HEALTHIER, MORE SUSTAINABLE DIETS

A SUSTAINABLE FUTURE



We have an important role to play in helping our member-owners, colleagues and customers lead healthier, more sustainable lives.

The key <u>principles</u> of a healthier, more sustainable diet include eating more fruit and vegetables, a wider variety of protein sources and fewer, less healthy products. This aligns with the Government <u>Eatwell Guide</u>, with research showing that following the <u>Guide</u> could result in around a 32% reduction in environmental impact (<u>Carbon Trust</u>) and a 7% reduction in mortality (<u>BMJ</u>). It is vital that Co-op helps move customers towards this type of diet if we are going to achieve <u>our climate ambitions</u>.

In 2024, we embedded a healthier, more sustainable diets strategy, aiming to shift the balance towards more healthy and sustainable sales through three areas of focus:

HEALTHIER, MORE SUSTAINABLE PRODUCTS

We are committed to designing products with quality, health and sustainability in mind. Our Product Development team continue to review how we can develop our products to make healthier and more sustainable decisions easier for our customers.

To measure how we are helping customers to eat more fruit and veg, we track our sales and, in 2024, 19.4% of total Co-op sales tonnage (excluding alcohol and non-food) came from Co-op fruit and veg sales¹.

To play our part in supporting the <u>WWF's ambition</u> to halve the environmental impact of UK shopping baskets by 2030, we committed to reporting on our protein sales. In 2024, 26% of total Co-op sales tonnage (excluding alcohol and non-food) came from animal protein² and 0.66% from plant protein³.

Throughout 2024, 62% of Co-op own-brand products sold were non-HFSS and 78.5% of our Co-op own-brand food and drink sales (in tonnes) were from non-HFSS products. This year, we have invested in our data and reporting methodology to give a more detailed reflection of our range over the year, rather than at a certain point in time. While we continue to work on data for branded products, we have set a target that by 2030, 83% of our Co-op own-brand food and drink sales (tonnes) will come from non-HFSS⁴ products (excluding alcohol and non-food). This target will be updated in line with our improved data.

We are committed to reducing the amount of salt and calories in our customers' diets by working towards Government reformulation targets (see data table page 66).



Gro

We are dedicated to offering products that cater to a wide range of dietary needs and expanding the availability of vegan and vegetarian products in our stores and ranges. In the coming year, Gro branded products will move into Co-op's core brand design, with clear labelling to ensure customers can shop the products easily. To help us achieve our commitment, all future product development will have an emphasis on continually increasing vegetarian and vegan options across our own-brand ranges.

¹ Fruit & vegetable definitions can be found in the basis of reporting document

 $^{^{\}rm 2}$ Animal protein definitions can be found in the basis of reporting document

³ Plant protein definitions can be found in the basis of reporting document

⁴ HFSS is shortened term for food and beverage products which are high in fat, salt, and sugar, as defined by the OFCOM nutrient profiling model 2004-5

ACCESSIBILITY

At the 2024 Co-op AGM, our member-owners asked us to invest in Member Prices on more healthy products and ingredients, and provide inspiration and education around healthier cooking at home.

We have incentivised the sale of healthier products, such as fruit and vegetables, by lowering their prices through our Co-op Member Prices scheme.

In 2024, we expanded our range of lunchtime meal deal snacks to include more fresh fruit lines such as bananas and apples.

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

At the end of 2024, we promoted the Healthy Start scheme on our till screens in our England, Wales and Northern Ireland stores.

INSPIRING HEALTHIER, MORE SUSTAINABLE BEHAVIOURS

In 2024, we supported the Veg Power campaign again, which encourages children to eat more vegetables.

We are an official partner of parkrun, using the partnership to reach and engage with a passionate community, to promote health and wellbeing.

In 2024, we ran behaviour change trials (one online and one instore) to encourage customers to buy Co-op own-brand plant proteins, such as canned chickpeas and dried lentils.

We will take the learnings from these trials to explore further opportunities.

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. In 2024, we continued to work with suppliers to ensure that our ongoing range is fully compliant ahead of the new legislation changes that come into effect from 1st June 2025. We're also committed to selling alcohol responsibly. We work in partnership with the Drinkaware Trust and provided £272,323 of funding to them in 2024.



Helping customers buy more fruit and vegetables

During a three-month trial (June-August 2024), approximately 55,000 member-owners were selected to earn booster offers (e.g. £1 added to their membership card) for shopping a specified number of times or buying certain products on a specified number of occasions within a time period.

Participating members received two personalised booster offers to complete each month based on their current shopping behaviour. To encourage healthy eating, all members were also given either a fresh fruit booster, or a vegetable and salad booster each month.

Over the trial period, boosters encouraged more members to purchase fresh fruit, vegetables and salad more often⁵, with a sales unit uplift of 16% for fruit and 14% for vegetables and salad.

By the end of 2024, booster offers were extended to over 200,000 members and we plan to extend further. We have continued to give participating members a fruit or vegetable booster every month.

Key Performance data icons

HSD DATA

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

Issue	2024 Target	Performance against Target	KPIs	2020	2021	2022	2023	2024	2025 Target	SDGs
Healthier, more sustainable diets	We will continue to report on the percentage of Co-op own-brand products which are non-HFSS (excluding alcohol and non-food)	⊘	% of Co-op own-brand products that are non- HFSS products (excluding alcohol and non-food)	-	-	58	60	62	We will continue to report on the percentage of Co-op own-brand products which are non-HFSS.	
			% of Co-op own-brand food and drink sales tonnage (excluding alcohol and non-food) which are from non-HFSS products				-	78.5	By 2030, 83% of our Co-op own-brand food and drink sales (tonnes) will come from non-HFSS products, excluding non-food and alcohol.	
			To ensure the accuracy and consistency of our reporting over time, we have changed our reporting method this year. For more details on our methodology, please read our Basis of Reporting document here-porting new-porting new-po							
			% Co-op own-brand 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	95	95		
			% Co-op own-brand products that meet their Public Health England 2024 maximum salt target	-	94	95	96	97		
	Co-op own-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 are no more expensive (based on price/kg) in 2024.	Number of Co-op own-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	0	0	0	Co-op own-brand products which are 'reduced' or 'light' alternatives to a standard line will continue to be no more expensive, based on price per kg	3 GOOD HEATH AND WILLISHING
		kg) III 2024.	% of total Co-op sales tonnage (excluding alcohol and non-food) which came from Co-op fruit & veg sales					19.4	We will continue to report on the percentage of total Co-op sales tonnage (excluding alcohol and non-food) which came from Co-op fruit & vegetable sales	
			% of total Co-op sales tonnage (excluding alcohol and non-food) which came from animal protein					26	We will continue to report on the percentage of total Co-op sales tonnage (excluding alcohol and non-food) which came from animal protein and plant protein	
			% of total Co-op sales tonnage (excluding alcohol and non-food) which came from plant protein					0.66		