purchasing.

Giving members what they need to play a part through education and training

Co-operative Member Education, Training and Information (CMETI) is one of our Co-operative Principles. Members own our business and have a say in it, so it's important that they understand more about what makes us different and how they can use their membership to do good things.

In 2022, 309,277 members took part in opportunities on our Join In platform, including opportunities to learn more about our unique community programme, the role of young people in co-ops on International Youth Day and more about the importance of our democratic structure.



🎯 2023 targets

The National Members' Council will take action to increase the % number of ethnic minority candidates standing for election to the Council, in order to be reflective of our Co-op Communities.

.....
We aim to end 2023 with 4.5m active members.

Membership and co-operation data

✔ Target Achieved
⊖ On Track
👉 Close to Target
🔴 Behind Schedule
⬇️ Target Dropped
❌ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against target	KPI	2019	2020	2021	2022	2023 Target	SDGs
Membership Numbers	We aim to recruit 550,000 new members by the end of 2022, with 4.28m active members.	✔ We recruited 592,000 new members in 2022, ending the year with 4.31m active members.	Number of active members (million) (those who have traded with us in the last year in Co-op Food, Funeral and Life Planning, Insurance and Legal Services)	4.6	4.34	4.23	4.31	We aim to end 2023 with 4.5m active members.	17 PARTNERSHIPS FOR THE GOALS 
			Number of new members (million)	0.5	0.4	0.5	0.5		
			Number of active (see definition above) young members, aged 25 and under	180,360	162,696	181,978	211,176		
Membership Scheme			Amount earned by members for themselves through our membership scheme (£m) (amount redeemed in brackets). See Community section for data on the amount earned by members for their communities.	54.4 (50.9)	50 (45.5)	20.7 (22.9)	28.7 (25.8)		
			£9m of the amount earned by members for themselves was uploaded to colleague members' cards to support them through the cost of living crisis. We reduced personal reward in September 2020 to give more back to the communities we serve when it was desperately needed.						
Member Engagement			Number of members voting at our AGM and elections (number voting in person in brackets)	60,549 (620)	47,862	53,863	33,188		
			Due to Covid-19 restrictions - in-person attendance was limited to 20 attendees. (831 members participated in the online event in 2020 and 2021).						
			AGM and election voter turnout among eligible members (%)	2.2	2	2.4	1.6		
			Members participating in Join In Live events in communities across the UK	1,276	463	291	347		
			Members participating in our Join In programme online (number of opportunities to join in brackets)	147,637 (75)	243,544 (88)	266,738 (83)	309,277 (78)		
Financial Support for Co-operatives			Young members participating in our Join In programme online	7,240	29,699	36,849	34,132		
			Financial support for representative and affiliated bodies of the Co-operative movement (£m)						
Democracy	The National Members' Council will take action to increase the number of ethnic minority candidates standing for election to the Council, in order to be reflective of our Co-op Communities.	✔ In 2022, there were 14 candidates standing for the Members' Council election who identified as an ethnic minority (2021: 10). Only 2 of these candidates were elected so Council will be looking at further actions to emphasise the current composition of the Members' Council in the election materials.						The National Members' Council will take action to increase the % of ethnic minority candidates standing for election to the Council, in order to be reflective of our Co-op Communities.	10 REDUCED INEQUALITIES 

Breakdown of financial support for the Co-operative movement (£)

Organisation	
Co-operatives UK	£725,526
Co-op Party	£598,600
Co-op Press	£106,000
International Co-operative Alliance	£72,553
Social Enterprise UK	£34,950
Woodcraft Folk	£25,000
Co-operative Heritage Trust	£15,000
Co-operative College	£1,000
People's History Museum	£8,000
Robert Owen Museum	£3,000
New Lanark Museum	£3,000
Plunkett Foundation	£2,500
Society for Co-op Studies	£2,000
Total	£1,602,204

Communities

Our work in communities is powered by members, and concern for the community is embedded in our Values and Principles. These things together are what set us apart. Our approach is shaped by our vision of 'Co-operating for a Fairer World' and brought to life by our colleagues, our members and our communities.

Our community plan has three interconnecting missions to support game-changing programmes and services that are doing things differently in local communities. These are:

- Fair Access to Food
- Fair Access to Mental Wellbeing Support
- Fair Access to Opportunities for Young People

Our missions are helping to respond to issues affecting communities today. We saw how important they were in the pandemic, and we're seeing it even more during the cost of living crisis.

Insights from our Community Wellbeing Index, along with listening to members, colleagues and causes, help us to understand what communities need and the areas where we can have the greatest impact.

We know we can't achieve our plan alone. That's why we're partnering with others, such as community organisations, local causes, charities and academies, to create a lasting impact.



Community Wellbeing Index

The [Community Wellbeing Index](#) is an online tool that provides insight into the wellbeing of over 28,000 communities across the UK.

By entering a postcode, the Index allows users to view scores across many different measures – from the quality of education, housing affordability and public transport links, to the amount of green space and the number of community centres in an area – providing a useful snapshot of the strengths of that community and any challenges that it may be facing.

Our members and communities helped us build the Index, and we use it to inform our community strategy. We refresh our data annually to ensure that it remains a reliable indicator of the things that communities care about.

In 2022, we [summarised the findings in a report](#) that showed the local impacts of the cost-of-living crisis on communities across the UK.

We also shared the Index at various events, including the national Data Science Festival focusing on 'using data to do good', and wrote to all UK local authorities to provide them with updated scores relating to their local communities. Next year, we will continue to use the Index to inform our community missions and will share community insights with our partners and stakeholders.

Putting Community at the Heart of Membership

Our work in communities is powered by membership and concern for the community is embedded in our Values and Principles. When our members buy selected Co-op branded products and services, they get 2p back for every pound spent and the same goes to local communities. The funds raised by our members are split between supporting our:

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

Co-op membership means members can also get involved in participation opportunities such as supporting our community mission on Time to Talk day. You can read more about member participation [here](#).

Local Community Fund

Our members support 4,000 local projects they care about each year through the Local Community Fund. Since it launched in 2016, members have raised £97m¹ for more than 30,000 community projects across the UK.

In the latest round, more than 4,000 local projects promoting mental wellbeing (51%), supporting access to food (15%), providing opportunities for young people (28%), and addressing climate change and biodiversity (6%) went live in October 2022 for our members to support. These causes are set to support 1m people across the UK and 46% of projects will support ethnic minority beneficiaries, meeting a key diversity commitment.

Despite this support, local causes have been hard hit by the pandemic and cost of living crisis. Insight from more than 3,200 local causes across the UK showed that nearly two-thirds of projects have experienced a shortfall in funding over the past 12 months.

84% of local causes have seen an increase in demand, particularly those providing support for people through the cost of living crisis, whilst a tenth have already closed or reduced services. This insight inspired the Co-op to launch a [£1m warm spaces funding boost](#) to help local community groups provide vital support to their communities with warm spaces for people to come together during the coldest months.

Community Partnerships Fund

[The Community Partnerships Fund](#) supports strategic partnerships to deliver our community missions with like-minded organisations (including Hubbub, Cruse Bereavement Care and the Youth Endowment Fund), targeting communities that need some extra support.

In 2022, the fund distributed £3.7m to support our community partnerships and committed a further £2m to support activity in 2023. You can read more about the partners we're supporting [here](#).

We know that other support that helps to strengthen and connect communities is important to our members, including our Member Pioneers, Co-operate, support for Co-op Academies and local store and funeral home Donations Policy. In 2022, the Community Partnerships Fund also supported investment in these community assets to help deliver our missions.



£12.4m given to over 4,400 local community projects (2021: £13.5m).



1 million cause selections by members for the third year running (2021: 1 million).



£3.7m distributed by the Community Partnership Fund

¹ £117M raised in total, the remaining balance supports the Community Partnerships Fund



Fair Access to Food

The cost of living crisis has put additional pressures on family budgets, and yet again, increased the need for emergency food support. Whilst food banks are set up with good intentions, at the Co-op, we don't accept this is the way this has to be.

Access to Food is one of the core community missions of our vision - and by working in partnership we're seeking to support game-changing initiatives, turbocharging solutions at a community level that go beyond providing food aid to more long-term, sustainable solutions. [The food surplus we redistribute](#) currently has a role to play, but through projects like Community Fridges and [Your Local Pantry](#), we want to help drive sustainable change at a community level with dignity at its core.

Our partnership with [Hubbub](#) continues to go from strength to strength as we identified 350 Community Fridge locations by the end of 2022, which will lead to 500 by summer 2023. Community Fridges continue to offer more than just food, they bring people together to build skills, improve mental wellbeing and increase their resilience.

In September 2022, we announced our partnership with Your Local Pantry to triple the network from 75 to 225 within three years. Like Community Fridges, pantries offer far more than just food, they bring people together to build skills, improve mental wellbeing and increase resilience.



350 fridges identified in partnership with Hubbub.



75 Your Local Pantry networks.

Fair Access to Mental Wellbeing Support

Supporting mental wellbeing is an integral part of our Vision. Our partnership has signposted people to information, activity and support for mental wellbeing, directly supported people through new services, and enabled more conversations about mental health.

Our partnerships with Mind, SAMH and Inspire

The pandemic had a huge impact on mental wellbeing with more than half of adults (60%) and over two thirds of young people (68%)¹ stating the various restrictions and lockdowns caused a deterioration in their mental health. In addition, money worries have long been linked to poor mental wellbeing. With the rising cost of living in the UK, 55% of those supported through our partnership are struggling financially some or all of the time.

In 2022, we hit our target of raising £8m, helping to launch more than 50 new mental wellbeing services across the UK, supporting over 22,000 people so far. A survey of over 1,000 people supported by these services found that:

- 82% feel their wellbeing has improved
- 80% feel better able to cope with challenges
- 74% feel more connected to peers
- 72% feel more closely connected to community



In addition to this, over 1.4m people have been signposted to information, activity and support for mental wellbeing since 2020; for example, through Co-operate, Member Pioneers and Funeralcare bereavement activity.

In February 2022, we partnered on the UK's biggest mental health conversation, Time to Talk Day, helping to generate nearly two million conversations, including more conversations within communities, young people and people from diverse backgrounds.

Our Partnership with Cruse Bereavement Support

At the start of 2022, we launched a new partnership with the leading bereavement charity, [Cruse Bereavement Support](#), to support communities dealing with grief – with over 13,000 people accessing our new bereavement resources on Co-operate. Our pilot services are mobilising community-led support for the bereaved in four local areas,² launching new bereavement hubs in community spaces. In October, the partnership became an integral part of Co-op Funeralcare's new aftercare campaign, supporting people through grief after the funeral.

By the end of 2023, we hope to have:

- Signposted 1.5 million people to information, activity and support for mental wellbeing
- Enabled over 3.7 million conversations as part of our two-year Time To Talk Day partnership with Mind, SAMH, Inspire and Rethink Mental Illness by the end of 2023
- Engaged 2,000 people in community-led bereavement support



Since 2020:



£8m

raised for Mind, SAMH and Inspire.



Supported 22,000

people with their resilience and mental wellbeing through 50 new community services set up across the UK.



Over 1.4 million

people signposted to information, activity and support for mental wellbeing since 2020, for example through Co-operate, Member Pioneers and Funeralcare bereavement activity.



Nearly 2 million

mental health conversations supported through Time To Talk Day.

¹ [the-mental-health-emergency_a4_final.pdf](#) (mind.org.uk)

² The four areas are: Kilwinning in Scotland, Manor Park and Tottenham in London, Splott in Cardiff and New Lodge in Belfast.

Fair Access to Opportunities for Young People

The impact of the pandemic and the cost of living crisis will be felt on young people for years to come. We want to be able to provide sustainable solutions that will make a difference to the lives of the next generation, but it's clear from our insight that we can't do this alone.

Through sharing capabilities, resources and funding with partners, we can achieve more together. So our aim is that, through co-operation, we will enable young people to change their lives and play an active role in changing the world around them for the better.

In 2021, we launched the Peer Action Collective (PAC), alongside the Youth Endowment Fund. Rooted in our Vision of 'Co-operating for a Fairer World' and Co-op Values, the PAC provides 10-25-year-olds with a voice and the opportunity to make their own communities safer and fairer places.

The £5.2million youth-led programme - £1.6m of which is funded by our members through their contribution to the Community Partnerships Fund - has supported 6,067 young people across England and Wales.

In June 2022, we partnered with UK Youth to grow the #iwill movement in Scotland and Northern Ireland which will see us engage 2,200 young people until the end of 2023.

In 2023, we aim to:

- Launch our Peer Research findings from PAC (Peer Action Collective) - the youth-led research report will look at the key issues young people are facing in their communities and how we can work together to make safer, fairer places
- Extend our partnership with Youth Endowment Fund to deliver PAC for up to five more years
- Partner with The Co-op Foundation to deliver the Young Game Changers Fund to provide individual young people with the tools, resources and investment they need to take their social action to the next level
- Continue our work with UK Youth to grow the #iwill movement to 2,200 young people

One Co-op Charity Partnership

The events of the last few years have left a third of young people feeling the odds are stacked against them.¹

As part of our Vision, we have launched a new partnership with Barnardo's to bring communities together to support young people.

Together we will raise £5m to help 750,000 young people access basic needs, improve their mental wellbeing and create opportunities for their future. To find out more, including how you or a young person you know can get help, visit coop.co.uk/supportyoungpeople



¹ SOURCE FINAL_REPORT_Covid_the_shadow_on_a_young_generation.pdf(ctfassets.net)

Co-op Academies

The Co-op Academies Trust is one of the largest multi-academy trusts serving the North, currently with 29 primary, secondary, special and post-16 provision. The Trust provides an education based on Co-operative Values and Principles for over 18,500 young people and 2,500 staff.

The Co-op Academy Trust’s ambition is to provide fairer access to education, as well as to inspire a new generation of high-achieving, ambitious, skilled and confident co-operators. The Trust draws on the Co-op’s vision priorities as well as supporting careers education and encouraging social action.

In line with our community missions, we are supporting our academies to deliver:

Fair Access to Food

Co-op Academy Failsworth was the first academy to host a Community Fridge and we now have Community Fridges at Co-op Academy Priesthorpe, Manchester and Oakwood, with more planned to open in 2023.

Fair Access to Mental Wellbeing

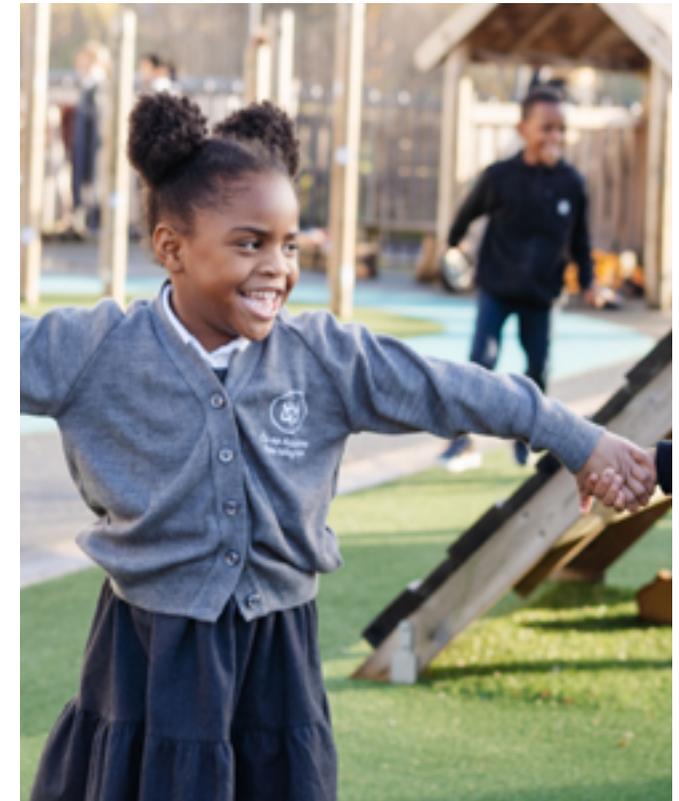
A full Trust approach, which includes action plans for each academy to ensure mental wellbeing has as high a priority as physical health, has been developed with the support of our charity partner, Mind. In 2022, the Trust got involved in Time To Talk Day, the nation’s biggest conversation around mental health – and will take part again in 2023.

Fair Access to Opportunities for Young People

Our Careers Education, Advice, Information and Guidance (CEAIG) activity goes from Primary to Secondary to Post-16. We are continuing to develop our support for careers education in line with the Gatsby Benchmark and exploring ways to develop student employability skills. Our virtual work experience, for example, provides 2,500 students with the opportunity to develop their knowledge of different careers. In 2022, we continued to deliver the Co-op Young Business Programme at Connell College: the only programme of its kind in the UK which looks to develop employability skills and work readiness.

We provide governance expertise from our business, which includes over 85 sponsor governors, and are working in partnership with our academies on the development of an anti-racist curriculum. We also remain committed to developing opportunities for more students to move from a Co-op education into a Co-op apprenticeship and career.

We’re proud that, by the end of 2022, Co-op Academies Trust opened three more academies in Greater Manchester, Yorkshire, Merseyside and Staffordshire, making a total of 29¹ schools (2021: 27).



29

Schools by the end of 2022.



85

Co-op Governors.



2,500

students reached through our Virtual Work experience programme.

¹ The Co-op Academies Trust has been successful in bidding to build a new Free School in East Leeds, Co-op Academy Brierley, which will open in September 2023, this will take the number of academies within the Trust up to 30.

Member Pioneers:



1,000

Member Pioneers and Member Pioneer Co-ordinators based in communities across the UK (2021: 1,000).



116,000

hours invested in UK communities in 2022 (2021: 100,000).



51,000

people a month engaged with on average by Member Pioneers (2021: 38,000).



7m

Member Pioneers have a reach of 7m through their Social Media channels.



11%

of Member Pioneers in our structure were from a black or ethnic minority background. 26% of those hired in 2022 had a disability or long term health condition.

This is as part of our commitment to ensuring Member Pioneers reflect their communities.

Helping Communities to Co-operate Across the UK

Member Pioneers

Member Pioneers¹ make great things happen in our communities. Working together with Co-operate, our online community centre, other Co-op colleagues, members and local causes, they make a difference locally, while making communities better places to work, play, live and learn.

Member Pioneers bring our Co-op Vision to life, connecting contacts in their communities and bringing people together to increase co-operation. Like Member Pioneer Liese Stanley in Portishead, Somerset who, in 2022 worked with her local community to open a [community fridge](#). Over seven tonnes of food had been redistributed in 18 months and the fridge will increase this. Or Sandra Burt in Kincardine, Fife who, after listening to local residents, realised the village was missing out on funding opportunities. Sandra supported the village to establish a new Community Council, which launched March 2022. The Council has been engaged in positive action on climate change, road safety and local funding opportunities.

In 2022, Member Pioneer Co-ordinators delivered over 300 Live Local events across the UK. Themes ranged from Fairtrade to sustainability to complement activity such as the launch of our soft plastic recycling. In 2023, Member Pioneers will continue to embed our Vision through their local networks on the ground. For more information, or to get involved, visit communityspirit.co.uk, or to find your nearest Member Pioneer Co-ordinator, click [here](#).

Co-operate, our Online Community Centre

Co-operate brings people together to make good things happen in communities. In 2022, we expanded to 20,805 groups (2021: 13,500) and activities, and counting, are connecting with people across the UK, helping to empower more people to 'Co-operate for a Fairer World'. In addition, we developed volunteering functionality on Co-operate and now signpost over 40,000 opportunities available. Get involved at coop.co.uk/co-operate.

Colleague Support for Communities

We encourage all colleagues to play an active role in the community, whether volunteering through Co-operate, running or participating in community projects, or taking part in social action.

In 2022, colleagues continued to support their communities in a variety of ways, from volunteering with local charities, organising fundraising events or serving as trustees or governors, to supporting causes participating in the Local Community Fund. For more examples of our activity, see our Colleague Stories page [here](#).



The Co-op Foundation

Our charity, the Co-op Foundation, is delivering on our vision of 'Co-operating for a Fairer World' through its new 2022-27 strategy, 'Building communities of the future together'. Within this strategy, the Foundation commits to being a different kind of funder - one that is truly participatory and that unlocks communities' power by focusing on those who have most at stake. Work is led by its vision of future, fair communities developed in 2022 by a group of diverse young people.

The Foundation launched the first fund from this strategy - the £1.5m Future Communities Fund - in 2022. This is offering unrestricted grants of up to £30,000 a year for five years to help organisations develop diverse young leaders of the future. Grants will be awarded in 2023.

Foundation funding awarded in 2022 includes £1.4m of grants¹ from its Carbon Innovation Fund partnership with Co-op to help reduce carbon emissions in food and farming; a £250k² two year grant to Refugee Action; and follow-on funding for 37 current #iwill Fund partners to build on their social action projects with young people.

The Foundation also built on its own commitment to empower young people directly through its annual Lonely Not Alone campaign to tackle the stigma of youth loneliness and by signing the Power of Youth Charter alongside Co-op. This charter directs the Foundation to continue its work empowering young people to make a difference and giving them real opportunities to shape their future.

In 2022, The Co-op Foundation:

Awarded £1.2m

to 37 current #iwill Fund partners to extend their social action projects.

Delivered £15k

Strengthened diversity in civil society by continuing its unrestricted funding to the Young Trustees Movement. The Foundation delivered £15k in 2022, building on £60k of previous funding.

Paid forward almost £55k

of Co-op Member donations to support the DEC Ukraine Humanitarian Appeal.

¹ Of which £800,000 was paid out in 2022.

² Of which £125,000 was paid out in 2022.

🎯 2023 targets

In 2023 more than £20m will be raised to support local communities through members choosing Co-op.

Fair Access to food: by the end of 2023, we will have opened 350 Community Fridges, 50 Community Food Hubs and 75 Local Pantries, enabling sustainable access to food which reaches local communities that suffer most from food inequality.

Fair Access to mental wellbeing support: by end 2023, we will signpost over 1.5m people to mental wellbeing support, enable 3.7m more conversations on mental health and wellbeing through our partnership with Mind, SAMH and Inspire on Time to Talk Day, and engage 2,000 people in community-led bereavement support with Cruse.

Fair Access to youth opportunities: by February 2028, we will work with over 13,000 young people, supporting them through the cost of living crisis by providing youth voice, changemaking and employment opportunities.

In 2023, we will invest over 100,000 hours for Member Pioneers to engage with people to support the delivery of our Co-op missions and increase co-operation in our communities.

By the end of 2023, the Co-op Academies Trust will have maintained a pipeline to increase the number of academies to 40.

Members, colleagues and customers will use Co-operate 73,000 times to access information and resources that help them contribute locally to our shared vision of 'Co-operating for a Fairer World'.

By the end of 2025, we will raise £5m for our partnership with Barnardo's.

By the end of 2026, we will support 750,000 young people to access basic needs, improve their mental wellbeing and create opportunities for their future through our partnership with Barnardo's.

Communities data

✔ Target Achieved
⊖ On Track
👉 Close to Target
🔴 Behind Schedule
⬇️ Target Dropped
❌ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against Target	KPIs	2019	2020	2021	2022	2023 Target	SDGs
Community Investment			Total investment in UK and international communities (£m)	35	47.4	41.2	44.9 Ⓐ		
			Overall investment in UK and International communities increased on the previous year, reflecting Co-op's ongoing commitment to our vision of Co-operating for a Better World.						
			Total UK community investment (£m) Cash	15.9	22.1	20	18.7 Ⓐ		
			Ongoing investment in our community mission through our community assets, funding partnerships and colleague time remained strong.						
			Total UK community investment (£m) Colleague Time	4.3	6.1	7.1	14.7 Ⓐ		
			Enhancements to the way that we monitor the investment of colleague time in community activities have provided a clearer picture of the scale of colleague contribution in support of our community missions.						
			Total UK community investment (£m) Gifts in Kind	0.7	6.1	1.3	0.2 Ⓐ		
			Total reduced from the peak driven by investment in donations of airtime in previous reporting periods.						
			Total UK Leverage (£m) (donations by members, customers, partners and suppliers)	11.1	10.2	9.2	6.1 Ⓐ		
			Fundraising for our national charity partnership with Mind, SAMH & Inspire concluded in June 2022, meaning leveraged funding through customer and member donations represented only 6 months of fundraising.						
			Total investment in UK communities (£m) Cash + Colleague Time + Gifts in Kind + Leverage	32	44.6	37.6	39.7 Ⓐ		
			£ given back through LCF (member contribution + carrier bag levy) (£m)	17.3	15	13.5	12.4		
			The overall LCF payout reduced due to a decrease in funds received through Carrier Bag Levy and a slight reduction in funding generated through Member Community Reward.						
			£ raised for Community Partnerships Fund (£m)	-	2.8	10.1	9.6		
In its second full year of operation, our Community Partnership raised over £9m.									
In 2022 more than £20m will be raised to support local communities through members choosing Co-op.		Target achieved - with £22m raised for the Local Community Fund and Community Partnerships Fund. ✔						In 2023 more than £20m will be raised to support local communities through members choosing Co-op.	

Communities data continued

✔ Target Achieved
▬ On Track
👉 Close to Target
🔴 Behind Schedule
⬇️ Target Dropped
❌ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Issue	2022 Target	Performance against Target	KPIs	2019	2020	2021	2022	2023 Target	SDGs
Local Community Fund			Number of causes supported by LCF	4,495	4,558	4,561	4,468		
			Payouts were made to 4,468 projects through the Local Community Fund in 2022, with a further 4,023 projects aligned with our community missions joining the latest round of funding in October.						
			Number of cause selections made	709,000	1,072,747	1,007,800	1,051,227		
			More than one million cause selections were made by Co-op members for the third year in succession.						
			Projects supporting Fairer Access to Food welcomed into the LCF	-	-	569	586		
			Projects supporting Fairer Access to Mental Wellbeing Support welcomed into LCF	-	-	2,122	2,064		
			Projects supporting Fairer Access to Opportunities for Young People welcomed into the LCF	-	-	1,791	1,137		
		Projects addressing supporting biodiversity and addressing climate change welcomed into the LCF	-	-	-	236			
Access to Food	By the end of 2022, we will have identified 350 Community Fridge locations and piloted a community food hub, with a total of 25 more community food hubs identified.	✔	Number of community fridge locations identified	-	-	100	350	By the end of 2023, we will have opened 350 Community Fridges, 50 Community Food Hubs and 75 Local Pantries, enabling sustainable access to food which reaches local communities that suffer most from food inequality.	

Communities data continued

✔ Target Achieved
⊖ On Track
👉 Close to Target
⬅ Behind Schedule
⬇ Target Dropped
⊗ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against Target	KPIs	2019	2020	2021	2022	2023 Target	SDGs
Access to Wellbeing	By the end of 2022, we will have signposted over a million people to mental wellbeing support, including information, services and community activity. By the end of 2022 we will have supported 15,000 people to improve their resilience and mental wellbeing through our charity partnership services.	✔ Target exceeded, with over 1.4m people signposted to mental wellbeing support. ✔ Target exceeded by over 50% with almost 23,000 people supported through charity partnership services.	Number of people signposted to sources of mental wellbeing support, including information, services and community activity	-	-	400,000	1,434,581	By end of 2023, we will signpost over 1.5 million people to mental wellbeing support, enable 3.7m more conversations on mental health and wellbeing through our partnership with Mind, SAMH and Inspire on Time to Talk Day, and engage 2,000 people in community led bereavement support with Cruse.	
			Number of people supported to improve their resilience and mental wellbeing through our charity partnership services	-	-	8,228	22,892		
			£ raised in support of access to mental wellbeing support Mission (total since start) (£m)	0.5	3	7	8.3		
Access to Education and Employment for Young People	By the end of 2022, the Co-op Academies Trust will have developed a pipeline to increase the number of Academies to 40.	✔	Number of Academies	24	26	27	29	By the end of 2023, the Co-op Academies Trust will have maintained a pipeline to increase the number of academies to 40.	
			Number of governors	74	80	83	85		
			Contribution to Co-op Academies (£m)	1.5	4.6	1.1	0.95		
			Contribution to Co-op Academies reduced slightly after peaks driven by purchases of meal vouchers and the provision of IT equipment in the wake of the pandemic.						
Access to Education and Employment for Young People	By the end of 2022, we will have enabled 6,400 young people to develop skills which improve their own futures and make a difference to their communities, as well as having enabled 3,500 diverse young people to access work experience or employment opportunities at the Co-op, Co-op Academies and through our partners.	✔	Number of young people supported by our Charity Partnership (including Changemaker initiative)	-	-	126	6,511	By February 2028 we will work with over 13,000 young people, supporting them through the cost of living crisis by providing youth voice, changemaking and employment opportunities.	  

Communities data continued

✔ Target Achieved
⊖ On Track
👉 Close to Target
⬅ Behind Schedule
⬇ Target Dropped
✘ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against Target	KPIs	2019	2020	2021	2022	2023 Target	SDGs
Member Pioneers	In 2022 we will invest 113,000 hours for Member Pioneers to engage with people to support the delivery of our Co-op missions and increase co-operation	✔	Number of Member Pioneers (total since the launch in 2017)	600	1,000	1,000	1,000	In 2023, we will invest over 100,000 hours for Member Pioneers to engage with people to support the delivery of our Co-op missions and increase co-operation in our communities.	
			Hours invested in communities by Member Pioneers	-	89,927	110,811	116,282		
Co-operate Platform	By the end of 2022, through Co-operate, we will have encouraged 10,000 people to connect to opportunities to support their local community.	✔	Number of connections in local communities enabled through Co-operate	-	-	-	10,691	Members, colleagues and customers will use Co-operate 73,000 times to access information and resources that help them contribute locally to our shared vision of 'Co-operating for a Fairer World'.	
			Number of visits to platform	-	183,000	252,960	266,756		
			Activity focused on increasing awareness of local groups and activities that benefit the community and signposting ways to support drove a significant increase in visits.						
Colleagues Involved in Community Activity During Work Time			No. colleagues involved in community activity	10,106	11,472	6,622	11,194 Ⓐ		
			Improvements to the breadth and accuracy of reporting provided a clearer picture of the contribution of Co-op colleagues to community initiatives in work time. As a result both the figures for both the number of colleagues involved and hours invested grew significantly.						
			Number of days (hours)	31,297 (234,724)	43,236 (324,270)	47,518 (356,390)	97,945 (734,587)		
			Value of colleague time (£m)	2.2	4.3	6.1	14.7 Ⓐ		

Fairer for our Planet

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



Climate change

In 2022, the climate emergency further impacted our communities and our planet. Yet science tells us we are not decarbonising fast enough.

We have 787,100 workers in our supply chain from 66 countries producing food for our business; changing weather patterns caused by climate change are continuing to impact their livelihoods. From Western Europe and North America, to Pakistan and India, the world has faced water shortages, floods, extreme heat and biodiversity losses. Here in the UK, we experienced the joint warmest summer on record, impacting crop yield, limiting availability for consumers and putting our communities at risk.

In November 2022, world leaders at COP27 reaffirmed their climate commitments and agreed to increase financial support to meet our global climate targets.

The reality is simple - we must reduce our carbon emissions at a faster rate than we currently are. At the Co-op, we recognise the vital importance of a fairer system whilst also delivering accessible, healthy, and affordable food and services for our society. Affecting this change will be challenging, but it is fundamental for a just future.

Delivering our Climate Plan

In 2021 we published our [Climate Plan](#).

We have since focussed on delivering our plan and getting our business in a position to meet our climate targets. We must continually review our plan, in light of emerging science and our work in progress. We intend to publish an update on our progress and approach in 2023. We remain fully committed to the three principles set out within the plan. These are:

1. We follow the science in setting targets to reduce emissions
2. We work for a fair and just transition
3. We co-operate for systems change



Queen's Award for Enterprise for Sustainable Development

In 2022 we were recognised with the Queen's Award for Enterprise for Sustainable Development.

During 2022, we have taken further steps to create a fairer system, and we have continued to invest and prioritise climate change mitigation and adaption.

We follow the science

The Co-op’s climate impact includes the products we sell, the running of our stores, our insurance and Funeralcare services, our transport distribution network and more. It is critical we have a complete understanding of the extent of our full end-to-end carbon¹ footprint to inform us on the decisions we need to make to get to a net zero² future.

In measuring our full end-to-end footprint, we follow the global guidance set by the GHG Protocol, and in setting reduction targets we follow the guidance set out by the Science Based Targets Initiative (SBTi): a coalition of leading NGOs. Our current targets reach to 2025 and have been validated by the SBTi. Recognising the need to decarbonise further and faster, we are now resetting our climate targets across all Scopes,³ in the near and long term to ensure that they are in line with keeping global temperature rise to no more than 1.5°C above pre-industrial temperatures. We also have a longer term commitment to be a net zero business by 2040. We are expecting these updated targets to be released and validated by the SBTi later in 2023.

¹ We refer to ‘carbon’ and ‘carbon reduction’. In all cases we are referring to our total greenhouse gas emissions expressed as their carbon dioxide equivalent. We are not excluding greenhouse gases from our targets.

² Net zero emissions is the long-term goal of many climate change commitments on an organisational, national or global level and describes the point when emissions within a set boundary are both 1) reduced to only residual emissions and 2) balanced by natural or technological removal.

³ When we refer to ‘direct’ emissions we are describing Scope 1 and 2 greenhouse gas emissions under GHG Protocol categorisation, which is, emissions from running our business and within our operational control. ‘Indirect’ emissions refer to Scope 3 greenhouse gas emissions, meaning those emissions from the wider value chain not under our operational control.

Scope 3 Emissions

Our Scope 3 emissions represent over 90% of our total carbon footprint. Since 2016/2017, we have made an 8% reduction in the our indirect supply chain (which are driven mainly by the products we sell). We have now entered phase 2 of our work program (as set out in the diagram below) and our new indirect emissions (Scope 3) target is expected to be released and validated by the SBTi later in 2023.

Scope 1 and 2 Emissions

Since 2016, we have made a 56% reduction in the carbon emissions of our operations (Scope 1 & 2). In 2021, we reached our target 3 years early. We have now entered phase 2 of our work program (as set out in the diagram below) and our new direct (Scope 1 & 2) emissions target is expected to be released and validated by the SBTi later in 2023.

Scope 3 Emissions*

4,218 ktCO₂e

Scope 1 and 2 Emissions

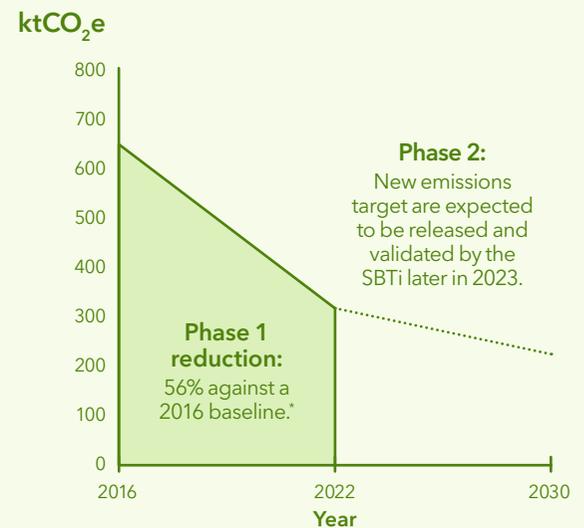
288 ktCO₂e

Net zero Target: Our goal is to reach net zero GHG emissions across all scopes by 2040.

Scope 3 Emissions



Scope 1 and 2 Emissions



*We measure and report our indirect GHG emissions (Scope 3) every two years. The [most recent report](#) was in 2021 (for emissions over the period 2020/21).



CASE STUDY

Being energy smart

In 2022 we super-charged our efforts to become a more energy smart business, through capital investment projects, colleague communications and exploring opportunities to make our store format as energy efficient as possible. We've worked with colleagues across Food, Funeralcare, Logistics and our support centres to find and implement opportunities, ranging from installing fridge doors to trialling lighting initiatives, without compromising customer experience. Energy will continue to be a big focus in 2023 and beyond.



56%

reduction in direct carbon emissions since 2016 (2021: 51%).

Emissions from our operations

In 2021, we reported that we had met our target to reduce our operational (Scope 1 and 2) emissions by 50% compared to 2016, three years early. During 2022, the carbon emissions from running our business have continued to reduce by a further 10%. See the case study (left) for an example of our work in 2022. In 2023, we will publish new carbon reduction targets to 2030, aligned to 1.5°C guidance.¹

During 2022, the emissions from our transport and logistics operations have reduced by 6%. This was due to interventions such as improvements in transport planning and focusing on refrigeration plug-in compliance at depots, meaning vehicles are using less diesel to run their fridges. In 2022, we continued to explore more sustainable approaches to running our transport operations. In June, we ran an HVO (Hydrotreated Vegetable Oil) trial. Twelve vehicles used HVO fuel (waste-oil-derived only) for 17 weeks and early findings have shown that this can be dropped in as a replacement for diesel with zero impact on vehicle performance but a dramatically reduced net carbon footprint.

In 2022 we continued to purchase 100% renewable electricity to power our business and offset all remaining emissions by funding high quality carbon offset projects. For 2022 these projects were entirely Gold Standard and VCS- certified² wind farm projects in India and Nicaragua. This means every Co-op store, funeral home and office was carbon neutral in 2022 for the second year running. As of 2023 we have published an updated position on energy market reform and begun a national campaign for UK grid decarbonisation. In doing so, we have chosen to step away from purchasing electricity solely backed by Renewable Energy Guarantees of Origin whilst increasing the amount of electricity from Power

Purchase Agreements. This change will be reflected in our 2023 Co-operate Report but you can read more about our campaign [here](#).

Indirect supply chain emissions

We measure and report our indirect GHG emissions (Scope 3) every two years. The [most recent report](#) was in 2021 (for emissions over the period 2020/21), where we quantified an 8% reduction in Scope 3 emissions since 2016/17 (see [page 87](#)). In next year's Co-operate Report we will publish an updated Scope 3 inventory, covering the period 2022/23.

Measuring and monitoring Scope 3 emissions in a robust way is a challenge for all food & drink businesses, as the vast majority of these emissions arise in our supply chains. This year, we have begun investing in ways to improve the robustness of supply chain emissions data - working in collaboration with others across the industry. This will provide us with more granular data to further understand the progress we are making on reducing our supply chain emissions, as well as helping focus future decarbonisation efforts with our suppliers.

¹ The speed at which we reduce carbon emissions is directly linked to how much average temperature increase and climate volatility the world can expect. The social and environmental impacts of climate change are expected to be far worse beyond a 1.5°C increase so we must collectively act faster.

² The Verified Carbon Standard Programme is the world's most widely used GHG crediting programme.



Our comprehensive programme of work on sustainable sourcing is described [here](#). This is where we have the most impact, and will continue to focus the most effort. We are proud of the difference this work is having. Highlights include:

- We use 100% RSPO-certified **palm oil** in our own brand products and, in 2022, 93% of this was segregated (2021: 93%) (read more [here](#)). This is important because producing palm oil irresponsibly can have adverse impacts on climate due to land use change.
- In 2022, we revised our **soy** policy to respond to the developments in understanding, challenges and urgency since our policy first launched in 2019. The new policy sets out how we work with our suppliers and the steps that will support us both in fulfilling our commitment. The full policy is available online.
- **Peat** is a critical natural resource which provides carbon storage. We've engaged with suppliers and external stakeholders through the course of the year on banning the use of peat (read more [here](#))
- Funding a **Productivity Improvement Programme** (PIP) to support small-scale banana farmers which aims to reduce the environmental impact of banana production – results have shown PIP farms have 29% lower carbon emissions (read more [here](#))

Manufacturing suppliers: reporting year-on-year improvements in efficiency

For the last five years we have worked with the technology partner, Manufacture 2030, which provides our direct manufacturing suppliers with tools and resources to help them monitor and reduce their operational emissions, food waste and other environmental metrics. This helps us understand the breadth and scale of action being taken by our manufacturing supply base – and more

retailers are now joining this platform so that we can do this in a coordinated way and reduce reporting burdens on suppliers.

In 2022, our Co-op suppliers collectively reported taking more than 1,000 actions to improve energy efficiency and reduce GHG emissions, with a combined saving of more than 75,000 tCO₂e and with further actions underway. The most common actions included: replacing inefficient lighting with LEDs; installing solar photovoltaic (PV) systems; compressed air leak detection and repairs; and accurate heat targeting and equipment downsizing.

Sustainable product design

As well as working with our supply chain to reduce the carbon impact of the products that we sell and the raw materials that we source, another key lever to reduce our indirect emissions is to make changes to the composition and type of products that we sell. During 2022 we established a cross-functional group that is looking holistically at the way we can improve the health and sustainability of our product range.

Packaging is another component that contributes to our total carbon footprint – although its contribution is relatively small. Our work to reduce packaging material use, ensure recyclability and incorporate recycled content in the products we sell is described [here](#).

Our Funeralcare business is reviewing the impact its products and services have on the planet. A first step is providing clear information on our coffin and memorial item ranges, including whether they are Fairtrade, UK sourced or made from natural products. We're also testing sustainable propositions and alternative committal methods, ensuring we are making science and data led decisions.

Meanwhile progress has continued on decarbonising in the areas that we know can have most impact:

Working with farmers and growers to reduce emissions from primary production

Primary production (rearing animals, aquaculture, growing crops and feed) is the stage in the supply chain which contributes the most to our total emissions and so is the priority for action. This is also where there is considerable opportunity to drive positive change to ensure that our products are sourced and created with care.

Climate financing and investments

Our largest colleague pension fund, 'Pace', reviewed its carbon footprint and formally reported in line with the Taskforce on Climate-Related Financial Disclosures (TCFD) recommendations in October. This included an objective for a 50% reduction in carbon emissions by 2030 (against a 2021 baseline). You can read more on this [here](#).

We are using half of the funds raised from the carrier bag levy (page 75) to support action on climate change:

- **UK Natural Restoration** - We will be supporting large-scale natural restoration projects across the United Kingdom with the first to be launched in 2023
- **Carbon Innovation Fund** - In 2022, as part of the Co-op Foundation's Carbon Innovation Fund¹, 15 projects were financed which aimed to reduce GHG emissions within the food system while providing positive impacts for people and communities. The fund will help find innovative solutions to problems and share the learnings with the wider industry. In 2023, the Co-op Foundation will relaunch the Carbon Innovation Fund where the focus will be financing innovative projects to reduce the UK's reliance on synthetic fertiliser and soy-based animal feed

Water Security - Over the course of our partnership with the Water Unite and The One Foundation, the Co-op and its branded water partners have raised a staggering £20 million over 15 years, a portion of which we use to invest directly in climate adaptation programmes in our supply chain, particularly linked to water security (read more [here](#)).

We work for a fair and just transition

We know that climate change is a human issue as much as it is an environmental one. Every aspect that goes into running our business has an impact on communities, as well as on the environment. At COP27, a recurring theme was accountability for "loss and damage": funding countries who are at the heart of devastating climate change impacts happening today. Our approach at the Co-op is not only about mitigating the impact of climate change but also making business decisions to help us transition towards a fairer and more just future. Climate Justice is a key part of our Climate Plan and we have long championed our commitment to invest at least 0.7% of pre-tax profit to international aid (more detail on page 48).

Fairtrade & climate justice

We know that communities and livelihoods across the countries we source from are already directly facing the impacts of climate change every day. Through our work with Fairtrade and with our water partners, we support producers to adapt to climate change realities and become more climate resilient. An example is the Fairtrade Alliance Climate Smart Supply Chain in Africa [project](#) which aims to reach 16,000 people over three years.

Community engagement

Within our [Local Community Fund](#), we have launched a new theme to "Help people protect local biodiversity or tackle climate change by reducing carbon emissions". This has given our members a choice of 236 local causes to fund through their Co-op membership. An example project is to fund the purchase of hundreds of plants and trees to create wetland and woodland habitats around the River Stour.

Task Force on Climate-Related Financial Disclosures (TCFD)

We have begun our journey of disclosing our climate-related risks and opportunities in line with TCFD. During 2022, we identified both the physical and transitional risks to our business and supply chains from the changing climate and in 2023 we will carry out further scenario analysis, both qualitative and quantitative, to determine our resilience to the effects of varying climate change (read more in our [Annual Report](#)).

Water Security

Access to safe water, sanitation and hygiene remains out of reach for many poorer nations and the climate crisis is only widening this change. At the same time, agricultural supply chains closer to home are exposed to risks faced from too much water, too little water or pollution of watercourses. We believe that investing in water security will directly address climate vulnerability and inequalities and reduce the effects of climate change to allow communities, nature, and economies to thrive. Read more [here](#) about our Water Security for People and Planet report and our plans to develop a new water security strategy, setting a clear path to improving the sustainability of water management in our highest risk supply chains.



¹ A partnership between ourselves and our charity, Co-op Foundation. Funded through Co-op donations raised from the sale of compostable carrier bags in the UK and additional Co-op Foundation funds.

We co-operate for systems change

Collaborating for system change is fundamental for both GHG reduction, climate mitigation and ensuring we transition to a fairer and more just future. The more we align, the more we share and the more we co-operate, the faster progress can be made in averting the worst impacts of climate change.

At the Co-op, our approach is to champion cross-industry collaboration, and our CEO, Shirine Khoury-Haq is the chair of the Steering Group for the BRC’s Climate Action Roadmap.

Additionally, we are founding members of the WRAP-led Courtauld Commitment 2030 and are actively supporting WRAP’s work through this to develop greater consistency in Scope 3 measurement and monitoring across the food & drink industry, along the supply chain, to help us target action effectively.

We’ve also joined a coalition of retailers committing to play our part in supporting the WWF’s ambition to halve the environmental impact of UK shopping baskets by 2030. As part of this, and as a co-ordinated group of retailers, we’re working closely with suppliers that collectively contribute 50% of our targeted emissions, requesting that they follow our lead in setting science-based, net zero targets aligned with 1.5 °C, and publicly reporting Scope 1, 2 and 3 emissions inventories. To support suppliers in doing so, we will be working together with other retailers, WRAP and cross-industry stakeholders to develop guidance and support materials for suppliers. Read more about this partnership [here](#).

Our Co-op was founded to address social injustice, and campaigning on issues that matter to our members is core to our approach. In 2021 we launched our Climate Justice campaign (more detail on page 21). During 2022, we continued this work by advocating for robust due diligence legislation on forest commodities as part of the UK’s Environment Bill, launched a Water Security for People & Planet report and convened a number of businesses to call on the Government to address the decarbonisation of the grid.

The table to the right outlines some examples of our approach to collaboration. These are some, but not all, of the partners we work with to enable us to create systemic change.

Stakeholder	What they do	How collaboration achieves our goal
Suppliers	Critical delivery partners on the path to net zero.	>90% of our total emissions footprint lie in our supply chains, so we will not be able to achieve our net zero commitments without working in close collaboration with suppliers.
Science Based Targets initiative (SBTi)	An internationally recognised best practice standard for GHG emissions reduction target-setting .	Provides a joint direction of travel and consistent, clearly defined pathway to net zero - applicable to any food business.
BRC - Climate Action Roadmap	Joint retail industry commitment to deliver net zero across operations by 2035 and products by 2040. Working Groups on topics ranging from logistics to operational efficiency and piloting joint data solutions.	Sets a clear direction of travel, a means to work together on common operational challenges and an opportunity to share best practice.
WRAP Courtauld Commitment 2030	<p>1) Measurement & data consistency: protocols for measuring and reporting Scope 3 data; aligned approaches for requesting and processing supplier Scope 3 data.</p> <p>2) Coordinating collaborative action. Development of a meaningful supply chain net zero accelerator programme.</p>	<p>Consistent measurement and better access to data for decision making are key enablers on the pathway to net zero.</p> <p>Many of the actions needed to meet emissions reductions in supply chains will require cross-industry collaboration and trusted 3rd parties for facilitation.</p>
WWF Basket Retailers’ Commitment for Nature	Facilitation of aligned requests to suppliers to set Science-Based Targets, measure & report emissions; and alignment of support for WRAP’s net zero accelerator programme.	As retailers we share supply chains - and it is confusing for suppliers to get different messages, so alignment and a common voice is critical.
Manufacture 2030	Common data collection platform , shared by multiple retailers; and provision of tools and resources for suppliers to help them on their path to net zero.	Reduces the burden on suppliers by providing a means to issue information requests once across many retail customers.
Government	A new Food Data Transparency Partnership to formalise much of the work described above to help improve access to data.	Consistent measurement and better access to data for decision making are key enablers on the pathway to net zero.



Looking ahead

In 2023, we will be resetting our climate targets across all scopes, for the near and long term, to ensure that they are in line with keeping global temperature rise to no more than 1.5 °C above pre-industrial temperatures. We are expecting these updated targets to be released and validated by the SBTi later in 2023.

Obtaining robust data to help us monitor progress, understand if our actions to date are having the right effect, and what further action is needed, will also remain a priority. We have already started trialling new ways of doing this, which will inform our decision making on how we can decarbonise and meet a net zero future.

We will continue to partner and collaborate as an industry, as this is the only way we can make the progress we need at the pace and scale we need.

We must continually review our Climate Plan, so it reflects all our work in progress, and we intend to publish an update on our progress and approach in 2023. We remain fully committed to the principles set out within the plan, most importantly our focus on science-based carbon reduction, supporting a just transition and co-operating for systemic change.

🎯 2023 targets

We are resetting our climate targets across all scopes, to ensure that they are in line with keeping global temperature rise to no more than 1.5°C above pre-industrial temperatures. We expect these updated targets to be released and validated by the SBTi later in 2023. Our long-term goal is to reach net zero GHG emissions from both operations and products by 2040 at the latest.

Suppliers that collectively contribute to 50% of our emissions will have set science-based net zero targets aligned to 1.5°C by 2025.

Climate change data

✔ Target Achieved
⊖ On Track
⚠ Close to Target
⏪ Behind Schedule
⬇ Target Dropped
✖ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	Baseline 2016.	2019	2020	2021	2022	2023 Target	SDGs		
Direct Emissions	We have reached our 2025 target for direct emissions three years early and will refresh our science-based target pathway in 2022.	 <p>We have achieved a further 10% reduction in our direct emissions in 2022. Our new direct (Scope 1 & 2) emissions target is expected to be released and validated by the SBTi later in 2023.</p>	Scope 1 GHG emissions: Refrigeration (ktCO ₂ e)	181	95	74	73	Ⓐ 66		  		
			Scope 1 GHG emissions: Transport (ktCO ₂ e)	130	110	108	103	Ⓐ 95				
			Scope 1 GHG emissions: Energy: Fuel (ktCO ₂ e)	31	27	24	22	Ⓐ 19				
			Scope 2 GHG emissions: Energy: Electricity, Location-based accounting (ktCO ₂ e)	310	165	143	121	Ⓐ 107				
			Total direct emissions from running our business location-based accounting: Scope 1 and 2 GHG emissions (ktCO ₂ e)	653	397	349	320	Ⓐ 288				
			Building energy use (GWh)	921	790	744	693	Ⓐ 660				
			Total energy use including transport fuel (GWh)	-	-	-	-	1,033				
			Total energy use including transport fuel is reported for the first time for 2022									
			% of electricity from renewable sources ¹	99%	100%	100%	100%	Ⓐ 100%				
			Scope 2 GHG emissions accounting for renewables: Energy: Electricity, Market-based accounting (tCO ₂ e)			0	0	0	Ⓐ 1,289			

¹ Until 2017, we reported our electricity as being 99% renewable, to account for the small number of new properties we open and the minority of sites for which we cannot source a renewable supply. We changed to report this as 100% renewable from 2017 onwards, purchasing excess renewable energy guarantee of origin certificates (REGOs) in alignment with the GHG Protocol (and other initiatives such as RE100).

Climate change data continued

✔ Target Achieved
⊖ On Track
👉 Close to Target
⊘ Behind Schedule
⬇️ Target Dropped
⊗ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	Sept 2016 - Oct 2017	Sept 2020 - Oct 2021	2023 Target	SDGs	
Scope 3 emissions in science-based target scope¹								
Indirect Emissions Approved science-based target. We will reduce product-related absolute GHG emissions by 11% by 2025, compared to 2016, in line with ambitious best practice as defined by the SBTi coalition. Our new indirect emissions (Scope 3) target is expected to be released and validated by the SBTi later in 2023. We measure and report our indirect GHG emissions (Scope 3) every two years. The most recent report was in 2021 (for the period 2020/2021). A narrative update of progress in 2022 can be found on the preceding pages.	⊖	Scope 3 GHG emissions:						
		Purchased Goods, Sourcing, Ingredient production (ktCO ₂ e)			2,252	2,046		
		Scope 3 GHG emissions:						
		Purchased Goods, Sourcing, Land use change (ktCO ₂ e)			290	207		
		Scope 3 GHG emissions:						
		Purchased Goods, Manufacture, Producing our products (ktCO ₂ e)			250	225		
		Scope 3 GHG emissions:						
		Purchased Goods, Shipping, Packaging (ktCO ₂ e)			233	217		
		Scope 3 GHG emissions:						
		Upstream transportation and distribution, Shipping, UK freight (ktCO ₂ e)			83	79		
		Scope 3 GHG emissions:						
		Purchased Goods, Wholesale, Products sold by others (ktCO ₂ e)			1,410	1,362		
		Scope 3 GHG emissions:						
		Waste generated in operations, Our business, Waste from Co-op (ktCO ₂ e)			40	40		
		Scope 3 GHG emissions:						
End of life of sold products, Customer, Customer waste (ktCO ₂ e)			40	42				
Total product GHG emissions in science-based target scope (ktCO₂e)			4,597	4,218				
Scope 3 emissions outside science-based target scope								
Scope 3 GHG emissions:								
Use of sold products, Not yet targeted, Out of scope customer impact (ktCO ₂ e)			1,494	1,063				
Scope 3 GHG emissions:								
Purchased goods and services, Not yet targeted, Goods and services to run our business (ktCO ₂ e)			252	182				
Scope 3 GHG emissions:								
Investments, Not yet targeted, Investments (ktCO ₂ e)			256	180				
Co-op action with positive climate impact								
Positive GHG impact:								
Carbon offsets, annual total Verified Emissions Reduction credits (ktCO ₂ e)			96	220				
Positive GHG impact:								
RTRS soy credits, theoretical benefit of avoided deforestation (ktCO ₂ e) ²			290	207				
Positive GHG impact:								
Renewable energy, annual GHG emissions of Scope 2 energy			246	121				



¹ Best practice from the Science Based Targets Initiative is to set a GHG reduction target which covers the most significant categories of indirect (Scope 3) GHG emissions over which we may exert influence; for the Co-op these are the products we sell and their associated impact as defined here. In-scope product impacts covers everything sold by Co-op either directly through our stores or indirectly through wholesale (whether through independent co-operatives or NISA). GHG footprint for this includes elements of data which span two calendar years so it is reported as such.

² We now cover 100% of our soy footprint with Round Table on Responsible Soy (RTRS) credits (the majority of this is embedded in animal feed for protein). The relative benefit of this in GHG emission terms has been included here on the basis of total deforestation / land-use change emissions which we calculate would have occurred if the soy were to be sourced with no deforestation controls.

Climate change data continued

✔ Target Achieved
⊖ On Track
👉 Close to Target
🔴 Behind Schedule
⬇️ Target Dropped
❌ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against target	2023 Target	SDGs
Indirect Emissions	<p>Long-term goal: We will reach net zero GHG emissions from both operations and products by 2040 at the latest.</p>	<p>The first imperative of our net zero pathway is to reduce carbon emissions in line with the reductions required to limit global warming.</p> <p>⊖ We've reduced operational emissions by 56% compared to 2016.</p> <p>⊖ We've reduced product-related emissions by 8% compared to 2016/17. We measure and report our indirect GHG emissions (Scope 3) every two years. The most recent report was in 2021 (for emissions over the period 2020/2021). We have taken further measures to reduce the emissions from products which are outlined on page 82.</p>	<p>We are resetting our climate targets across all scopes, to ensure that they are in line with keeping global temperature rise to no more than 1.5°C above pre-industrial temperatures. We expect these updated targets to be released and validated by the SBTi later in 2023. Our long-term goal is to reach net zero GHG emissions from both operations and products by 2040 at the latest</p>	  
	<p>We will support other co-operatives, NGOs and communities to address their climate change impacts through the purchase of green energy and advice services via Co-op Power.</p>	<p>⬇️ Throughout 2022 we purchased 100% green energy, backed by Renewable Energy Guarantees of Origin (REGOs). Co-op Power has been closed to new business and renewals since March 2022, when we took the decision that, going forward, we'll be focusing on procuring the energy we need for The Co-operative Group. In December 2022, we published an updated position on energy market reform and began a national campaign for UK grid decarbonisation. In doing so, we shared that we have decided to step away from purchasing electricity solely backed by Renewable Energy Guarantees of Origin, whilst increasing the amount of electricity from Power Purchase Agreements. We nonetheless remain fully committed to the principles set out within our Climate Plan, most importantly our focus on science-based carbon reduction, supporting a just transition and co-operating for systemic change.</p>	<p>Suppliers that collectively contribute to 50% of our emissions will have set science-based net zero targets aligned to 1.5°C by 2025.</p>	

Resource use

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

Plastics and Packaging

Packaging is essential to protect our food and keep it fresher and safer for longer. We know that plastics and packaging is an area of concern for our customers and members, which is why, in 2018, we committed to make all our Co-op branded food packaging easy to recycle and to reduce our plastic packaging by 15%.

We achieved our recyclability target through changes to our packaging materials collected at kerbside and our soft plastics recycling scheme. We continue to improve recyclability by working with our suppliers to develop single-material flexibles, removing colour from rigid plastics, and by redeveloping laminated papers to reduce contamination in paper mills. Having reached a plastic packaging reduction of 17% in 2022, we have also set a more ambitious plastic footprint reduction goal to reduce our plastic footprint (primary packaging and carrier bags) by 30% by 2025 compared to 2018, relative to our market share.



We've reduced our plastic footprint by **24.2%**

Per 1% market share since 2018 (2021: 18.8%).

In 2022, we:



Trialled clear milk bottle caps. When rolled out in 2023, this will remove 192 tonnes of coloured plastic from the HDPE recycling stream. This means that contamination is reduced and quality can be improved, so that recycled content can be further increased and less material goes to waste.



Switched 202 million plastic baby wipes to biodegradable viscose, eliminating 236 tonnes of plastics that are potentially flushed into sewers.



Completed the switching of 133 million teabags per year into compostable PLA biopolymer.



Removed 22 tonnes of plastic by moving our stir-fry noodles from trays to bags.



Removed 26 tonnes of unnecessary plastic overcaps from pots of yoghurt, building on work done in previous years on cream, brandy sauce, custard, crème fraîche and cottage cheese to remove a total of 25 million overcaps per year.



Redesigned our food-to-go range to remove 134 tonnes of plastics from sandwiches and salads.

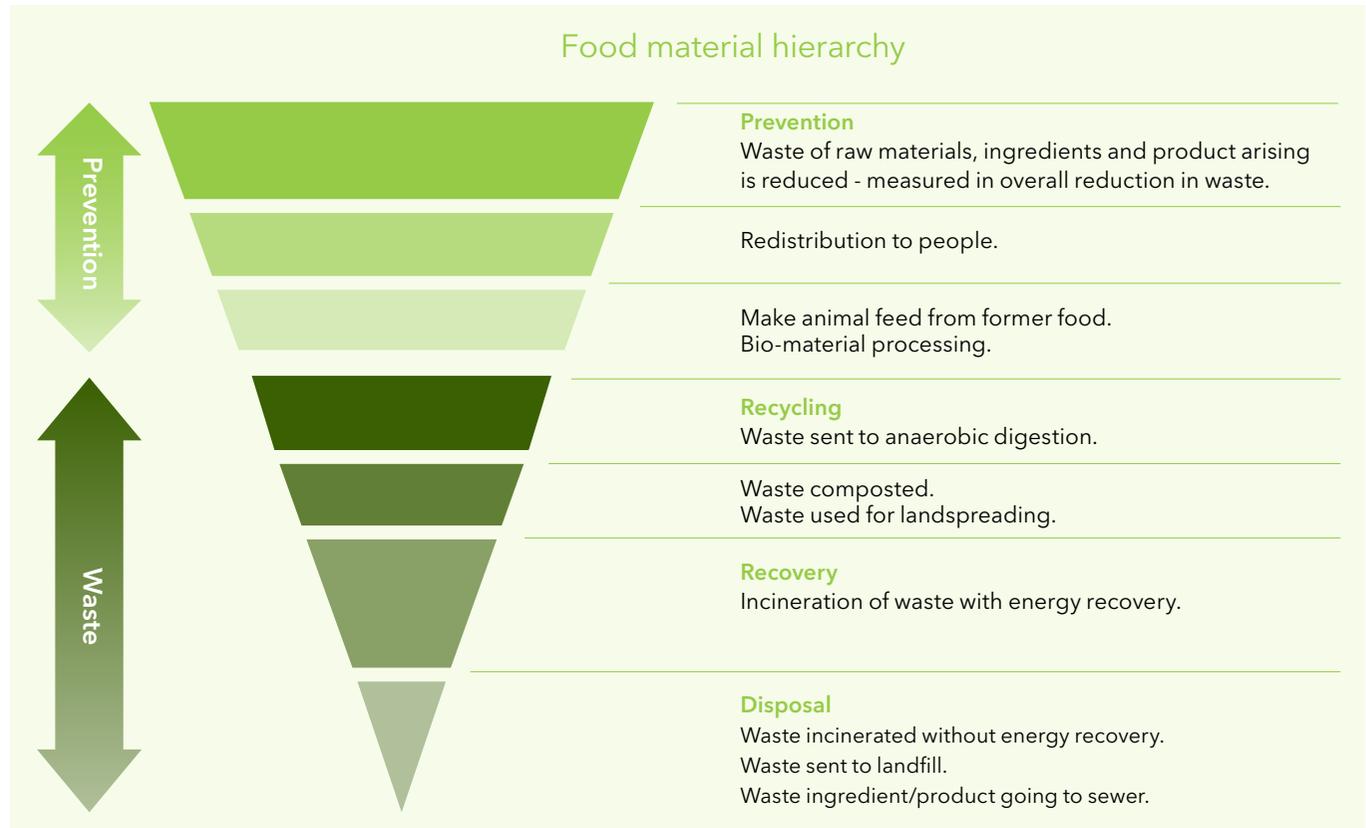


A Circular Economy for Packaging

Alongside reducing our overall packaging, we take a circular approach where possible - prioritising the use of recycled content. All our PET bottles for water, soft drinks, mixers and juices now contain 100% recycled content. We committed to using a minimum of 50% recycled content in PET bottles, pots, tubs, trays and punnets, and HDPE bottles by the end of 2021, and whilst this has been achievable in PET bottles, reaching this target for HDPE has proven to be challenging, due to lack of availability of recycled content for milk bottles. The work we have led to remove pigments from milk bottle caps is expected to contribute towards greater availability of recycled content in the future, but for now we are setting a medium-term goal to maintain 30% recycled content in HDPE until 2025.

Whilst recyclability and plastic reduction continue to be key pillars of our packaging strategy, going forward we are diversifying our approach by starting to make plans to cost-effectively meet the aims of the Environment Act. This means designing our materials to be in the most environmentally friendly ecomodulation categories once Extended Producer Responsibility is implemented, planning the delivery of Deposit Return schemes in the devolved nations, and trialling the use of digital track and trace technology to gather information on recycling rates and support a model for digital DRS. We will also be focusing on using at least 30% recycled content in plastic packaging where it is safe and legal.

Going forward we will also be looking beyond plastics to think about how we can reduce the overall environmental impact of all packaging, to reduce the carbon footprint of our material choices in line with our net zero commitment. And we'll be looking to collaborate more closely with the packaging and



waste-management industries to deliver innovation that allows us to increase recycled content, reduce single-use packaging, eliminate plastic pollution in supply chains and reduce the carbon impact of our packaging materials. All of this work is underpinned by the consideration that packaging continues to play an essential role in keeping food fresh and reducing food waste.

Food Waste

In tackling food waste, we follow the food material hierarchy (see diagram, above). Our priority is to prevent food waste and surplus being created in the first place through stock management and a 'reduce

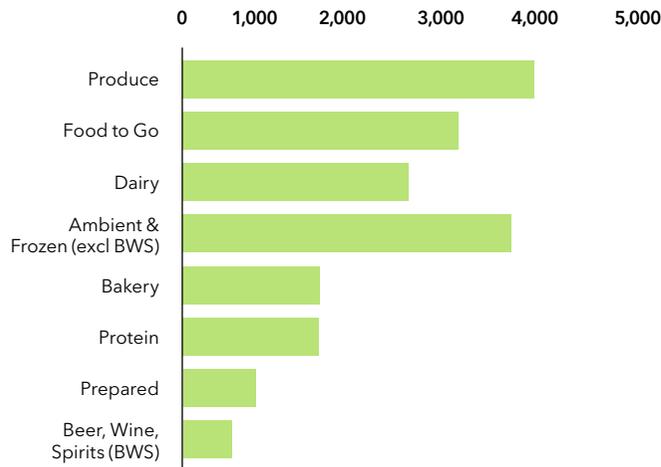
to clear' programme in store. Where surplus stock is unavoidable, we ensure that as much as possible is redistributed from store to local food charities, and from depot to national partners, with the remainder being used to make green energy.

During 2022, we've embedded new waste and redistribution reports for depot waste and, in Q4 2021, began to track the weight of waste generated from our depots. We are now able to report our total operational food waste and redistribution footprint.¹ As a result of a wider scope for the data and new total food waste and redistribution weights, 2022 will be a restated baseline for the Co-op's food waste.

¹ This does not include Nisa depots, supplier overs and ad hoc local redistribution- we are working to capture these by end of 2024.

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

2022 Store food waste by category (tonnes)



The amount of surplus food redistributed to local community groups by our stores - managed through the platform [Caboodle](#) - has grown by 14% compared to 2021, donating 6,398 tonnes of edible food (2021: 5,774 tonnes). Depot teams shared 911 tonnes of surplus food with FareShare, The Bread and Butter Thing and Company Shop in 2022. See [here](#) for more detail on supporting access to food in our communities. Whilst we have increased the scope of data and food waste we are tracking, our operational food waste intensity has decreased slightly - the additional food waste we now track in depots has been offset by reductions in store food waste and increases in surplus donations through Caboodle. Building on this will be a priority in 2023 as we ensure we focus on preventing food being wasted in the first place and maximising the amount of surplus food we can share.



CASE STUDY

Milking it - making the most out of our fresh milk in store and at home

Milk is one of our store waste hotspots and can also go to waste in the home. During 2022, our teams have removed larger size milk products from our range and worked with our supplier to add a day of shelf life to our fresh milk.

We have also included freezing instructions on our milk to help customers make the most of their milk at home. These interventions are helping to prevent and reduce milk waste in store and at home.

Operational Waste

The amount of operational waste we produce has decreased over the past year, and the operational waste that we recover or recycle has remained steady at 99.3% (2021: 98.1%) of total waste.

Water

Water scarcity is a global concern with serious environmental, social and economic consequences. We're working to better understand our water consumption across our estate, with the data insight improving over the last few years. This will enable us to then focus on reducing the amount of water we use across our own operations, whilst recognising that the majority of our water consumption sits within our supply chains, particularly in agriculture. More detail on our work in supply chains can be found [here](#).

🎯 2023 targets

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

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

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

Resource use data

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

Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	Baseline	2019	2020	2021	2022	2023 Target	SDGs	
Operational Waste			Total waste from running our business (kt)		89	84	83	73			
			% of total waste diverted from landfill (including energy from waste, anaerobic digestion, recycling or reuse)	-	99	98	98	99			
Food Waste	We will reduce food waste generated in our stores and depots by 50% by 2030 compared to 2015.	We have re-set our target, with a new baseline year, reflecting higher quality data that we now have access to across all our operations.	Food waste - store and depot, tonnes	21,388 (in 2022)	-	-	-	21,388		We will reduce food waste generated in our stores and depots by 50% by 2030, compared to 2022.	RESPONSIBLE CONSUMPTION AND PRODUCTION
			Food waste - store only, tonnes	-	-	-	21,424	-			
			Food surplus redistributed total (tonnes)	-	-	-	6,951	7,309			
			Food surplus redistributed through FareShare, TBBT and Company shop (tonnes)	-	-	-	1,177	911			
			Food surplus redistributed through Co-op Food Share (prior to 2022); and through Co-op Caboodle from 2022 (tonnes)	-	-	-	5,774	6,398			
			Food waste intensity (the % of products our stores handle that becomes food waste)	-	-	-	1.4	1.3			
Improving our data and reporting is part of our food waste reduction journey. We are setting our baseline year as 2022, in place of 2015, because we have access to better quality data that covers all our operations - our Co-op depots and stores. Our data is based on product level waste records and net weight. You can access the previous data tables in our previous Sustainability reports here .											

Resource use
data continued

✓ Target Achieved
⊖ On Track
👉 Close to Target
⬅ Behind Schedule
⬇ Target Dropped
✗ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	Baseline	2019	2020	2021	2022	2023 Target	SDGs
Plastics and Packaging	We will reduce our plastic packaging by 15% by the end of 2022, compared to 2018.	✓ We reached a plastic packaging reduction of 17% in 2022	% own brand food packaging easy to recycle	-	76	78	100	100	We will reduce our plastic footprint by 30% by the end of 2025, compared to 2018.	
			% reduction in plastic per 1% market share (from 2018)	-	Packaging: 4.4	Packaging: 11.2	Packaging: 11.6	Packaging: 16.7		
					Carrier bags: 1.6	Carrier bags: 7.2	Carrier bags: 7.5			
					Total: 12.8	Total: 18.8	Total: 24.2			
			% average recycled content in our own brand plastic packaging ¹	-	37	37	33	35		
			Total packaging handled (tonnes)	284,979 (in 2006)	175,520	196,777	181,630	165,617		
			Packaging handled by material (tonnes)							
			Glass	128,027 (in 2006)	95,063	111,580	99,889	90,028		
			Plastic	78,492 (in 2006)	41,222	42,165	41,507	37,930		
			Paper	42,794 (in 2006)	25,782	28,541	26,892	25,107		
Steel	27,381 (in 2006)	6,351	6,434	5,632	4,934					
Aluminium	8,285 (in 2006)	7,102	8,057	7,710	7,443					
Operational water use	We will reduce water consumption across our properties by 10% by 2025 compared to 2020.	⬅ See table (right)	Average water used per site (m ³)	310 (in 2020)	-	310	344	406	We will reduce water consumption across our properties by 10% by 2025 compared to 2020.	
			% water reduction (y/y)	-	-	-	11 (increase)	18 (increase)		
			We're working to better understand our water consumption across our estate, with the data insight improving over the last few years. The increase in water consumption reported here is a reflection of the improved granularity and accuracy of the data collected in 2022 compared to previous years. This will enable us to then focus on reducing the amount of water we use across our own operations, whilst recognising that the majority of our water consumption sits within our supply chains, particularly in agriculture.							

¹ Percentage by weight of total plastic packaging

Sustainable sourcing

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

As set out in our Future of Food ambition, we're committed to caring for the environments that our ingredients are sourced from. Where it drives change, we support credible certification and work with key partners to take a restorative approach to nature.

Since 2018 we've framed our responsible sourcing commitment around 30 key ingredients - identified in collaboration with stakeholders. As part of our work in the WWF Retailers' Commitment for Nature (see box, right) in 2023 we are looking to refocus our approach to more accurately reflect our evolving risk approach, whilst continuing to prioritise the actions and opportunities that will reduce our greatest sourcing risks.

Animal and Fish Feed

During 2021, we refreshed our approach to animal and fish feed as part of our responsible sourcing work. We have been exploring a revised approach to animal and fish feed during 2022, with the ambition to increase transparency and traceability. We still have some work to do, and will continue to scope a new policy approach in 2023, including the ingredients we use and credible certifications.

WWF's Retailers' Commitment for Nature

In 2021 we were proud to join a coalition of retailers committing to play our part in supporting the WWF's ambition to halve the environmental impact of UK shopping baskets by 2030. We, and four other retailers, have committed to leading the way in cutting the impact of our own brand food production and encouraging the rest of the sector, from major brands to manufacturers, to reducing the UK food retail sector's impact. Focus areas cover climate, deforestation, and nature, including tackling food waste and packaging. In November, the first year report [*What's in Store for the Planet: The Impact of the UK Shopping Basket on Climate and Nature*](#) launched as part of COP27.

As part of the acceleration of climate action announced with the report, as a group of retailers we're working closely with suppliers that collectively contribute 50% of our targeted emissions requesting that they follow our lead in setting science-based net-zero targets, aligned with 1.5 degrees, and publicly reporting scope 1, 2 and 3 emissions inventories. To support their decarbonisation journey we will also be working alongside other retailers, WRAP and other key stakeholders to develop guidance and support materials.

"One thing the first WWF basket report has made very clear is that there's an undeniable amount of work to do to tackle the environmental impact of UK retailer's baskets. That said, I'm beyond proud to be committed with Co-op to drive forward the change needed, in close partnership with the other retailers that share our ambition, WWF, WRAP, our customers, suppliers and UK Government. We can't act alone for this goal to be achievable, but it's imperative for the future of our planet and the people that share it."

Shirine Khoury-Haq, Co-op CEO



Aquaculture & Fisheries

We work to conserve our oceans and fish as well as the livelihoods of our suppliers. We apply a risk assessment process to all our fish products, which ensures we continue to source seafood responsibly.

We're members of the Sustainable Seafood Coalition and we use its voluntary codes of conduct for the responsible sourcing and labelling of fish and seafood products. We work with the Sustainable Fisheries Partnership to ensure we are up to date with the latest industry science, and are members of the Global Ghost Gear Initiative, which helps to promote solutions to the problem of discarded and lost fishing gear, improving the health of marine ecosystems.

As well as meeting our commitment to improve seafood sustainability, our MSC sourcing makes us one of the top retailers in the UK selling sustainable fish. In 2022, 65% of our wild-captured seafood was sourced from MSC fisheries (2021: 63%), we were also one of only three UK retailers to increase the MSC percentage of our wild seafood range. Our approach ensures we're continuously meeting our commitment to improve seafood sustainability through our healthy oceans strategy. All our wild-capture fisheries and farmed seafood sources can be found on the Ocean Disclosure Project [website](#).

We support Fisheries Improvement Projects (FIPs) as a key step towards fisheries' sustainability and certification within a defined five-year time frame. We're innovating with the industry by supporting several UK FIPs through Project UK.

Forests and Peatland

We recognise the need for collective action to tackle deforestation and land conversion - one of the main drivers of climate change. In line with our Climate Plan, we've continued to advocate for robust due diligence legislation on forest commodities as part of the UK's Environment Bill - responding to the Government's consultation on secondary legislation. We look to take a restorative approach to landscapes we source from, wherever possible.

Palm oil and soy

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

All our palm oil is certified by one of the Roundtable on Sustainable Palm Oil (RSPO) schemes. We continue to use 100% RSPO-certified palm oil in our own brand products and, in 2022, 93% of the palm oil used in our products was segregated (2021: 93%). We've maintained a high coverage of segregated despite

challenges in oil supply chains during 2022, and we continue to look for solutions in remaining areas where segregated supply is not currently possible.

We're committed to sourcing segregated RSPO palm oil wherever we can and will continue to report annually on the amount and type of palm oil we use. Collaborative efforts through our membership of the Retailers' Palm Oil Group remain a key route to tackle the issues shared across the industry.

We're continuing work to improve data accuracy around palm oil used in animal feed.

Our most significant use of soy is in feed for livestock in our meat, dairy, egg and farmed fish products. We're committed to reaching 100% physical, responsibly sourced and deforestation-free soy across our own brand supply chain by 2025, and we've continued to refine our plans to drive progress.



Performance Benchmark

2nd highest UK retailer on the 2021 WWF Palm Oil Scorecard¹ for our progress and commitments (20.22 out of a possible 24 points achieved). Leading the Way category.



93%

of the palm oil used in our products was RSPO segregated (2021: 93%).

¹ 2021 is the most recent scorecard.

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



CASE STUDY

Reforestation Project with Chester Zoo and HUTAN

To address the risks in sourcing palm oil, we know we must go beyond certifying our own supply. We support Chester Zoo's reforestation of former palm oil plantations in Borneo. Our target is to support the planting of 50,000 trees by the end of 2025.

Our funding includes supporting the work of HUTAN's Scientific Officer, whose role includes research, and monitoring the Keruak Wildlife Corridor in Sabah, Malaysia. Here, the team are working to understand how animals are recolonising a newly established wildlife corridor, connecting two fragmented forests.

As of 2021, a total of 99 species were observed, of which 26 are threatened.

"We've identified and recorded species that are critically endangered, as well as endangered giants like the pygmy elephants in our sites. The outcomes showed promising findings during the early stages of reforestation - this shows that reforestation and creating wildlife corridors are really worthwhile."

Amanda Shia, Scientific Officer, HUTAN.

Read more on our palm oil strategy [here](#).

In 2022, we revised our soy policy to respond to the developments in understanding, challenges and urgency since our policy first launched in 2019. The new policy sets out how we work with our suppliers and the steps that will support us both in fulfilling our commitment. You can read the full policy and our soy commitment [online](#).

We know we can't achieve this shift alone, so we work collaboratively as members of the RTRS, Retail Soy Group, Soy Transparency Coalition, and the UK Roundtable on Sustainable Soy.

We're also signatories of the [UK Soy Manifesto](#) - a collective industry agreement to ensure all physical shipments of soy to the UK are deforestation- and conversion-free (cut-off date of January 2020 at the latest), by 2025.

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

Peat

Peat is a vital natural resource, providing carbon storage and natural flood defences. In April 2021, we became the first UK retailer to ban the use of peat in bagged growing products sold in our stores, covering both own brand and branded products. While this was an important first step, we recognise peat can also be used in our supply chains and we need to address this as part of a responsible approach to growing media.

In 2022 we responded to Defra’s consultation on ending the retail sale of peat in horticulture in England and Wales. We’ve engaged with suppliers and external stakeholders through the course of the year and continue to develop a responsible sourcing approach for growing media as a whole.



Wood and Paper

We ensure that the wood and paper used in our own brand products¹ for Co-op Food comes from a responsible source and is of known origin. 98% comes from Forest Stewardship Council (FSC) or recycled sources (2021: 95%). 97%¹ of coffins manufactured by our Funeralcare business were made from FSC[®] certified wood² (2021: 95%).

98%
wood and paper in own brand products is from FSC or recycled sources (2021: 95%).

97%
of coffins we manufactured were made from FSC[®] certified wood (2021: 95%).

Fields and Orchards

We work with producers and growers, focusing on protecting our natural resources, water, soil, and biodiversity, and building resilience in the changing climate. We understand that, whilst doing this, we must also consider impacts on people and their livelihoods. See our commitments on [Fairtrade](#) and [Ethical trade](#).

Water Security

The overwhelming evidence, including that from the Intergovernmental Panel on Climate Change, shows that climate change is moving much faster than our response, and as a result, ecosystems and communities are being pushed to their limits.

As weather patterns change, water security is becoming a pressing issue. Prevalence and impact of flooding and droughts are becoming worse worldwide. Pollution of available water resources also exacerbates shortages for local communities and industry; and puts pressure on the natural environment.

Water represents a material risk in food supply chains - 72% of all water withdrawals are used for agriculture and yet 52% of the world’s population will live in water-stressed regions by 2050.

We are founding supporters of WRAP’s Roadmap towards Water Security for Food & Drink Supplies, which gives us a way of working collaboratively with our peers, our suppliers and with local delivery bodies in the most water-stressed areas that we source our products and ingredients from.

The Roadmap’s overall target is that by 2030, 50% of the UK’s fresh food is sourced from areas with sustainable water management. To help achieve this, our role as a food and drink retailer is in committing to take action and to become good water stewards.

Through this programme, we’ve continued to support water stewardship projects in the UK and South Africa, supporting farmers and growers with better water management, and we are founding supporters of a new collaborative project to tackle water stress in key sourcing regions in Southern Spain.

In 2023 we will be developing a comprehensive water security strategy to set a clear path to improving the sustainable management of water in our highest risk supply chains. Read more [here](#).

¹ Based on FSC audit for the period September 2021 - September 2022.
² FSC[®] C008811.

Crop Protection

Crop protection plays a role in food production but must be implemented responsibly. Currently, pesticide application is the most common method of protecting crops from diseases, but we acknowledge the consequences pesticide use can have on the environment and the health of workers in our supply chains.

We've continued to implement our Crop Protection Policy, building transparency and collaboration. This is supported by the Co-op Crop Protection Board which includes supplier representation. During 2022 we've developed the following approaches, which are detailed on our website [here](#):

- A unique approach to identifying the most hazardous pesticides to prioritise action on phasing them out
- Reducing the occurrence of multiple pesticide residues; and
- Taking action on pesticide residues identified by the 'Pesticide Action Network' as 'Highly hazardous pesticides'



🕒 Performance Benchmark

We were ranked 3rd in Pesticide Action Network UK's 2021¹ scorecard of UK supermarkets on pesticides (2019: 4th).

¹ 2021 is the most recent scorecard.

² 2022 benchmarking has been delayed due to a BBFAW methodology change. 1-6 scale, where 1 is the highest. BBFAW classes businesses that reach Tier 2 as having 'farm animal welfare as an integral part of business strategy'.

Livestock

Respecting animal welfare is an important part of our work in agriculture. For all our Co-op branded fresh, frozen, and prepared meat and poultry products, our minimum welfare standard and our main focus is Red Tractor. For higher welfare, we use RSPCA Assured certifications or equivalent. Since 2008, all shell-eggs sold (Co-op brand and branded) have been free-range as a minimum, and we only use free-range eggs as ingredients in our Co-op brand products (see [here](#) for more detail).

🕒 Performance Benchmark

Tier 2 achieved in the Business Benchmark on Farm Animal Welfare (BBFAW) in 2021 for the 10th year running.²

Monitoring Animal Welfare

More than 3,700 farmers and growers feed into our own brand fresh supply chain, supplying us with meat, dairy, poultry, fresh produce, and prepared products for our Co-op brand products. All farms, whether they're part of our [farming groups](#) or not, may be subject to announced and unannounced visits or audits by us or an appointed independent audit body to check compliance with our animal welfare requirements.

Antibiotics

Antimicrobial resistance is an increasing global challenge and threat, and food retailers have a responsibility to act.

We're a member of the Food Industry Initiative on Antimicrobials (FIIA) and have signed a code of conduct to work pre-competitively as an industry to reduce antibiotic use. We're also supporting research, through membership of Responsible Use of Medicines in Agriculture (RUMA) that helps identify alternatives to antibiotics. Our antibiotics strategy, in line with the industry approach, is based on the '3Rs' framework to Reduce, Replace and Refine the use of medicines. Read more about our [animal welfare](#) and [antibiotics](#) policies.

Animal Testing

We are proud to have carried the Cruelty Free International (CFI) certification since 2004. We believe using animals to test toiletry and household products and their ingredients is inhumane and unnecessary and we will continue to follow CFI's programmes, ensuring none of our Co-op branded products and ingredients are tested on animals.



All Co-op branded toiletry and household products are approved cruelty free under the Leaping Bunny programme, managed by Cruelty Free International (CFI).

🎯 2023 target

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

Sustainable sourcing data

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

Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	2019	2020	2021	2022	2023 Target	SDGs
	We will develop risk-based strategies to reduce the impacts of sourcing our 30 key ingredients by the end of 2022.	As part of our work in the WWF Retailers' Commitment for Nature in 2023 we are looking to refocus our risk ingredient approach to more accurately reflect our evolving risk approach, whilst continuing to prioritise on the actions and opportunities that will reduce our greatest sourcing risks.							
	We will develop action plans for our restorative approach to nature by the end of 2022.	As above, as part of our work in the WWF Retailers' Commitment for Nature in 2023 we are looking to refocus our risk ingredient approach.							
Aquaculture and Fisheries			% of fish used in Co-op branded food products from farmed sources	53	37	51	32		
			% of fish used in Co-op branded food products wild-caught	47	63	49	68		
			Number of Marine Stewardship Council (MSC)-certified Co-op branded food products	63	67	55	62		
			% of wild-captured seafood sourced from MSC fisheries (by volume)	68 (79% of wild-capture seafood products)	64 (75% of wild-capture seafood products)	63	65		
			% of wild-capture seafood sourced from FIP (Fisheries Improvement Project) fisheries (by volume)	N/A	29	37	35		
			Not calculated prior to 2020.						

Sustainable sourcing data

✔ Target Achieved
⊖ On Track
👉 Close to Target
🔴 Behind Schedule
⬇️ Target Dropped
✖ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	2019	2020	2021	2022	2023 Target	SDGs	
Livestock			BBFAW Tier 2 maintained	Yes	Yes	Yes	-			
			2022 benchmarking has been delayed due to a BBFAW methodology change.							
			Number of combined visits by our Farming & Fisheries Team and the Technical Team to monitor animal welfare at Hatcheries, Farms, Abattoirs and Factories	341	74	305	266			
			Higher welfare sales (£m)	171	188	164	173			
			% of Co-op branded fresh, frozen and prepared meat and poultry products produced to Red Tractor Farm Assurance Scheme standards or higher	100	100	100	100			
			% of Co-op branded shell-egg sales that are RSPCA Assured	94	95	94	96			
			The remainder are classified as organic.							
			% of Co-op milk that is Red Tractor Dairy Scheme assured	94	94	93	93			
			The remainder are classified as organic.							
			2021 % fresh protein sales, by welfare standard	See table >						
Palm Oil			% of Palm oil in food and non-food products that is certified by the Roundtable on Sustainable Palm Oil	100	100	100	100			
			Palm oil used in Co-op branded food and non-food products (tonnes)	7,135 (in 753 products)	7,431 (in 795 products)	5,487 (in 610 products)	5,362			
			% Segregated and Identity Preserved	73	78	93	93			
			% <u>Mass Balance</u>	25	21	7	7			
			% RSPO credits	2	1	0	0			
			Palm Oil Importer	See Palm Oil Importer table >						

Sustainable sourcing data

✔ Target Achieved
⊖ On Track
👉 Close to Target
⊘ Behind Schedule
⬇️ Target Dropped
⊗ Target not Achieved
Ⓡ Restatement
Ⓐ In-depth assurance

Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	2019	2020	2021	2022	2023 Target	SDGs
Soy	100% of soy in our Co-op products, including that embedded in animal feed, will be deforestation-free and sustainable by 2025.	⊖ We've continued to support the transition to more responsible soy production through credits and mass balance systems for sourcing from high risk origins. Physical fully verified volumes remain low across the industry and we continue to work with collaborative groups and the UK Soy Manifesto to drive the level of change we need to see to rapidly accelerate progress.	Soy used in our food products (directly and indirectly through animal feed) (tonnes)	80,000	71,500	56,100	51,862 Ⓐ	100% of soy in our Co-op products, including that embedded in animal feed, will be deforestation-free and responsibly sourced by 2025.	 
			% of soy linked to an origin	-	32%	61.9% ¹	51%		
			% of soy linked to an importer	-	35%	36.5% ¹	50%		
			% soy footprint verified deforestation and conversion free (Segregated Certified or vDCF sourcing - excludes mass balance)	-	-	-	0.4%		
			Certified soy (under schemes benchmarked to FEFAC Soy Sourcing guidelines)	-	-	-	RTRS Credits 72.7% Area Mass Balance 10.4% Mass Balance 16.8% Segregated 0.1%		
			% soy footprint covered by UK Soy Manifesto signatories	-	-	-	83% volume of soy footprint 42% of suppliers using soy		
			Soy footprint breakdown	See Soy footprint breakdown table >					
Peat			% of Peat making up growing media sold	Co-op brand: 1 peat-free product; 2 products containing 20% peat	Branded: 2 peat-free products within a range of 5	No peat in bagged growing media sold from April 2021	No peat in bagged growing media sold	 	
Wood & Paper			Wood and paper products purchased by Co-op Food (m ³)	52,559	57,995	47,399	41,762		
			Co-op Food: sourcing of wood and paper, by origin						
			% post and pre-consumer recycled waste	2	2	0	1.5		
			% known legal source virgin material such as PEFC	3	1	5	0.5		
			% of wood and paper purchased for Co-op Food that was (FSC-certified) or recycled	97 (95 FSC)	99 (97 FSC)	95	98		
			% of wood and paper used in products for Co-op Food that is of known origin	100	100	100	100		
% of coffins manufactured by our funeral business made from FSC-certified ² wood	97	98	95	97					

¹ These numbers include when multiple origins and importers have been named, even if these are not separated out to specific volumes of supply. As such the importer number does not match up exactly with the 'Multiple/Not yet attributable' figure.

² FSC® C008811.

Sustainable sourcing data

Target Achieved
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Key Performance data icons

Issue	2022 Target	Performance against target	KPIs	2019	2020	2021	2022	2023 Target	SDGs
Crop Protection			Number of product samples tested	480	402	373	363		
			Sample with zero residues	168 (35%)	126 (31%)	155 (42%)	152 (42%)		
			Samples with 1 residue below Maximum Residue Limit (MRL) - European Food Safety Authority	110 (23%)	82 (20%)	70 (19%)	70 (19%)		
			Samples with multiple residues all below MRL	191 (40%)	181 (45%)	138 (37%)	132		
			Samples with at least 1 MRL exceedance	11 (2%)	13 (3%)	10 (3%)	9 (2%)		
			Number of pesticide actives detected	842	748	668	640		
			Average detections per sample	1.75	1.86	1.79	1.8		
			Number of these classified by the World Health Organisation Recommended Classification of Pesticides by Hazard (Categories 1A and 1B)	0 (1A); 4 (1B)	0 (1A); 4 (1B)	0 (1A); 2 (1B)	0 (1A); 0 (1B)		
			Number of these classified on PAN International List of Highly Hazardous Pesticides	228	167	141	138		

Sustainable sourcing data

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Key Performance data icons

Ingredient	Sourcing standard
Oceans and aquaculture	
Wild fish	Preferred standard - MSC.
Farmed fish	Preferred standards - Global Aquaculture Alliance Best Aquaculture Practice (GAA/BAP) 4*, GLOBALG.A.P. Aquaculture Standard, Aquaculture Stewardship Council Standards, Marine Stewardship Council certification.
Salmon	All Co-op 'Irresistible' own brand farmed, fresh and smoked Atlantic Salmon sourced from Scottish farms accredited to RSPCA Assured higher welfare standards. This does not include salmon used as an ingredient. Co-op own brand standard tier farmed Atlantic Salmon fresh, smoked and used as an ingredient in Co-op food products may be sourced from either Scottish farms or Norwegian farms (excluding Rogaland and Hordaland).
Prawns	Cold Water prawns - MSC. Warm Water prawns - either ASC certified or GAA BAP4*.
Tuna	Skipjack tuna, including as an ingredient, is sourced from fisheries employing pole and line or hand fishing method which are either MSC certified or in a credible or comprehensive Fishery Improvement Project which is demonstrating measurable progress towards MSC certification.
Livestock	
Chicken & poultry	Red Tractor or equivalent (Irresistible range RSPCA Assured) British (fresh, frozen and ready meals).
Beef	Red Tractor or equivalent, British. Only European corned beef.
Milk & dairy	Red Tractor, British.
Lamb	Red Tractor, British.
Pork	RSPCA Assured, outdoor-bred, British. Red Tractor for bacon, gammon and ham in Co-op Honest Value products. As an ingredient - Red Tractor.
Eggs	100% free range, British, shell eggs RSPCA Assured.

Ingredient	Sourcing standard
Forests and peatlands	
Cocoa	100% Fairtrade, including where used as an ingredient within our Fairtrade Sourcing Ingredient (FSI) programme.
Coffee	100% Fairtrade. Where used as an ingredient, Fairtrade producers benefit.
Sugar	100% Fairtrade in bagged sugar.
Wood, paper & pulp	FSC or recycled content (by exception PEFC accepted).
Palm oil	Certified as sustainable under one of the Roundtable for Sustainable Palm Oil certification schemes.
Soy	The majority of our footprint (direct and indirect) is covered by RTRS Credits.
Peat	All bagged growing medium sold in our stores is peat free.
Fields and orchards	
Tea	100% Fairtrade. Where used as an ingredient, Fairtrade producers benefit.
Bananas	100% Fairtrade. Where used as an ingredient, Fairtrade producers benefit. GLOBALG.A.P.
Grapes & wine	Entry level South African wines are Fairtrade. Grapes - GLOBALG.A.P.
Flowers	100% Fairtrade African rose bouquets and African single stem roses.
Lettuce	UK - Red Tractor. Other - GLOBALG.A.P.
Carrots	Red Tractor.
Tomatoes	UK - Red Tractor. Other - GLOBALG.A.P.
Citrus	GLOBALG.A.P.
Potatoes	Red Tractor.
Berries	UK - Red Tractor. Other - GLOBALG.A.P.

Sustainable sourcing data

✔ Target Achieved
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Key Performance data icons

% of fresh protein sales by welfare standard

Own label	Red Tractor	RSPCA Assured / Higher Welfare	Commentary
Turkey	100.0%	0.0%	
Chicken	97.6%	2.4%	
Beef	100.0%	0.0%	
Lamb	100.0%	0.0%	
Bacon	97.9%	2.1%	
Pork	0.0%	100.0%	
Ham	2.1%	98.0%	
Sausage	0.0%	100.0%	
Eggs	0.0%	96.6%	3.4% classed as Organic.
Milk	100.0%	0.0%	
Salmon	0.0%	8.2%	91.8% sourced from other welfare standards. Red Tractor is not used in Salmon production.
Fish	N/A	N/A	
Cooked Meats	100.0%	0.0%	
Continental Meats	100.0%	0.0%	All sourced from Europe but must be Red Tractor equivalent.
Cheese	70.0%	0.0%	30% sourced from Europe but must be Red Tractor equivalent.
Cream	91.0%	0.0%	9% sourced from Europe but must be Red Tractor equivalent.
Butters and Fats	0.0%	0.0%	Co-op no longer sells own brand block butter which was 100% British. All products use mix of sources but must be Red Tractor equivalent.
Ready To Cook	86.0%	14.0%	

% of sales

Proportion of fresh protein sales, by protein type	
Turkey	0.1%
Chicken	9.1%
Beef	7.8%
Lamb	0.6%
Bacon	5.1%
Pork	1.0%
Ham	5.3%
Sausage	4.1%
Eggs	5.2%
Milk	21.8%
Salmon	3.2%
Fish	3.4%
Cooked Meats	8.5%
Continental Meats	2.3%
Cheese	12.6%
Cream	2.2%
Butters & Fat's	6.0%
Ready To Cook	1.7%
TOTAL	100%

Palm oil importers

Palm oil importer	% of 2022 supply	Link importer mill lists	2022 Co-op engagement
Sime Darby	47%	Link	POTC engagement
Multiple Top 10 ¹	20%		POTC engagement
AAK	7%	Link	POTC engagement
Olenex	4%	Link	POTC engagement
Stepan Company	2%	Not disclosed	POTC engagement
Other	11%		POTC engagement / Supplier Engagement
Not yet attributed	9%		Supplier engagement

Soy footprint

Soy footprint by protein type	%	Soy importer	% footprint	Soy sourcing region	% footprint
Poultry	37.9%	Cargill	17.7%	South America	21.8%
Pork	23.9%	Multiple Top 10	17.4%	Multi Region (including South America)	29.1%
Dairy	13.3%	Cefetra	10.4%	Non South America	0.3%
Eggs	12.2%	ADM	4.1%	Not yet attributable	48.8%
Beef	7.7%	Other	0.0%		
Lamb	2.4%	Not yet attributable	49.9%		
Seafood	1.5%				
Other (eg. Game)	0.9%				
Direct soy	0.2%				

¹ Sourced from multiple importers within the 10 largest contributors to Co-op footprint.



Fairer Business

Fairer Business

Our Vision is 'Co-operating for a Fairer World'. This means that when we carry out our business operations, it's not just what we do that matters, but how we do it. From addressing the challenges we face through use of technology and personal data to the impacts of our investment and financing decisions, we aim to thread the concept of "better business" through everything we do.

Responsible finance and investments

We look for opportunities to align our investment and financing decisions with our values and ethics. One way of doing this is through sustainability-linked financial products, where we link the achievement of our sustainability targets to a financial incentive or penalty - reinforcing our commitment to future sustainability outcomes.

Sustainable Credit Facility

In 2019, we agreed a £400m sustainability-linked Revolving Credit Facility (RCF), which allowed us to draw down amounts as needed to bridge timing differences between cash receipts from our sales and spending with our suppliers.

Under that RCF, the interest charged by our bank was linked to KPIs on our greenhouse gas (GHG) reduction programme. We benefited from lower interest rates by hitting our GHG targets but paid a penalty fee if we missed them. As per the RCF agreement, our scope 1 and 2 GHG emissions for 2022 should not exceed 373 ktCO₂e ('000 tonnes of CO₂-equivalent emissions). In 2022, our emissions were 288 ktCO₂e (as reported [here](#)).

In March 2023 we extended the maturity date of our RCF with our banks, and having already met and outperformed the existing 2025 GHG reduction target, we have temporarily removed the sustainability link from our RCF. During 2023 we will be working with our banks to agree new enhanced sustainability targets aligning our continued work on sustainability with the updated March 2023 Loan Market Association Sustainability-Linked Loan Principles.

Sustainable Foreign Exchange Agreement

In 2021, we set up a new sustainability-linked foreign exchange (FX) agreement, through which we have aligned our Co-op's carbon emissions targets with our FX trading.

As a business, we buy some goods from overseas suppliers and pay for them in foreign currency. We manage the risk of currency volatility through a hedging programme with our banks.

Our FX agreement specifies that if we meet our approved science-based target to reduce the Co-op's operational emissions by 2025 (i.e. an absolute 50% reduction in scope 1 and 2 emissions in 2025, compared to 2016), then we will qualify for a sustainability-linked rebate correlated to the volume of FX trades made during the financial year.

Task Force on Climate-Related Financial Disclosures (TCFD)

Climate change poses both risks and opportunities for businesses. The Task Force on Climate-Related Financial Disclosures (TCFD) has set out a framework for identifying and reporting how climate-related risks and opportunities are measured, monitored and managed by companies and others.

We already recognise environment and sustainability - including climate change - as a Key Priority Risk, and report on it in our Annual Report and Accounts. We've committed to identifying and reporting on our climate-related risk exposure in line with leading practice.

In 2022, we identified both the physical risks to our business and supply chains from the changing climate, and the potential impacts of policy, technology and market changes as we transition to a lower-carbon future. We have used this to develop our first TCFD report and will continue to explore what this means for our business and what plans we need to put in place to ensure we are fit for the future.

Read more on our progress [here](#), and in our [Annual Report](#).

Pension funds

In 2022, the trustees of the Co-op pension schemes refreshed their annual exercise with their investment consultants to benchmark their approach to responsible investment against comparable schemes. Looking at beliefs, the articulation of policies, governance processes, and investment portfolios, the approach of 'Pace', the Co-op's largest pension scheme, scored an 'A+' rating, which is in the top 5% of UK pension schemes (2021: A+); and our two smaller schemes were also rated 'A+' (2021: A).

In 2022, Pace reviewed its carbon footprint and formally reported in line with the Taskforce on Climate-Related Financial Disclosure's recommendations in October. This included documenting its objective to achieve net zero greenhouse gas emissions by 2050 or sooner, with a 50% reduction by 2030 (relative to a 2021 baseline). You can read more on this [here](#).

Pace also became a signatory of the UK Stewardship Code in March 2022, demonstrating that it met the reporting standards required by the Code and the Financial Reporting Council (FRC) with regard to how its stewardship policies related to its investments, processes, activities and outcomes for the 12 months to 5 April 2021. Pace's 2021 and 2022 reports are available [here](#).

Finally, our colleagues helped us identify the need to introduce a Shariah-compliant investment option in the Defined Contribution section of Pace, consistent with the principles of Islamic finance. We discussed the approach with the Co-op's Rise network, a network of colleague volunteers working together to amplify the lived experiences of minority ethnic colleagues across our Co-op, and took advice from

our investment consultant. In April we expanded the self-select fund range to include the Pace Growth (Shariah) Fund. The fund follows a process that has been approved by an independent Shariah Supervisory Committee.

Responsible data and technology

Digital accessibility

We are committed to ensuring our technology is accessible. Our [Co-op Experience Library](#) provides tools and information for our teams to make sure all our technology is inclusive and accessible.

In 2022, we completed 36 studies of our digital products with participants who have accessibility needs. A user with paralysis testing our [Legal Services website](#) highlighted small changes that would improve their experience of using a mouth-operated joystick. This continuous improvement has increased the accessibility score of our [Legal Services website](#), and our [Co-op website](#) continues to rank as the number one UK supermarket for accessibility ([Silktide Index](#)).

Power saving initiatives

To address the rising cost of energy, we have been exploring various power-saving initiatives across our businesses.

As part of our Cloud First Strategy, we are moving from older servers in our data centres to new, more power-efficient cloud servers hosted by global leaders such as Microsoft Azure and Amazon Web Services.

In 2022, we reviewed our Mobile Policy, identifying 3,360 mobile devices which were unused by our Co-op employees across the business. Where possible, these devices are either being recycled or re-issued. This initiative also resulted in total savings of £494k per annum.

Digitisation of services in our legal business

In our legal business we are reviewing how digital forms can replace paper applications. For example, we are currently testing a digital form sent to executors to aid probate applications. This is predicted to save, on average, 250,000 sheets of paper and 8,000 envelopes per annum.

Reducing food waste with Caboodle

In the UK, food equating to 4.5 million tonnes is wasted every year, with an estimated value of £13.8 billion ([WRAP](#)). To tackle this, Co-op and Microsoft created a food redistribution platform, [Caboodle](#), to save edible goods from being wasted. You can read more on our approach to access to food [here](#).



Data ethics

In 2022, we made progress in embedding data ethics into our ways of working, comprising a dual approach to:

1. Prevent harm

Tools and guidance to prevent negative impact or unintended consequences of data use that could adversely affect individuals or communities, for example, our Data Ethics Canvas, AI Register, AI Guardrails and an eLearning module.

2. Promote good

We promote sharing data for wider benefits to society such as the [Community Wellbeing Index](#), collaborating with Nottingham University on food insecurity modelling and with CrowdFunder and 360Giving to promote fundraising opportunities for causes supported by Co-op membership.¹

We have continued to work with the Open Data Institute to benchmark ourselves against their Data Ethics Maturity Model.

The Data Ethics Advisory Group, now in its third year, oversees all these activities and is a forum to raise and monitor ethical risks.

In 2023, we will continue to raise awareness of data ethics and our framework, to ensure the impact of data we collect, analyse, or share remains at the centre of decisions we make about data.

Business integrity and responsible governance

Embedding ethics in our decision-making

Embedding ethics in our decision-making ensures that we're living up to our Co-op Purpose and Values. Our Ethical Decision-Making Tool (EDMT) is used to support all material decisions requiring Board and Executive approval and helps us to balance social, environmental, and commercial issues and consider decisions from a member perspective. In 2022 all Board papers requiring a material decision² were accompanied by a paper summarising the EDMT considerations.

Public policy engagement

As a responsible business, we continue to use our influence to campaign for a fairer and more sustainable world and are open about our lobbying and its outcomes. We detail our engagement with Government on sustainability and responsible business issues [here](#).

¹ Funding was withdrawn, preventing progression of our 2021 'Do Good With Data' competition initiatives.

² A 'material decision' is defined as a Material Transaction (i.e., an acquisition, disposal, or new business venture) or a Material Contract/Capital Expenditure - as defined in the 'Matters Reserved for the Board'.



Our broader economic impact

We're open and transparent in our tax affairs and were awarded the Fair Tax Mark for the 8th consecutive year in 2022.

The Fair Tax Mark sets a standard for responsible tax practice and reporting and validates our openness and transparency about our tax affairs. We measure our 'economic value added' (the financial benefits that commercial organisations deliver to stakeholders) as set out [here](#).

Anti-Corruption

Our commitment to comply with all relevant anti-corruption laws is outlined in our Financial Crime Policy and Anti-Bribery Policy. Our Code of Business Conduct details our Board and Management's commitment to the elimination of any fraud within the organisation and rigorous investigation of any such cases, and we have an Anti-Fraud Policy and guidelines to support this commitment. Our Gifts and Hospitality Policy sets out our zero-tolerance approach to bribery.

Compliance in our food business

Food safety and quality control

We work with our suppliers to simplify our supply chains and strengthen our risk management, traceability and quality assurance processes.

Our Co-op own label suppliers are audited against British Retail Consortium (BRC) Global Standards¹. Food safety, legality and product quality requirements are delivered by working with our

suppliers to ensure all products are compliant with relevant legislation and our own Co-op standards.

Working with our suppliers and an independent testing laboratory, we've established a comprehensive testing programme which covers origin, production system, species, variety, composition and adulteration. This ensures our Co-op branded products deliver against all aspects of authenticity and protect our customers and the Co-op brand.

Groceries Supply Code of Practice

We want our suppliers to feel that they have effective, collaborative, and fair relationships with us. Our food business's trading relationships with groceries suppliers are regulated by the Groceries Supply Code of Practice.

Our Co-op is one of [14 designated retailers](#) in the UK that the Code applies to. During 2022, we have continued to demonstrate our compliance with the Code. The GCA Annual Survey 2022 concluded that our Co-op was ranked in the top three when suppliers were asked whether the Retailers conducted trading relationships fairly, in good faith and without duress (2021: 4th) and we scored 94% for overall compliance with the Code (2020: 97%).

Performance Benchmark

The GCA Annual Survey 2022 ranked Co-op in the **top three** retailers for conducting relationships fairly and in good faith, without duress.



2023 targets

We will retain Fair Tax Mark accreditation in 2023.

Our pension arrangements will operate leading Responsible Investment Policies and Reporting, and continue to be recognised as a signatory of the revised UK Stewardship Code.

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.

We will obtain an external benchmark of our Data Ethics capability against the Open Data Institute's Data Ethics Maturity Model.

¹ A small proportion have other accreditation, eg smaller businesses.

Fairer Business data

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Key Performance data icons

Issue	2022 Target	Performance against Target	KPIs	2019	2020	2021	2022	2023 Target	SDGs
Economic Impact	We will retain Fair Tax Mark Accreditation in 2022.	✔ We retained Fair Tax Mark Accreditation.	Fair Tax Mark Accreditation	Yes	Yes	Yes	Yes	We will retain Fair Tax Mark Accreditation in 2023.	
Responsible Data and Technology			Number of colleagues trained on Data Ethics	12	12	580	874	We will obtain an external benchmark of our Data Ethics capability against the Open Data Institute's Data Ethics Maturity Model.	
			Data Ethics eLearning module rolled out to further teams in Technology and Procurement (in addition to Data, Marketing and Digital) - assigned to 975 colleagues.						
			Number of activities (including project & BAU) that have been assessed against Data Ethics principles.	7	7	5	10		
			Data Ethics Canvas completed for 10 projects, doubling the number from 2021.						
Responsible Finance	Our pension arrangements will operate leading Responsible Investment Policies and Reporting, and be recognised as a signatory of the revised UK Stewardship Code.	✔ Our pension arrangements have continued to operate leading Responsible Investment Policies and Reporting as set out on page 107, and in March 2022 Pace was confirmed as a signatory of the revised UK Stewardship Code						Our pension arrangements will operate leading Responsible Investment Policies and Reporting, and be recognised as a signatory of the revised UK Stewardship Code.	
	We will publish carbon reduction targets for Pace for 2030 aligned with achieving net zero by 2050 or sooner.	✔ 2030 carbon reduction target for Pace published in October 2022.							
Our Reporting	In-line with our Co-op Values of openness and honesty, we will deliver world class open and honest reporting on our ethics and sustainability performance in our Co-operate Report annually.	✔ Our reporting is published, externally audited and aligned with leading standards (GRI)						In-line with our Co-op Values of openness and honesty, we will deliver world-class open and honest reporting on our ethics and sustainability performance in our Cooperate Report annually.	

Distribution of economic value added (£m)

Donations and Subscriptions (£)	2019	2020	2021	2022
Colleague wages and pension benefits	1,362	1,425	1,398	1,354
Payments to Government (mainly business rates, employers' National Insurance and irrecoverable VAT)	207	150	166	206
Distribution to members	54 (members' 5% reward)	45	21	20
Community investment	35	47	41	45
Payments to providers of capital (interest paid to bankers or bondholders for loans)	64	63	56	55
Payments to providers of capital (interest paid on leases)*	74	72	76	76
Set aside for capital maintenance and future growth (i.e. after accounting for other payments, including payments to Government, members and community investment)*	266	357	261	283
Total	2,062	2,159	2,019	2,039

Public Policy Engagement

For reporting purposes, 'engagement' is restricted to instances where we've raised or supported a significant initiative, for instance responding to a Government or Parliamentary consultation, or a significant campaigning activation.

In addition to the public policy engagement noted below, we have also engaged directly with elected representatives in order to support them in representing their constituents' interests, and to use our insight and perspective to develop effective public policy. Over the course of 2022, we responded to 168 pieces of correspondence with elected representatives.

Issue	Audience	Engagement	Policy Position
Corporate			
Business Rates	HM Treasury and Members of the House of Commons	Sponsorship of the Retail Jobs Alliance, calling on Government to reform Business Rates including parliamentary reception alongside submission of written response to Government on rates consultation.	Call on Government to reform Business Rates and level the playing field between 'bricks and mortar' and 'clicks and mortar' businesses, for the benefit of local communities
Food			
Single-Use Plastics	Department for the Environment, Food and Rural Affairs	Submission of a written response to the Government's consultation, proposals to ban commonly littered single-use plastic items in England	Welcome the UK Government's intention to ban the listed single-use plastics
Single-Use Plastics	Department for the Environment, Food and Rural Affairs	Submission of a written response to the Government's consultation, call for evidence on commonly littered and problematic plastic items	Welcome the UK Government's intention to ban the listed single-use plastics
Responsible Sourcing	Department for the Environment, Food and Rural Affairs	Submission of a written response to the Government's consultation, ending the retail sale of peat in horticulture in England and Wales	Call on the UK Government to urgently implement a ban on the retail sale of peat in England and Wales
Biodiversity	Department for the Environment, Food and Rural Affairs	Submission of a written response to the Government's consultation, on Biodiversity Net Gain Regulations and Implementation	Welcome the UK Government's regulations to deliver biodiversity gains
Minimum Unit Pricing	Northern Ireland Department of Health	Submission of a written response to the Northern Ireland Executive's consultation, Minimum Unit Pricing for Alcohol	Call on the NI Executive to ensure the proposed implementation of Minimum Unit Pricing for alcohol is simple for retailers to implement
Waste & Resources	Department for the Environment, Food and Rural Affairs	Submission of a written response to the Government's consultation, packaging waste recycling notes reform	Call on the UK Government to replace the Packaging Waste Recycling Note system with eco-modulated Extended Producer Responsibility payments administered by a central public body, with payments ringfenced to improve collection and recycling infrastructure in local authority areas
Public Health	Healthy & Active Branch, Welsh Government	Submission of a written response to the Welsh Government's consultation, healthy food environment	Call on the Welsh Government to ensure consistency with the UK Government's existing measures to restrict the promotion of High Fat, Salt and Sugar (HFSS) products
Public Health	Scottish Government Department of Health	Submission of a written response to the Scottish Government's consultation, restricting promotions of food and drink high in fat, sugar or salt	Call on the Scottish Government to ensure consistency with the UK Government's existing measures to restrict the promotion of High Fat, Salt and Sugar (HFSS) products
Groceries Code Adjudicator	Department for Business, Energy and Industrial Strategy	Submission of a written response to the UK Government's consultation, Groceries Code Adjudicator Statutory Review	Welcome the ongoing work of the Groceries Code Adjudicator

Issue	Audience	Engagement	Policy Position
Carrier Bag Policy	Welsh Senedd Climate Change, Environment, and Infrastructure Committee	Submission of a written response to the Environmental Protection (Single-use Plastic Products) (Wales) Bill Committee's enquiry, along with further engagement	Welcome the introduction of the Bill, and call for an exemption for BS EN 13432 certified compostable carrier bags from the ban on single-use carrier bags
Ukraine	The UK Government, Devolved Administrations and Local Authorities, and Elected Representatives	Extensive engagement on the consequences of the invasion of Ukraine by Russia on the Food Industry	The consequences of the invasion of Ukraine, a major agricultural producer, have been multifaceted and contributed to the inflationary pressure seen throughout the food industry in 2022
Funeralcare			
Funeral Plans Regulation	Government HM Treasury and FCA, Members of the House of Commons, NGOs	Engagement to discuss regulation of funeral plans	Better regulation of funeral plan market to protect consumers and promote consumer confidence
Funeral Sector Regulation	Ministry of Justice, Human Tissue Authority	Engagement to discuss regulation of quality standards	Better regulation of quality standards is needed to ensure bereaved families can be confident in the services provided by the sector
Bereavement support	Government, NGOs and businesses	Written evidence submitted to the UK Bereavement Commission in January 2022 and participation in events	Bereaved families need access to the right support at the right time
Funeral sector COVID-19 regulations	Government and Cabinet Office	Engagement to ensure regulations allowed funerals could continue in a way supportive of the bereaved needs	Bereaved families should be able to have a funeral that meets their needs and expectations
Bereavement support	Members of Parliament, Peers and other stakeholders	Event in Parliament hosted by Carolyn Harris MP to share information about Co-op and Cruse 'Connecting Communities' partnership in November 2022	Communities can provide support to the bereaved
Funeralcare Ashes - Scotland	Scottish Government	Engagement on the return of ashes that remain in our care as they haven't been collected	We need to prevent ashes remaining in our care when they should be reunited with families or scattered appropriately
Funeralcare Ashes - England & Wales	ICCM, NAFD, FBCM, Sir John Hayes, Law Commission	Engagement on the return of current ashes that remain in our care as they haven't been collected	We need to prevent current ashes (from 12 weeks plus) remaining in our care when they should be reunited with families or scattered appropriately
Fairer for our Colleagues (Safer Colleagues, Safer Communities Campaign)			
Violence against Shopworkers - USDAW Respect for Shopworkers Week	Members of Parliament, London Deputy Mayor, Police and Crime Commissioners and Industry Representatives	Roundtable in Westminster hosted by USDAW and the Co-op on raising awareness of and taking action against violence and abuse	With new legislation on the statute book, we need effective enforcement of the new offences by police and the courts
Fairer for our Communities (Social Mobility Campaign)			
Apprenticeships	Members of Parliament and Peers	Participation in the All-Party Parliamentary Group (APPG) on Apprenticeships and contribution to annual report (July 2022)	Apprenticeships can be a route to social mobility and opportunities for individuals
Apprenticeships	Members of the House of Commons and Lords	Sponsorship of the APPG on Apprenticeships as a forum to promote better policy (throughout 2022)	Apprenticeships can be a route to social mobility and opportunities for individuals
Apprenticeships	Members of the House of Commons and Lords	Co-op apprentices attended an 'Apprenticeship Fair' organised by the APPG on Apprenticeships during National Apprenticeships Week on 8 February 2022	Apprenticeships can be a route to social mobility and opportunities for individuals
Social Mobility	Department for Education	Steve Murrells' and Shirine Khoury-Haq's membership of the DfE Business Engagement Forum	Lifelong skills are key to individual's social mobility

Issue	Audience	Engagement	Policy Position
Social Mobility	Social Mobility Commission	Steve Murrells' meeting with Chair of the SMC in February, submission to Employer Consultation in October and Paul Gerrard's participation in Employers Group from November 2022	Employers have a role to play in promoting social mobility
Social Mobility	DfE Ministers, NGOs and employers	Keynote speech by Steve Murrells at Social Mobility Business Seminar with SoS Education organised by Making the Leap - March 2022	Employers have a role to play in promoting social mobility
Employment	Public Accounts Committee	Submission to 'DWP Employment Support' inquiry, focusing on Kickstart - Co-op activity highlighted in Committee report in February 2022	Government needs to work in closer partnership with employers to deliver employment support schemes
Social Mobility	Labour Party and Conservative Party	Fringe meetings held at Party Conferences showcasing Co-op Peer Action Collective activity	Young people's voices should be heard in public policy debate
Social Mobility	BEIS officials	Half-day visit on 30 March for BEIS officials to be briefed on Co-op activities to promote social mobility	Employers have a role to play in promoting social mobility
Employment	Social Market Foundation	Participation in Advisory Group looking at 'Poverty in London'	Employers have a role to play in promoting social mobility
Social Mobility	Government	Attendance at roundtable with 'Cost of Living' Tsar (David Buttress) in June 2022	Responsible businesses have a role to support communities
Employment	Work and Pensions Committee	Oral evidence given by Gary Dewin on role of employers in saving for later life	Employers have a role to play in supporting financial wellbeing of colleagues
Mental Wellbeing	Government, MPs	Engaged with MPs and Government UK-wide on partnership with mental health services	Utilise our Co-op & Mind partnership model for upstream intervention support within communities
Mental Wellbeing	Government	Responded to Levelling Up White Paper	That mental wellbeing must be a key priority
Mental Wellbeing	Government, MPs	Held two party conference receptions (Labour and Conservative)	More support required in the mental health space and provided an example of what support could look like through our partnership projects
Fairer for our Planet (Climate Justice campaign)			
Deforestation	Department for the Environment, Food and Rural Affairs	Submission of a written response to the Government's consultation, implementing due diligence on forest risk commodities	Call on the UK Government to accelerate proposed measures to require due diligence on sourcing of at-risk forest commodities
The United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties 27	HM Government	Engagement with the Prime Minister and COP President in the run-up to COP27, directly and in coalition with others	That the UK Government should pursue an ambitious agreement at COP27 for the sake of people and planet
UNFCCC Conference of the Parties 27	HM Government	Support for the Climate Coalition's Great Big Green Week, including encouraging Co-op Members to write to their Elected Representatives	That the UK Government should pursue an ambitious agreement at COP27 for the sake of people and planet
UNFCCC Conference of the Parties 27	COP27 Delegates	The launch of our <i>Water Security for People & Planet</i> report, outlining the links between water security and climate justice	That action is needed from businesses and governments to tackle the impact of the climate crisis on water security
Renewable Energy	HM Government	The launch of the Co-op commissioned report from Cornwall Insight on renewable energy and open letter to the Prime Minister	That greening the grid should be an urgent priority to deliver energy security, economic prosperity and Net Zero
Renewable Energy	Elected Representatives	The launch of the Co-op commissioned report from Cornwall Insight on renewable energy and open letter to the Prime Minister	That greening the grid should be an urgent priority to deliver energy security, economic prosperity and Net Zero



WHEN TRUST MATTERS

Independent Assurance Statement

The Co-operative Group Limited (“the Co-op”) commissioned DNV Business Assurance Services UK Limited (“DNV”, “we”, or “us”) to undertake independent assurance of the Co-op Sustainability Report 2022 (the “Report”) for the year ended 31st December 2022.



Our Opinion:

- On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe the Co-op’s adherence to the Principles of stakeholder inclusiveness, materiality, sustainability context and completeness.
- In terms of reliability of the performance data, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate.

Our observations and areas for improvement will be raised in a separate report to the Co-op’s Management. Selected observations are provided below. These observations do not affect our conclusion set out above.

Materiality

The process for determining the issues that are most relevant to an organisation and its stakeholders.

Co-op’s processes to oversee the delivery of its Vision were strengthened this year through the newly formed Operating Board and continued oversight of the Vision Activation Leadership Circle. These forums have representation across all three Vision pillars, providing direction and prioritisation of commitments for both the food and non-food businesses. The Co-op should ensure that any Responsible Business Strategy updates in 2023 continue to align with the respective Vision Pillars, ensuring the long-term operationalisation of its Vision.

Within the scope of our work, we found that the management approach for priority issues was well-embedded within the business.

Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

The Report demonstrates a clear commitment to stakeholder engagement, outlining the outcomes from the various channels used to deliver action. Co-op should continue to engage with stakeholders, using platforms such as the Co-op Collective, Colleague Voice and Impact Surveys to inform the development of updated strategies and targets in 2023.

Completeness

How much of all the information that has been identified as material to the organisation and its stakeholders is reported.

This year, the Report again included a separate section on stakeholder engagement and built upon last year’s provision of headline targets and highlights. The Report delivered a detailed overview of the topics relevant to stakeholders, providing confidence that the issues in scope are appropriately managed.

Sustainability context

The presentation of the organisation’s performance in the wider context of sustainability.

Co-op’s commitment to its 2025 greenhouse gas (“GHG”) Reduction Science-Based Targets was reinforced by continued action to reduce direct emissions. The Co-op expects to update and validate its long-term targets in 2023 to support its net-zero target by 2040.

The Co-op made progress in improving the robustness of supply chain emissions data this year. We recommend reporting on Scope 3 emissions annually to enhance the transparency of indirect supply chain emissions.

Co-op introduced a support package for colleagues in response to the cost-of-living crisis. The growth of the Hubbub and Your Local Pantry partnerships further demonstrated Co-op’s support for communities during the current impact on economic security.

Quality

The accuracy and comparability of information presented in the Report, as well as the quality of underlying data management systems.

The data for most KPIs in scope were manually consolidated, increasing the risk of manual errors. We recommend that the Co-op implement system-based solutions and introduce automated processes where possible.

Data collection procedures were documented in some areas. We repeat last year’s recommendation for Co-op to provide collection and reporting methodologies for all complex data sets, helping to improve the comparability of reporting. To enhance the governance around the underlying data, we recommend independent internal quality checks for consolidated datasets prior to the assurance cycle.



Scope and approach

We performed our work using DNV’s assurance methodology VeriSustain™, which is based on our professional experience, international assurance best practice including the International Standard on Assurance Engagements 3000 (“ISAE 3000”), and the Global Reporting Initiative (“GRI”) Sustainability Reporting Guidelines. We evaluated the Report for adherence to the GRI Principles for defining report content of stakeholder inclusiveness, materiality, sustainability context and completeness (the “Principles”). We understand that the reported financial data and information are based on data from the Co-op’s Annual Report and Accounts, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report and Accounts is not within the scope of our work.

Performance data

The scope of our work covers the following disclosures (“Performance data”) from the Report, as identified with the symbol:

- **Community:** Total investment in UK and international communities (£m); Total UK community investment: Cash (£m), Colleague time (£m), Gifts in kind (£m); Total UK Leverage (donations by members, customers, partners and suppliers) (£m); Total investment in UK communities: Cash + Colleague Time + Gifts in Kind + Leverage (£m)
- **Our People, Diversity KPIs:** Female colleagues in leadership roles (%); Leaders from an ethnic minority background (%); Colleagues identified as belonging to an ethnic minority group (%)
- **Resource Use** Food waste - store and depot (tonnes); Food surplus redistributed total (tonnes); Food surplus redistributed total (tonnes); Food surplus redistributed through FareShare, TBBT and Company shop (tonnes); Food surplus redistributed through Co-op Food Share (prior to 2022); and through Co-op Caboodle from 2022 (tonnes); Food waste intensity (the % of products stores handle that becomes food waste)
- **Climate Change:** Total energy use (ktCO₂e); Scope 1 GHG emissions: Refrigeration (ktCO₂e), Transport (ktCO₂e), Energy: Fuel (ktCO₂e); Scope 2 GHG emissions: Energy: Electricity, Location-based (ktCO₂e); Scope 2 GHG emissions accounting for renewables: Energy: Electricity, Market-based (ktCO₂e); Total direct emissions from running business, Location-based: Scope 1 and 2 GHG emissions (ktCO₂e); Building energy use (GWh); Electricity from renewable sources (%); Reduction in GHG emissions (%)
- **Sustainable Sourcing:** Soy used in food products (directly and indirectly through animal feed) (tonnes)

We evaluated the Performance data using the GRI Reporting Principles for defining report quality (accuracy, balance, clarity, comparability, reliability and timeliness) together with [the Co-op’s basis of reporting](#) that describes how the data are measured, recorded and reported. This year we continued to rotate some data in scope. We continued to review key claims throughout the report including the outputs of data systems outside the Performance data but didn’t test these data systems in depth. The review of any data from prior years is not within the scope of our work (this includes any data in scope in previous years that has been re-stated).

Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at head office level. We undertook the following activities:

- Review of the current responsible business issues that could affect the Co-op and are of interest to stakeholders;
- Review of the Co-op’s approach to stakeholder engagement and recent outputs;
- Review of information provided to us by the Co-op on its reporting and management processes relating to the Principles;
- Interviews with selected Board members, Directors and senior managers responsible for management of responsible business issues and review of selected evidence to support issues discussed. We were free to choose interviewees and functions.
- Review of supporting evidence for selected claims in the Report. Selected claims were chosen based on their perceived importance and the materiality of issues at a consolidated group level;
- Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation. Given most reported data are calculated at group level, we undertook our testing at head office.

DNV Business Assurance Services UK Limited

London, UK
5 April 2023



WHEN TRUST MATTERS

Responsibilities of the Directors of Co-op and of the assurance providers

The Directors of the Co-op have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of Co-op; however, our statement represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Assurance Statement.

DNV’s assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Level of assurance

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our Assurance Opinion. We are providing a ‘limited level’ of assurance. A ‘reasonable level’ of assurance would have required additional work at Group and site level to gain further evidence to support the basis of our Assurance Opinion.

Independence

DNV’s established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. We have no other contract with the Co-op which would constitute a conflict of interest with this assurance work.

DNV Business Assurance

DNV Business Assurance Services UK Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.co.uk/BetterAssurance

Co-operative Group Limited

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It's what we do