

You said, we did

Update on our 2020
AGM motions



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Here's an update on the motions you voted for last year. More details on these motions and other initiatives are on our website: coop.co.uk

Motion 10 - Ethical Retailing

This meeting congratulates the Board and Management on the successful launch of the GRO range of vegan products which positions our Co-op as leaders in this new area of ethical retailing recognising the importance customers and members attach to the positive climate impact of a plant-based diet, animal welfare, and healthy eating. Building, as it does, on the success of the Society's leadership in the area of Fairtrade, the launch of the GRO range consolidates the Group's position at the forefront of ethical retailing.

This meeting believes that this is the right positioning for our Co-op and urges the Board to incorporate this thinking into its long term planning so that appealing to consumers on ethical grounds remains firmly at the core of our strategy.

BACKGROUND

As one of the largest consumer co-operatives, we exist to meet the needs of our members and to speak out about the things that matter most to them. Ethical retailing is in Co-op's DNA and central to our vision and strategy. Co-op is taking a long term and holistic approach to consolidate our position at the forefront of ethical retailing. Co-op's vision, Co-operating for a Fairer World, has a core commitment on 'Fairer for our Planet', with a plan in development for how we deliver this across all of our Co-op businesses. This vision is therefore incorporated into long-term planning across our co-operative, including in our Future of Food commitments.

- We are making it easier for our members and customers to increase the proportion of plant-based products in their diet.
- We are making it easier for our members and customers to buy Fairtrade, ensuring producers are given a fair deal for their work and are empowered.
- We are making it easier for our members and customers to eat healthily, through choice editing and product reformulation, as well as investment in packaging design to communicate nutrition and health characteristics.

WHAT HAVE WE DONE?

- Our own brand vegan range, Gro, launched in January 2020 and is now worth £13m. According to Kantar, Co-op is the fastest growing retailer for plant-based sales. In January 2021, we launched another 14 new lines in the GRO brand bringing the total range count to approximately 50 products. We have celebrated Veganuary with a full GRO marketing campaign encouraging our customers to try the GRO brand and incorporate plant-based eating into their diets.
- Co-op's ambition is to be the UK's biggest supporter of Fairtrade. In 2020 we have developed a new Fairtrade 5 year strategy to grow the contribution we make to Fairtrade producers and set new public measures for Fairtrade performance in our Co-operate sustainability report. This sets a new gold standard for reporting as for the first time we are making public the volume of Fairtrade ingredients Co-op source in tonnes, litres and stems.
- Demonstrating material impact to Fairtrade producers who benefit from Fairtrade standards, producer voice, minimum price and premium with every Fairtrade purchase. Co-op's ambition is to set growth targets to increase purchases of Fairtrade products by 2025. Fairtrade is core to

our own brand strategy, as well as our branded product plans.

- We have built on our ambition to strengthen Fairtrade producer communities by launching our Global Wellbeing Charter, and we reallocated close to £1 million of funds to support producer communities in tackling the pandemic.
- Through our commitment to Fairtrade, we are empowering producers through trade, not aid, and are giving them the tools to help themselves and strengthen their own communities, as well as mitigating the impacts of the climate crisis.
- Recent customer insight has told us that Co-op is seen as synonymous with Fairtrade. Over 53% of Co-op shoppers actively look for Fairtrade products, compared to 35% of non-Co-op shoppers. We continue to expand our Fairtrade range of products, including in the launch of our Everground Fairtrade coffee brand and Honest Value range.
- Co-op designs all of our products with quality, sustainability and health front of mind. In 2020 we removed 18,775,284 teaspoons of sugar from own brand products. This year we have enriched own brand food-to-go sandwiches with fibre and are launching 31 new health focused products and reformulating an existing 30 health focused products. This activity will expand in 2022.
- In our Customer Strategy, offering 'value with values' is one of our pillars. This means we have a strategic focus on developing propositions that are underpinned by our Co-op values, so that we continue to have a unique market position offering fair value for our customers and members, without ever compromising our Co-op values. We will be communicating 'value with values' through our customer and member communications in 2021. This includes highlighting 100% Fairtrade, Free Range, and our commitments on plastics through all channels.

Motion 11 - Support for the Wider Co-operative Movement

As the largest co-operative in the UK, this meeting welcomes the positive role that the Co-operative Group has played in the wider co-operative movement over many years and calls upon the Board and the National Members' Council to confirm their ongoing support for the organisational infrastructure necessary for a growing and thriving co-operative economy. This includes the provision of independent news and comment, co-operative education and training, heritage and international development work, as well as policy, finance, legal and governance advice.

BACKGROUND

Co-op believes co-operatives are a better way of doing business. We want to work with others to support our movement and to bring more people towards us. We want to be part of a modern, inclusive and future-focussed movement at the heart of positive change in the UK. We are ready to play our part in this, working alongside others – we know we do not have all the answers.

Co-op's ambition is to energise the Co-operative Movement, in a way which builds on the successes of previous generations of co-operators who established such firm foundations, whilst also learning from other more recent movements whose impact and relevance, especially amongst the young, provides lessons for us all. We want to

make sure that the Movement remains relevant for new generations of co-operators, given the pace of change and emerging opportunities for co-operatives in the future.

We want to be truly inclusive by understanding what existing members of the movement would value in terms of support, as well as what would bring those who are not currently part of the movement towards us. What has worked in the past, is unlikely to work, without change, in the future.

We were delighted to welcome Co-operative UK's new Chief Executive, Rose Marley, to our Movement and look forward to a highly productive working relationship in the time ahead. We know her skills in social enterprise and experience of working with young people will be invaluable.

WHAT HAVE WE DONE?

During 2020, our financial commitment to the Co-op Movement remained substantial, with over £1.6m provided in subscriptions and donations. Over the past 12 months, we have continued to work proactively with the wider Co-operative Movement.

- During the first phase of lockdown, we provided much needed advice and support to smaller co-operatives in partnership with the Plunkett Foundation. This led to telephone advice to over 700 organisations and over 50 one-to-one pieces of expert support.
- We played a central role in the Summer's Co-op Fortnight activities highlighting the part co-ops were playing in response to the pandemic, with a record social media reach of 12.5m.
- Throughout the year, we have campaigned alongside others in the sector on issues of common concern such as colleague safety and provision of free school meals, benefitting greatly from the influential role played by the Co-operative Party.
- We started the development of resources with the Co-op College to ensure our Member Pioneers and Co-op Academies are able to grow their understanding of co-operation.
- We continue to support the important work of the Co-op Heritage Trust, with historic materials from our former insurance business being transferred to the archive.
- More broadly, we supported development of the social enterprise sector, for example through the Buy Social campaign which reached 5 million users and the Social Enterprise Futures Conference in the Autumn.
- Through the Co-op Foundation's Luminate programme, we're helping to sustain emerging technology social enterprises and co-ops in Greater Manchester.
- Following the 2020 AGM, we continued to work with our co-operative partners to consider ways in which our Movement's institutions can meet the needs of the sector in the years to come.



Following extensive discussions over the past few years, we have asked Co-operatives UK and Co-operative Press to consider how our co-operative message might be communicated even more effectively – our view remains that there is scope for greater collaboration to amplify our voice and that this would lead to greater efficiency but we have agreed to provide on-going funding to Co-op Press during 2021 while discussions take place.

The Society is also very proud of our record in supporting co-operative education and our work with young people – this forms a key mission within our vision of Co-operating for a Fairer World. This is also a core area of activity for the Co-operative College and, in line with other co-operative societies, we continue to be a member of the College, delivering joint projects with them and also commissioning training services from them, for example for our member

pioneers and Co-op Academies. However, we have been concerned about the financial losses which the College has made over many years and have decided therefore to remove the unrestricted annual donation from 2021 onwards which, in part, was obscuring the need for more radical change and did not represent a wise use of members' resources. Our hope is that the College Trustees will have the appetite to work in partnership with ourselves and the wider Movement, embracing changes in higher education and listening and learning from others, to secure the future of co-operative education for generations to come.

This is an area where the Board has regular dialogue with the Members' Council and will continue to listen to their views and update them on activities.

Motion 12 - Climate Change

Our planet is facing a climate emergency and we need to accelerate our actions to address the potential catastrophic effects this will cause to our businesses, our supply chains, our communities and future generations.

This AGM recognises that our Co-op has been an active leader in the fight to tackle climate change, last year becoming the first UK retailer to pledge to meet the United Nations' climate target and reduce our greenhouse gas emissions to net-zero by 2050.

We also recognise that we must do more and this AGM calls on our Co-op to:

- Determine and report to members on the risk exposure of our businesses and supply chains to the effects of climate change;
- Establish and take the necessary actions to reduce or eliminate our emissions to achieve end to end net-zero on greenhouse gas emissions and bring forward our 2050 target as soon as practically possible;
- Engage our members, customers and suppliers to tackle the global environmental challenges we face; and
- Campaign and work with the co-operative movement and support emerging Co-ops to drive greater sustainability across the wider sector.

BACKGROUND

Our changing climate is not a new problem. Governments, businesses and civil society have known for decades that greenhouse gas (GHG) emissions are trapping huge amounts of heat energy in the atmosphere and that, unchecked, this threatens communities across the world.

It cannot be overstated; climate change is real and life-threatening. The science is clear and indisputable. Climate volatility is already affecting the foods we all rely on and the people who produce them.

In 2019 our members took the historic decision for Co-op to formally recognise the climate emergency, to

commit to science-based GHG reduction, and to take responsibility for both the direct impacts of running our business and for the products that we sell.

As listed in our response we are taking leading action on the climate emergency and the responsible sourcing of our ingredients which encompass the majority of our impact.

WHAT HAVE WE DONE?

- We have published leading targets which have been reviewed and approved by the Science Based Targets initiative (SBTi) (a coalition of leading NGOs including WWF, WRI, UN Global Compact).
- We will reduce our Scope 1 and 2 GHG by 50% from 2016 to 2025 in line with the pathway to limit global warming to no more than 1.5°C above pre-industrial temperatures.
- We will reduce our product-related (priority Scope 3) GHG emissions by 11% from 2016 to 2025 in line with leading and ambitious best practice as defined by the SBTi. In our Sustainability Report 2020 we report science-based targets initiative (SBTi) transparently on the indicative areas where we will look to secure these reductions.
- Over and above our priority commitments to reduce our carbon footprint we have announced additional commitments that our operations will go carbon neutral from 2021 and that our Co-op own brand food products will go carbon neutral from 2025.
- Climate change presents a real and present danger to our suppliers, in the UK as well as overseas. In 2020 we worked together with experts from the University of York to identify the risks of climate change related to our key ingredients and have reported this in our Sustainability Report 2020.
- We recognise that Climate Change is a humanitarian crisis as well as an environmental one. We are committed to a Fair Transition and are working with our partners, suppliers and farmers to help achieve this. Smallholder farmers in the global south are disproportionately affected by climate change. In 2020, we have worked with our Fairtrade coffee and



banana producers to build climate resilience and support producer communities to adapt to climate challenges.

- We've worked closely with the British Retail Consortium (BRC) during 2020 to agree a roadmap not just for ourselves to achieve these stretching commitments, but for the retail sector to do so together. 62 retailers have joined us and signed up to a joint plan to reach net zero GHG emissions by 2040, across our businesses as well as our supply chains, 10 years ahead of international agreements.
- We are proud that Steve Murrells will chair the BRC Climate Roadmap Steering Group.
- We recognise sustainability and climate change as a Key Priority Risk and report on it in our Annual Report and Accounts. We are currently exploring options to go further and to report on our key risks in line with leading practice as per the Task Force on Climate Related Financial Disclosure.
- We have relaunched our energy supply business, Co-op Power. We will support other co-operatives, NGOs and communities to address their climate change impacts through the purchase of green energy and advice services.
- We have engaged with our members via a series of climate related Join In sessions and will develop our future engagement in line with this.

Co-operative Group Limited

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www.co-operative.coop



It's what we do