

# Resource use

While we recognise that our biggest environmental impacts will come from changes in the way we source our ingredients, we also recognise that issues around recyclability of packaging, plastic pollution and the reduction of food that goes to waste are also very important.

## Plastics and packaging

We're aware that plastics and packaging are important areas of concern to our members, and that's why we launched our ambitious plan to make all Co-op branded packaging easy to recycle as part of our Action on Plastics plan when we launched our Future of Food ambition in 2018.

Packaging has a place, it protects our food and keeps it fresher and safe for longer. But we want to keep it in the economy and out of the oceans by using less and making our products easy to recycle. Our approach to recycling is about looking at the entire chain, from manufacture to waste management, taking into account the impact on shelf-life, to minimise the impact overall.

**78% of our own-brand packaging is easy to recycle** (by product line) (2019: 76%)

**11.2% reduction in our plastic footprint per 1% market share** since 2018 (2019: 4.3%)

## Making packaging easy to recycle

Our ambition is to make all of our packaging easy to recycle, whether that is through local council collections or collection points at stores. We knew that to do this, we needed to be part of the solution by redesigning our packaging. We've made great strides forward in making unrecyclable packaging recyclable - increasing our easy to recycle packaging from 46% in 2015 to 78% in 2020.

Our film collection in stores work will capture all of the remaining packaging, allowing us to make 100% of our packaging easy to recycle.

The Covid-19 pandemic delayed some of our progress, but we've been working hard to achieve our ambition even during lockdown.



## Moving to 100% of our packaging being easy to recycle

### Easy to recycle (78%)

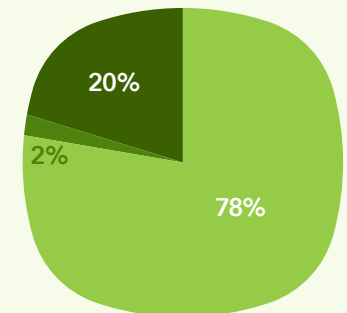
In 2020 we changed the plastic trays for our pâté, bacon and white fish to single materials, and reduced the plastic to paper ratio on our Irresistible sandwich bags and bakery grab bags to make them compatible with paper recycling streams. We have also started trials on continental meats in a single material tray.

### Our current focus (2%)

More challenging mixed material plastics such as skin packs for red meat and salmon, and laminates of paper, foil and plastic such as sachets for sauce mixes and cup soups. We are working hard to complete these last projects in 2021 to bring us to 100% recyclability.

### Flexible plastic film (20%)

Around a fifth of our current products are packed in flexible plastic films which we intend to collect through our new front of store takeback scheme (until local authorities are ready to include them in kerbside collections).



## Case study: Film Recycling

In September 2020 we launched a trial to allow customers and members to return all types of flexible plastics to front of store recycling bins. We return this waste to our recycling partner's advanced sorting facility in Birmingham (using empty delivery vehicles which are already returning cages, cardboard and other waste), where it is sorted into various polymer streams and sent on for recycling – all done within the UK.

Even within a social distancing environment, we completed a 10-week trial in 50 stores, collecting scrunchable plastics (bags and wrappers) which are not yet collected for recycling at kerbside in most areas of the country.

We learned that our customers are willing to bring back clean, good quality material that can be recycled into new non-food items such as waste sacks and other plastic items.

We only had 4% contamination from non-target materials. We learnt that we need to do some more work to get the message just right, but we're very encouraged by the results of the trial and so we aim to roll this scheme out to over 1,400 stores in 2021.

Working with our recycling partner gave us some key learnings on the design of the materials we are using to pack our products, for example, that metallised films like crisp bags can be recycled successfully.

## Increasing recycled content

2020 has seen more progress on closing the loop by increasing the amount of recycled content in our packaging. We moved all our 500ml, 750ml, 1 litre and 2 litre PET bottles for water, soft drinks and mixers to 100% recycled content, bringing the average amount of recycled content in our own-brand plastic packaging to 37% (2019: 33%).

We're 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.

## Compostable Carrier Bags

All Co-op stores will sell BS EN 13432 certified compostable carrier bags at 10p each, in place of conventional "single-use" from April 2021. Bags for Life will be removed from the range. Our analysis of industry data has shown that, in stores that have removed single-use bags from sale, many customers use a Bag for Life only once, which wastes much more plastic than using a single-use bag only once. We believe that the best approach for the environment and for customers is to offer a low-cost compostable bag, as well as offering high quality, really durable reusable bags that will last for years (and can still be recycled).

## Plastic reduction

In 2018 we set a target to reduce our plastic footprint by 6% per 1% market share over 2 years. Our total weight of own-brand plastic packaging sold decreased from 20,178 tonnes in 2018 to 19,383 tonnes in 2020, whilst our market share grew from 6.2% to 6.6%, which results in a reduction in our plastic footprint of 11.2% (2019: 4.3%).

Some of the things we have delivered in 2020 to achieve this target are:

- For our Christmas 2020 range, we removed all the plastic toys from our Christmas crackers and made our entire gifting range recyclable
- We removed unnecessary plastics such as overcaps on cream, plastic shelf trays, and the trays in baby sweetcorn, pies and food-to-go snacks
- We downgauged and lightweighted many plastic items such as juice bottles, cheese slice trays, exotic produce packaging, prawn cocktail pots and packaging for ground coffee.

Having met our 6% reduction target in 2020, we are increasing this to a new plastic reduction target of 15% by the end of 2022 (compared to 2018). We will continue to review and update this target as new opportunities arise.



## Food waste

**We follow the food waste hierarchy and take the best decisions for the environment:**

First solution

We aim to prevent food waste in the first place, recording our food waste in detail, and forecasting and managing our stock, aiming to get the amount available in store right.

When food is about to go past its 'use by' or 'best before' date, we reduce the prices of our products, aiming to make sure it gets sold and eaten instead of wasted.

We've rolled out Co-op Food Share to donate unsold food to local causes across the country, partnering 79% of Co-op stores with local causes to date.

If we get incorrect deliveries to our depots, we donate what our stores can't use to FareShare, who distribute to local charities.

Last resort

Finally, if we can't avoid excess food, sell it, or donate it to a charity or local cause, then we use it to make green energy.

Our Foodshare programme, which redistributes surplus food to local community groups, has grown by 80% compared to last year.

We've now reached active engagement through 79% of our stores, and donated 3,536 tonnes of edible food (2019: 1,951 tonnes).

Depot teams shared 509 tonnes of surplus food with FareShare in 2020.

Despite significant work at all levels of our business to make sure we follow the food waste hierarchy, we're disappointed that we've created 6% more store waste in 2020 (20,931 tonnes) than in 2019 (19,679 tonnes<sup>®</sup>), this is driven in part by increased sales in 2020. We're pleased that our food waste intensity (the % of products our stores handle that becomes food waste) is very slightly reduced in 2020. Our food waste from stores is 1.15% of the product we move through stores (we sell 98.6%) compared to 1.29% in 2019.

In 2021 our teams will be refocusing their efforts, with an emphasis on high waste products, to ensure we prevent food waste as far as possible and keep moving towards our 50% reduction target.

## Operational waste

The amount of operational waste we produce has reduced over the past year, and the operational waste that we recover or recycle has remained steady at a little over 98% of total waste. As of 2020 we also use the energy generated from our waste to provide energy through Co-op Power.

## Water

Water scarcity is a global concern with serious environmental, social and economic consequences. We're working to reduce the amount of water we use across our own operations. We've moved all our sites on to electronic billing this year and so expect the totals we report to be more accurate (see page 101). Water usage accounting remains challenging given the nature of water billing, access to meters and high prevalence of estimated bills. We'll report against our improved baseline next year and target a 10% reduction across our properties by 2025.

We also recognise that we use more water in our supply chains, particularly in agriculture. More detail on our work in supply chains can be found on page 71.

## 2021 targets

We will reduce food waste generated in our stores and depots by 50% by 2030, compared to 2015.

All Co-op own-brand packaging will be easy to recycle by Q2 2021.

We will reduce our plastic packaging by 15% by the end of 2022, compared to 2018.

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