

# Co-op Way Report - Basis of reporting

## About this document

This document explains the methodology we use to collect and calculate data reported in our annual Co-op Way Report (available at [www.coop.co.uk/sustainabilityreport](http://www.coop.co.uk/sustainabilityreport)). It covers our most material datasets, including the majority of data in scope of our external assurance process.

We aim to update this document on an annual basis alongside the Co-op Way Report to reflect any changes in methodology. This document was last updated April 2019.

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## Community investment

### Indicators

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

### Definitions

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

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

### Scope

The data covers contributions during the calendar year from all our businesses.

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

In England and Scotland, proceeds from the sale of single-use carrier bags (the "Carrier Bag Levy" are returned to communities through the Local Community Fund. This is reported within LBG data as "Leverage". Carrier Bag Levy funds from Wales are transferred to the Co-op Foundation to administer and are counted when paid out to Welsh charities.

In Northern Ireland all money raised from the carrier bag levy goes to the Northern Ireland Exchequer, to distribute to good causes of its choice. As this is a mandatory agreement, executed via the Exchequer, we do not include this total in our community investment data.

Throughout 2018 & 2019 we are rolling out compostable carrier bags to all communities whose local authorities have the means to recycle them. Compostable carrier bags do not fall under the Carrier Bag Levy, and are sold at cost price, so we do not include proceeds from the sales in our contribution to community or charity causes.

We reduce the figures for sponsorship to only include the portion which is community benefit, excluding the portion of any sponsorship which relates to marketing/brand awareness.

### Data calculation and methodology

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

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

Formal volunteer scheme data is collated via [Volunteering Matters](#).

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

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

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

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

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

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

## Colleague community activity

### Indicator

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

### Definitions

Eligible Time contribution is defined as 'Voluntary and charitable' in line with the [LBG definition](#).

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

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

### Scope

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

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

### Data calculation and methodology

Data is collected on templates set up in line with LBG methodology. Templates are sent out to various data owners across the business - generally colleagues directly delivering community investment projects, and finance and data management colleagues.

The data sets returned are then collated and de-duplicated to produce totals.

#### **Number of colleagues and hours contributed:**

Main channels/datasets include: Formal Volunteer scheme (covering the entire business), Funeralcare community trackers, Food volunteering data, Depot Engagement colleagues annual LBG reporting, Member Pioneer reporting, CEA annual LBG reporting, project based reporting, ie colleagues working on eligible projects such as the loneliness campaign, Local Community Fund and tackling modern slavery. These are largely self-reported data from colleagues.

For Funeralcare colleague time we use a conservative estimate of 50% of Funeralcare colleagues having taken part in community activity.

For colleague fundraising an estimate is used based on the following methodology which is in line with LBG reporting: *'70% of stores took part in Little Red Week (national fundraiser). That's 1,942 stores. At least one colleague took part from each store spending at least 2 hours planning and delivering.'*

We are aware our fundraising time for colleagues is significantly understated as we use a very conservative estimate based on national initiative periods in food stores.

Once the total amount of hours has been calculated from all the data sets this is then divided by 7.5 (hours in a standard working day) to work out the amount of days contributed.

**Value of staff time:**

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

*(Total Wages & salaries + social security costs + pension costs) / (Hours per year multiplied by FTE) =  
Av. Hourly cost*

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

## Ethical trade

### Indicators

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

### Definitions

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

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

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

- By site, we mean site of employment eg factory, packhouse, grower etc.
- We define a Tier 1 site as a production site where goods are finished, ready for supply to, or sale by, the end company. A Tier 2 site is a production site that supplies goods or materials to a Tier 1 site for incorporation into the finished product. Sites 'beyond Tier 1' include sites at Tier 2 and further down the supply chain, depending on the nature and complexity of the supply chain.
- By worker, we mean any person directly or indirectly employed to work at that site.
- By Sedex, we mean the Supplier Ethical Data Exchange (Sedex), a web-based system which allows organisations to store information about labour standards within their business and to share this with one or more of their customers.
- By audits, we mean an ethical/social audit to measure, understand, report and ultimately improve an organisation's social and ethical performance based on the Ethical Trading Initiative (ETI) Base Code and International Labour Organisation standards.
- A valid audit means (as set out in our Supplier's Guide to the Co-op Ethical Trade programme) it is:
  - Semi-announced
  - Conducted by a third party
  - A 'Sedex Members Ethical Trade Audit' (SMETA) or equivalent standard
  - Less than two years old
- By high risk we mean countries that are stipulated as high risk in our *Suppliers Guide to the Co-op's Ethical Trade Programme*, based on independent expert knowledge of issues known to exist in countries.

**Number of supplier training events completed:**

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

**Status of improvement actions from ethical audits completed:**

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

**Scope**

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

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

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

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

**Number of supplier training events completed:**

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

[Data calculation and methodology](#)

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

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

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

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

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

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

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

**Number of supplier training events completed:**

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

Calculations of data are summarised under Definitions (above).

[External standards or guidance used:](#)

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



## Fairtrade

### Indicators

- Co-op % change in Fairtrade sales
- % Fairtrade market share

### Definitions

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

#### **Co-op % change in Fairtrade sales:**

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

#### **% Fairtrade market share:**

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

### Scope

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

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

### Data calculation and methodology

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

#### **Co-op % change in Fairtrade sales:**

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

#### **% Fairtrade market share:**

Kantar measure retail sales (£) of Fairtrade products across the food retail and convenience food sectors in the UK. They calculate shares of the sales for each retailer.

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

## Animal welfare

### Indicators

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

### Definitions

All indicators relate to Co-op brand products only.

#### Proportion of fresh protein sales by type:

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

#### Proportion of sales by welfare standards:

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

	Standard range	Irresistible Range
<b>Beef</b>	Red Tractor	Red Tractor
<b>Lamb</b>	Red Tractor	n/a
<b>Pork</b>	RSCPA Assured	RSPCA Assured
<b>Chicken</b>	Red Tractor	RSPCA Assured
<b>Turkey</b>	Red Tractor / Quality British Turkey	n/a
<b>Salmon</b>	GLOBALG.A.P	RSPCA Assured

For Milk we identify National Dairy Farm Assured Scheme or Certified organic, and for Eggs we report RSPCA Assured/Free range or Certified organic.

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

#### Higher welfare sales:

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

- All eggs (all Co-op brand eggs are free range as a minimum)
- Chicken - Free range (retail line name) or Premium tier products (Premium tier are RSPCA Assured)
- Fish – Only those that are both salmon products (retail line name) and Premium tier (Premium tier are RSPCA Assured)
- Pork – All \* (outdoor bred from RSPCA Assured farms)
- Bacon – All\* (outdoor bred from RSPCA Assured farms)
- Sausage – All\* (outdoor bred from RSPCA Assured farms)

It also includes the following:

- RSPCA Assured Cooked Meat products
- RSPCA Assured Food to Go products

\* Prior to 7 July 2018 Standard Tier products were Red Tractor and those sales figures are not included as higher welfare

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

## Scope

### All indicators

Sales figures cover our financial year. We exclude branded products (ie non Co-op products)

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

Data excludes:

- Non-fresh products - those where the 'Department' (as identified by the column in the sales data) is listed as Frozen, Food to go or Prepared
- Chicken products classed as 'Chicken – Breaded' (not classed as fresh)
- Fish products classified as 'Fish – Shellfish'

## Data calculation and methodology

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

### Proportion of fresh protein sales by type:

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

### Proportion of sales by welfare standards:

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

### Higher welfare sales:

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

## Greenhouse gas (GHG) emissions

### Indicators

- Scope 1 and 2 emissions - UK grid average (location based)
- Scope 1 and 2 emissions - accounting for renewable electricity (market based)
- Scope 3 emissions
- % reduction in GHG emissions

### Definitions

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

Defined as the GHG emissions from our direct operations, counted as if all the electricity we buy was from the UK grid average mix of sources (ie not accounting for the renewable energy we buy).

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

Defined as the GHG emissions from our direct operations, accounting for the renewable energy we buy (ie as if renewable electricity purchased resulted in zero emissions).

#### **Scope 3 emissions:**

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

#### **% reduction in GHG emissions:**

Defined as the extent, expressed as a percentage, to which we've reduced the amount of direct (Scope 1 and 2) GHG emissions we produce in a calendar year, compared to our 2006 baseline.

### Scope

This data is provided to cover the full calendar year (for Scope 1 and 2 emissions) and covers all properties for which we have operational control in the UK.

We exclude immaterial elements of our Scope 3 emissions, ie those which we have determined to be an insignificant impact compared to those reported (upstream leased assets, downstream [direct to customer] distribution, processing of sold products and downstream leased assets).

We report currently to a baseline year of 2006, as this was the year against which our long-term GHG reduction target was based.

### Data calculation and methodology

Our total GHG inventory is based on:

#### **Scope 1**

- Natural gas used for heating (kWh) – data from our gas supplier
- Fuel used for heating / power generation (litres) - data from logistics records of purchased non-vehicle fuel
- Fugitive refrigerants (kg) – data aggregated from refrigerant top-ups by Co-op and subcontractors
- Mileage and fuel from all vehicles we control (miles) - data from logistics records

## **Scope 2**

- Electricity used (kWh) – data from our electricity supplier
- Renewable energy guarantees of origin (REGO)

## **Scope 3**

- Purchased goods and services retailed
- Purchased goods and services - goods not for resale
- Capital goods
- Fuel and energy related activities
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Use of sold products
- End-of-life treatment of sold products
- Investments

These data sources are each converted to their equivalent GHG emissions, expressed as 'tonnes of CO<sub>2</sub>-equivalent', this is based on the latest conversion factors published by the Department for Business, Energy & Industrial Strategy (DBEIS) mid-year in the calendar year reported.

For our home delivery fleet, we use the .gov MOT checker to source carbon emission factors.

### **% reduction in GHG emissions:**

The difference between current year and baseline year GHG emissions (Scope 1 and 2) as % of baseline year GHG emissions (Scope 1 and 2).

### **Unavailable data**

Occasionally we may find reporting data is unavailable in time for publication, in this case we may choose to either omit the figure entirely for the reporting year or to use estimation based on best available data, and in either case will clearly footnote any omission or estimation, as well as any subsequent restatement.

### **External standards or guidance used:**

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

## Energy used

### Indicators

- Total energy used

### Definitions

By energy use, we mean:

- Electricity consumed at our properties
- Natural Gas consumed at our properties
- Fuel (eg oil, diesel, petrol) consumed specifically to provide power or heat

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

### Scope

This data is provided to cover the full calendar year.

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

### Data calculation and methodology

We currently report to a baseline year of 2006, as this was the year against which our long-term GHG reduction target was based.

Our restatement criteria are included at the [end of this document](#).

#### **Electricity and gas use:**

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

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

#### **Fuel use:**

Quantities of non-transport fuel in litres purchased and used by our depot sites, based on data provided by our logistics team.

We convert litres to kWh using standard DBEIS conversion factors.

### External standards or guidance used:

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

## Electricity from renewables

### Indicators

- % electricity from renewables

### Definitions

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

### Scope

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

### Data calculation and methodology

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

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

### External standards or guidance used:

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

## Waste

### Indicators

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

### Definitions

#### **Total waste from operations:**

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

#### **% waste reused/recycled/recovered:**

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

#### **% waste decrease/increase:**

The extent, expressed as a percentage, to which we've reduced/increased the amount of waste we produce in a calendar year, compared to our 2006 baseline and the previous reporting period.

### Scope

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

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

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

### Data calculation and methodology

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

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

#### **% waste reused/recycled/recovered:**

Calculated according to the definition above.

#### **% waste decrease/increase:**

The difference between current year and baseline year/previous year, as % of baseline year/previous year.



We use a 2006 baseline to report our progress. This is the earliest year we have comparable data for so this represents the full span of progress since we have reported this figure.

## Packaging

### Indicators

- Packaging handled by material
- Weight (total and % change) of own brand packaging
- % of Co-op brand packaging easy to recycle

### Definitions

#### **Packaging handled by material:**

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

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

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

#### **% of Co-op brand packaging easy to recycle**

‘Easy to recycle’ is defined as being when the majority (by weight) of a product’s packaging components are labelled ‘widely recycled’, ‘recycle with carrier bags in larger stores’ or, for beverage containers, ‘widely recycled at collection point, check locally for kerbside’.

Our percentage of packaging recyclability is calculated by product, not by weight. It is calculated as a % total lines on sale at the end of the calendar year. A weight based calculation would result in a higher % easy to recycle as glass is heavier than other packaging types and easy to recycle.

### Scope

Packaging handled data covers the calendar year and covers packaging handled by our Food business and small amount from our Electrical business (<1% of total). Funeralcare and Consumer Services businesses do not produce reportable packaging.

Percentage of Co-op brand easy to recycle only includes Food products (not electrical as we don’t have own-brand products).

### Data calculation and methodology

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

#### **Weight of own brand packaging**

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

Sales data is provided to a third party (ERP) who combine with packaging weights to calculate total weight of own-brand packaging.

#### **Packaging handled by material**

Calculated based on our ‘share of responsibility’ for all packaging we handle, in accordance with the requirements of the [Packaging waste: producer responsibilities](#) legislation.

Sales data is provided to a third party (ERP) who combine with packaging weights to calculate total weight of own-brand packaging.

### **% of Co-op brand packaging easy to recycle**

We use data listing the live products on sale at year end in the reporting year and calculate whether the packaging is easy to recycle using the definition given above. The reported percentage is the amount of products considered easy to recycle as a percentage of the total products on sale at that point in time.

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

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

### Food redistributed

#### Indicator

- Food redistributed

#### Definitions

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

#### Scope

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

#### Data calculation and methodology

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

- Total weight of surplus food directly from our stores, measured by barcode scanners each time it is redistributed (intention to include in 2018 Report).
- Total weight of surplus food collected by Fareshare (largely from our depots) – from annual Fareshare data report

## Fish and Seafood

### Indicators

- % Co-op Fish wild caught vs farmed
- Proportion of wild fish and seafood by risk profile
- % of wild-captured seafood sourced from MSC fisheries (by volume)

### Definitions

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

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

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

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

### Scope

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

### Data calculation and methodology

#### **% Co-op Fish wild caught vs farmed:**

Calculated using the [Sustainable Fisheries Partnership](#) (SFP) metrics database which suppliers populate on a monthly basis with volume data for each of their seafood supply chains. Wild and farmed fish are categorised.

#### **Proportion of wild fish and seafood by risk profile:**

Calculated using the SFP metrics database and the Co-op risk assessment tracker excel sheet. This assigns a risk rating based on the Co-op Seafood Responsible Sourcing standard.

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

#### **% of wild-captured seafood sourced from MSC fisheries (by volume)**

Calculated as wild captured seafood from MSC fisheries as a percentage of total wild volume (wild only).

## Wood and paper

### Indicators

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

### Definitions

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

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

#### **% wood and paper for Food from FSC:**

% from FSC certified sources with full chain of custody.

#### **% wood and paper for Food from recycled sources:**

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

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

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

### Scope

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

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

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

### Data calculation and methodology

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

We report against a baseline year of 2006.

### External standards or guidance used:

GRI 301-2 Recycled input materials used (2016)

## FSC Coffins

### Indicators

- % of coffins made from FSC-certified wood

### Definitions

The amount of FSC-certified wood used in manufacture of coffins as % of total wood used in manufacture of coffins for the calendar year.

### Scope

The data covers the calendar year.

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

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

### Data calculation and methodology

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

## Palm oil

### Indicators

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

### Definitions

#### **Palm oil used in Co-op brand products:**

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

#### **RSPO sourcing in Co-op brand products:**

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

### Scope

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

Non-food products were excluded before 2014.

### Data calculation and methodology

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

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

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

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

#### **External standards or guidance used:**

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

## Healthier products

### Indicators

- % Co-op branded food products with no red traffic light
- % price-based promotions for healthier products

### Definitions

#### **% Co-op branded food products with no red traffic light:**

Our traffic light labelling provides nutrition information for our products at a glance. The colour coding allows customers to check if the product is low (green), medium (amber) or high (red) in fat, saturated fat, sugar and salt.

This indicator counts how many products do not have a high amount of one or more of these nutrients - fat, saturated fat, sugar, salt as % total number of products available.

#### **% price-based promotions for healthier products:**

This indicator counts the % of promotions which are for healthier products. Both own brand and branded products are included in this indicator. The % is based on the number of products, not on sales value ie the number of healthier product promotions as % of total product promotions.

Healthier products are defined as fresh produce, bread, pure fruit juice, canned fruit and vegetables in water or fruit juice, lean protein, plain pasta, rice and noodles, products meeting the [Food Standards Agency nutrient-profiling criteria used by Ofcom](#), products without a red traffic light, drinks classed as diet or no added sugar or any 'reduced' or 'light' products as defined in the nutrition claims regulations.

Nutrient profiling criteria used by Ofcom is a model which calculates whether a product is categorised as HFSS (High fat, sugar or salt) or not.

The criteria to claim 'reduced' can be found [here](#).

### Scope

#### **% Co-op branded food products with no red traffic light:**

Data relates to Co-op brand, processed products only.

It excludes the following products:

- non-processed food such as whole fruit and veg, and eggs
- alcohol
- non-food
- seasonal lines (due to them only being in the range for a limited period of time and excluding them is more reflective of our range throughout the year)

#### **% price-based promotions for healthier products:**

This covers both own brand and branded products are included in this indicator. Our Finance team runs a report in December/early January for the calendar year.

Data excludes the following:



- household
- newspapers/magazines
- pet food
- health and beauty
- alcohol

#### Data calculation and methodology

##### **% Co-op branded food products with no red traffic light:**

The % of products with no red traffic lights divided by total number of products carrying traffic light labelling is counted twice a year. Total products carrying traffic light labelling is extracted from MyCore system which maintains product specifications including traffic light labelling.

Data is captured in June and December to cover spring/summer and then autumn/winter launches. We then take an average of the two figures. The reason for this is we generally see fewer red traffic lights in summer as we have more salads/lighter meals and then in autumn/winter we tend to see more red traffic lights as our products are more indulgent/hearty meals for the colder weather.

##### **% price-based promotions for healthier products**

Promotions are tracked monthly and coded as healthier in our tracker. The number of promotions for healthier products is calculated as a percentage of promotions within scope.

## Health and safety

### Indicators

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

### Definitions

#### **Non-reportable accidents:**

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

#### **Reportable accidents:**

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

#### **The number of colleagues:**

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

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

### Scope

The data set is taken for the full calendar year.

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

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

The scope excludes:

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

### Data calculation and methodology

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

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

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

Calculation for these indicators is:

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

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

## Gender

### Indicators

- % colleagues that are female
- % managers that are female

### Definitions

Managers are defined as colleagues in the grade A-F, or, for food store colleagues those in position of Team Manager or above.

### Scope

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

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

### Data calculation and methodology

#### **% colleagues that are female:**

This is calculated as the number of payrolled employees (at end of Period 13 - final payroll date of the reporting year) recorded in the Oracle system with Female Gender, divided by total payrolled employees recorded in Oracle.

#### **% managers that are female:**

At final payroll date for the reporting year, the number of payrolled Employees recorded in Oracle with Female Gender and defined as manager (see definition above) is divided by total payrolled Employees recorded in Oracle, defined as a manager.

### External standards or guidance used:

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

## Colleague age

### Indicators

- % colleagues in each age band

### Definitions

Age bands are defined as:

- 24 and under
- 25-34
- 35-49
- 50-64
- 65 and over

As of end of calendar year.

### Scope

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

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

### Data calculation and methodology

The indicator is calculated at the end of year. The age, in years, of payrolled Employees recorded in Oracle is calculated:  $(\text{Effective Date} - \text{D.O.B}) / 365.25$ .

Number of employees in each age band (defined above) is expressed as a percentage of total payrolled Employees recorded in Oracle at final payroll date of the reporting year.

There is no rounding applied.

### External standards or guidance used:

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

## Number of colleagues

### Indicators

- Total colleague headcount at calendar year end

### Definitions

Total headcount is defined as the number of payrolled employees at final payroll date of the reporting year. It is the absolute headcount number and not the number of full-time equivalents.

### Scope

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

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

### Data calculation and methodology

Calculated as the total number of payrolled employees recorded in Oracle at final payroll date of the reporting year.

### External standards or guidance used:

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

## Restating and re-baselining criteria

### Criteria for restating previously reported data

Co-op will restate data previously reported when:

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

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

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

### Criteria for altering the baseline used for long-term targets

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

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

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

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

### Criteria for the boundaries of 'direct' environmental impacts

Co-op's reporting of environmental impacts from our direct operations follows the principle of *operational control*, ie we report those impacts for which we have direct control of the operation in question. This includes:

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

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