Supporting our Farmers and Producers

Our long standing commitment to British sourcing helps us to build strong relationships with producers, using 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.

Celebrating 10 Years of the Co-op Farming Groups

In 2011, we set up the first Co-op Farming Group in a response to farmer protests across the UK, fuelled by soaring milk prices. Since then, we've introduced another seven groups, providing mutual support networks and creating two-way engagement channels. Our long-standing commitment to British sourcing, moving to 100% British in 2018 across fresh and frozen protein, has helped us build strong producer relationships and to offer everyone food that is produced to high animal welfare standards, regardless of their budget. Currently, our farming groups cover over 400 producers across the UK, and we work with more than 3,700 farmers feeding into our own-brand fresh supply chain.

Our farming group members are also helping to progress our Greenhouse Gas (GHG) reduction commitments in addition to addressing challenges such as animal welfare, responsible resourcing, supply chain transparency, mental wellbeing, and farm safety, along with organising events such as our <u>Farming & Fisheries Conference</u>.

Climate Change

Over the last six years, we have been working collaboratively with environmental specialist ADAS RSK to develop GHG emission reduction plans for our farmers, setting ambitious targets aligned to our broader <u>science-based targets</u> to reduce emissions from dairy and beef production.

In 2021, we developed our Farming & Fisheries Innovation Pathway which will launch in 2022. The five-year programme aims to provide farmers and fisheries with specialist support to help them become more sustainable and deliver measurable improvements to their businesses. We'll be offering funding to support work in the food and farming sector which reduces GHG emissions, builds back our valuable ecosystems, and improves animal welfare.

Engaging our Farmers and Producers

Through 2021, we've changed the way we work with our farmers, moving to remote forms of communication to remain safe and inclusive, including holding four Mental Wellbeing Webinars with farming mental health charity The DPJ Foundation. Our #BetterTogether Farming & Fisheries Conference was attended virtually by over 300 producers, suppliers, colleagues and stakeholders.

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.

Read more about our Fairtrade supply chain <u>here</u>, and our approach to ethical trade and human rights <u>here</u>.





100% of Co-op branded fresh meat has been British since May 2017



100%

of Co-op branded frozen meat has been British since 2018

100%



of Co-op branded eggs, milk, fresh cream, cheddar cheese and block butter are British

100%

One of the first retailers to launch 100% British grow-your-own cherry tomatoes, beef tomatoes and strawberries selling in pots

Farming Pioneers

Now in its seventh 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.



Local sourcing

Our members and customers tell us that access to local products and supporting small producers is important to them and, as a community retailer, promoting locally sourced products and showcasing small producers within our stores is a key focus.

This year we used customer insight to develop a purpose-led, local strategy. The strategy aims to improve the range we currently have and increase sourcing from more purpose-led suppliers which give back to their community, aligning with Co-op Values. Our new strategy is focused on working closely with local and small producers to create stronger communities and a more diverse supply base.

We were delighted to have partnered with the Quality Food Awards for the sixth consecutive year, to celebrate small producers across the country. The Quality Food Awards allow us to showcase a group of suppliers who not only have innovative products but have purpose-led initiatives built into their ways of working. This year we had two winners: our Ambient winner was Pelagonia with their Aivar red pepper paste, and our Frozen winner was Caliendo's pistachio gelato.

We want to support small suppliers who are aligned with our Co-op Values, so this year we launched The Apiary, our Co-op Incubator scheme. Our scheme 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.

We have selected our first cohort of small suppliers, and new products will land in stores throughout 2022. 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.

Target Achieved 😑 On Track 🤣 Close to Target 🤇 Behind Schedule 🛞 Target not Achieved R Restatement 🔥 In-depth assurance

Key Performance data icons

lssue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Buying our goods and services	Following the launch of our Shared Value Charter, we will commence a programme to measure the shared value activity in our supply chain.	In 2021 we launched a shared value tracker to capture suppliers' shared value activity, and created our first annual report of this activity for internal stakeholders.						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.	17 PATRIESSIPS FOR THE COULS
			% 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	400	328	344	310		
			Numbers have dropped due to farmers leaving groups and large scale recruitment not possible.						
			Independent audits across Farming Groups	348	328	181	285		
Supporting British Farmers			All farms audited except Chicken group due to Covid and Avian Flu pressures.						
			% compliance with animal welfare KPI data from our Farming Groups	92.2	93.4	92.2	79.6		
			% producers completing enviromap	95	100	100	100		
			Now part of annual audit.						
			Number of active members of farming pioneer programme	54	104	64	64		
			We were unable to recruit new members in 2021 due No farming pioneers have yet completed programm						