



A Better Way of Doing Business for You and Your Community



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NB When we refer to 'children' in this document, we define this as persons under 16 years of age.

Section 1.0: Overview

Co-op has an important role to play in helping our members, colleagues and customers lead healthy lives and we do this through the products we sell and the initiatives we are part of. We all know that a balanced diet, together with an active lifestyle, is the key to good health and wellbeing. The Eatwell guide sets out the principles of a healthier and more sustainable diet. Co-op aims to help our customers move towards a diet more in line with the Eatwell Guide e.g. eating more fruit & veg and reducing consumption of products high in fat, sugar and salt.

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1.1 Why is health important to customers?

At Co-op, we know customers are eager to reduce their sugar, salt and calories and increase their fruit and vegetable intake.

Following the Covid-19 pandemic in 2020, consumers are more mindful than ever of their health and want to make healthier food choices. It is crucial that we meet the needs and expectations of our customers and provide delicious and inspiring healthy products.

1.2 Why is health important to us?

The obesity crisis in the UK is evident, and obesity strategies have been published by governments in England, Scotland and Wales.

Considering the evidence of links between people being overweight or living with obesity having more severe outcomes with contracting Covid-19, the Department of Health and Social Care published <u>Tackling Obesity: empowering adults and children to live healthier lives</u> in July 2020.

Obesity strategies published since 2016 have brought in the following:

- Sugar reduction targets
- Calorie reduction targets
- New salt reduction targets
- Mandatory calorie labelling for out of home
- · Restrictions on the placement of high fat, salt and sugar food and drinks
- Plans for restrictions on the promotion and advertising of high fat, salt and sugar foods and drinks
- Review of front of pack nutrition labelling
- Review of calorie labelling on alcohol

We have responded to the government consultations either directly, or through our trade body, the British Retail Consortium.

Co-op wants to play its part in tackling the obesity crisis and preventable diseases by helping our customers, colleagues and members make healthier and more informed lifestyle choices for themselves and their families. Our actions to support us in doing this are laid out in this document.

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1.3 Co-op health firsts

We've led the way in several areas for over 30 years, our journey to improving the health of the communities we serve is set out below.

- **1985** We were the first to put dental advice on all confectionery.
- 1987 We launched our first healthy range known as Good Life
- **1986** We introduced HIGH, MEDIUM and LOW nutrient labelling on food products the first consumer friendly, nutrition labelling system used by any retailer
- **1995** We became the first retailer to commit to front of pack nutrition labelling for fat and calories (salt was added in 1998)
- 1997 We added more dental warnings, this time on to sugary drinks and fruit juices
- **1998** We were the first to add salt to front of pack, and Guideline Daily Amounts information for calories, fat and salt on back of pack
- 2002 We were the first to add calorie information to alcoholic drinks
- **2005** We were the first supermarket group to remove a range of commonly used artificial colours and MSG in all own label food
- **2007** –We were the first to remove all artificial flavourings, flavour enhancing additives and benzoate preservatives from all our own label food
- **2006** We became one of the first retailers to adopt and support the FSA traffic light labelling scheme
- **2009** We were the first to introduce a front of pack logo across all ranges to highlight healthier choices across all ranges
- **2009** We became the first retailer to commit to a 'Healthy Promotions' target (this was paused in 2020 in light of upcoming legislation)
- **2011** We committed to ensuring that at least 30% of own brand processed products are healthy (no red traffic lights on front of pack) From 2022, instead of reporting on the percentage of products without red traffic lights, we have aligned with Government regulations and will use the OFCOM nutrient profiling model. We will now report on the % of own brand products which are non-HFSS (not High in Fat, Sugar or Salt).
- **2014** We were the first in the market to move our entire own label range of dilutable drinks to no added sugar
- **2015** We were the first in the market to move our entire own label range of chilled juice drinks to no added sugar.

Section 2.0: Our approach

To ensure that our nutrition targets and commitments are met by the business, we take a cross-functional collaborative approach, working with teams such as Product Development, Marketing, Own Brand strategy, Commercial and Labelling to ensure we make it easier for customers to choose healthier options in our stores.

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2.1 Future of Food plan

Co-op's commitments for a healthier future sit within this Future of Food plan and are outlined below. These commitments will help shift our customers towards a diet closer to the Eatwell Guide.

- We will design Co-op products with quality, sustainability, and health front of mind
 - We'll increase the amount of fruit and veg as ingredients in Co-op own brand products.
 - We'll increase the choice and accessibility of healthy and delicious products in Co-op stores.
 - We'll continue to take a responsible approach to reducing the amount of salt, sugar, and calories in Co-op own brand products.
- 2) We will educate and empower the generations of today and tomorrow, so they can make informed choices.
 - We'll inspire healthy, sustainable behaviour in communities through behaviour change trials with partners.



3.1 Nutrition and 5 a day claims

Since 2009, we have been adding nutrition and 5 a day claims on front of pack to help customers choose healthier options every day. For Co-op products to carry a nutrition or 5 a day claim, or to sit in our health design, they must be developed to meet strict nutrition criteria, which include the following:

- It must not display a red traffic light* as determined by the UK front of pack labelling scheme (this ensures we are not making claims on products which are high in fat, sat fat, sugar or salt)
- It must meet our reformulation targets (salt and calories)
- It must meet the requirements for a permitted 5 a day claim or a permitted nutrition claim set out in EC Regulation 1924/2006 on Nutrition and Health Claims Made on Food as amended

If a product cannot meet these criteria, then it will not carry a claim or sit in the health design. These criteria are used across all own brand food and drink categories except for alcohol



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(alcohol isn't permitted to carry nutrition claims apart from <u>nutrition claims</u> referring to low alcohol levels, or the reduction of the alcohol content, or the reduction of the energy content for beverages containing more than 1,2 % by volume of alcohol).

*Except for when it's naturally occurring e.g., high sugar in dried fruit.

At the end of 2022, 58% of our Co-op own label food and drink products (excl alcohol) were non-HFSS (not High in Fat, Sugar or Salt).

3.2 Co-op Free From

Co-op Free From is a range of great tasting everyday and seasonal Free From products across key categories that customers diagnosed with food allergies or intolerances can trust to meet their dietary requirements.

Free From products can be found across our store in ambient, chilled, frozen and in Food to Go.

Co-op won Convenience Free From Retailer of the Year 2022.

As well as having Co-op Free From products, we aim to remove allergens in the formulation of our everyday products where there is no compromise on flavour. products display Free From icons to help customers identify them.



These







3.3 Co-op Vegan and Vegetarian

Having seen an increase in our customers sourcing plant-based products, we launched our GRO range in 2020. This range sits in various categories across our store such as Food to Go, ready meals and frozen.

We also add vegetarian and vegan logos to front of pack of other products, as well as providing a full list of ingredients on back of pack to ensure customers are confident that the product is suitable for them.



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3.4 Honest Value range

Co-op launched our Honest Value range at the end of 2020 to offer low-cost items which still meet our values such as Fairtrade, British meat, etc. The products in this range are also developed to meet our nutrition criteria.

Over the past few years, we have improved accessibility by increasing the number of products in the range and increasing the number of stores in which the products are stocked.

In March 2023, our Honest Value range consisted of approximately 51 products including staples like fruit and veg, eggs, rice, pasta, bread and meat. 71% of these products were non-HFSS.

3.5 Infant food

Co-op does not produce or sell own-label infant food or formula.

Section 4.0: Improving the nutritional profile of Coop products

We are committed to improving the nutritional profile of our own brand products through reformulation and new product development.

Co-op products must adhere to the nutrition requirements laid out in our Nutrition Code of Practice. This document contains requirements such as salt reduction targets and calorie reduction targets. Our Product Development team and Technical Managers work closely with our suppliers to ensure that these requirements are met.

We work with branded suppliers to actively promote their healthier choices and support the brands to reformulate their current products, ensuring healthier choices remain in their future thinking and planning.

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During reformulation, our Product Development team will not increase the nutrients of concern (fat, sat fat, sugar, salt, calories) in our products unless it is required for technical or quality reasons. Further, we encourage them to increase the fruit and vegetable content where possible.

4.1 Sugar

In 2017, Public Health England (PHE) set a target for the food industry to reduce the amount of sugar sold by 20% between 2015 to 2020 in the top categories contributing sugar to children's diets.

Co-op has been reducing sugar and measuring progress since 2014, with focus on the PHE sugar reduction categories: breakfast cereals, cakes, morning goods, puddings, ice-cream, spreads, dessert toppings, chocolate confectionary, sweet confectionary, yogurts, biscuits.

Co-op ask our suppliers and product developers to reduce sugar as far as is possible in our products, without having a negative impact on quality, taste or shelf life and without any increase in total calories or saturated fat.

Between 2014 to 2022, 768 million teaspoons of sugar* have been removed from customer baskets. We have stopped reporting on our sugar reduction activity as the Public Health England sugar reduction programme ended in 2020 and we're now focusing on calorie reduction.

The Office for Health Improvement and Disparities (OHID) published the final sugar reduction progress <u>report</u> in December 2022.

Table showing Co-op progress towards the -20% sales weighted average reduction in sugar per 100g (From December 2015 to September 2020)

Category	Co-op progress
Biscuits	-9%
Chocolate confectionary	-15%
Ice-cream	-5%
Morning goods	-6%
Sweet spreads	0%
Dessert toppings	0%
Yogurts	-21%

Public Health England (PHE) also published sales weighted average <u>targets</u> for a 5% sugar reduction in juice-based drinks and a 20% sugar reduction in milk-based drinks by 2021 (from a 2017 baseline). Co-op completed a massive piece of work to reduce the sugar in our milk-

^{*}assuming sales remain flat year on year

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based drinks in 2016 - before these targets were set - so our reformulation work wasn't captured by PHE. In 2016, Co-op chocolate milk was reduced in sugar by 30%, strawberry milk by nearly 22% and banana milk by 27.5%.

Table showing Co-op's progress towards the PHE targets for milk- and fruit juice-based drinks (From December 2017 to September 2020)

Category	PHE target	Со-ор
		progress
Pre-packed milk-based drinks	-20%	-5%
Pre-packed mono juice drinks	-5%	0%
Pre-packed blended juice	-5%	+3%

Co-op were first in the market to move our entire own brand range of dilutable drinks (2014) and chilled juice drinks (2015) to no added sugar. In April 2018 when the <u>soft drinks industry levy</u> was introduced, Co-op only had a small number of products which were captured by the levy. We have carried out reformulation and currently none of own brand products are captured by the levy.

4.2 Salt

Co-op has been voluntarily signing up to the government salt reduction targets since 2006.

At the end of 2020, 98% of our own brand products met their maximum <u>Department of Health 2017 salt reduction targets</u>. We sold 70 of the 76 categories of products listed in the 2017 targets. We did not sell own brand canned frankfurters (category 1.7.1), cheese spread (category 4.5.1), lightly salted butter (category 5.2), meat free bacon (category 25.3), dehydrated instant mash (category 26.3), stocks (category 28.1).

Public Health England published <u>2024 salt reduction targets</u> in September 2020. From May 2021, Co-op has been working towards the 2024 maximum salt targets for all categories which we sell. By December 2022, 95% of Co-op products met their 2024 maximum target. We sold 79 of the 84 categories of products listed in the 2024 targets. We did not sell own brand canned frankfurters (category 1.7.1), cheese spread (category 4.5.1), meat free bacon (category 25.3), dehydrated instant mash (category 26.3), stocks (category 28.1).

We aim to not increase salt in our products during reformulation unless it is required for technical or quality reasons.

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4.3 Calories

Public Health England set their calorie reduction <u>targets</u> in September 2020, with both the maximum per serve and sales weighted average targets to be met by the end of 2024.

Co-op began managing the calorie content in our products in 2012 when calorie guardrails were put in place for products within our ready meals, pizzas, food to go sandwiches and salads ranges.

To reduce the overall calorie content of more products and more ranges, in July 2019 Co-op set maximum calorie targets for 22 food categories, including ready meals, pizzas, sandwiches and cakes, which were to be met by the end of 2021. These targets are based on the calorie content of our products per serve, not sales weighted averages.

We are reducing calories* in 22 key categories**, in line with Public Health England's reformulation programmes and will report on progress annually from 2022.

*Category-specific maximum calories per serve set by Co-op, aligned with or lower than Public Health England targets

**22 sweet and savoury categories based on those within the PHE sugar and calorie reformulation programmes

At the end of 2021, 94% of Co-op products met their maximum calorie target across 22 key categories. Unfortunately, Covid in 2020/2021 impacted our opportunities to reformulate so we have continued to review the non-compliant products for reformulation to further improve our compliance with these targets. At the end of 2022, our compliance increased to 94.5%. We will continue to work on improving this compliance.

Categories in scope of Co-op calorie targets

- Ready meals (complete meals)
- Pizzas
- Sandwiches
- Food to go salads and sushi
- Meal centres
- Savoury pastries
- Hot Food
- Potato products
- Pasta/noodles/cous cous etc. with additions
- Chilled filled pasta
- Crisps and savoury snacks
- Chilled savoury snacks
- Garlic and Cheesy breads

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- Breakfast cereals
- Sweet biscuits and cookies
- Cakes
- Chocolate confectionery
- Ice cream and lollies
- Morning goods
- Puddings
- Sweet confectionery
- Yoghurts

We include recommended portion sizes on our labels to help guide our customers. We do not encourage excess consumption or inappropriate portion sizes through on-pack photography.

4.4 Fruit & Veg

We signed up to the <u>Peas Please</u> campaign in 2017 to help the nation eat more veg. Our pledges can be found <u>here</u>.

We are held accountable for the progress we make on increasing the veg content of our products each year as we must provide information to Peas Please for their progress reports. We scored 'yellow: on the road to success' in their <u>2022 progress report</u>.

Some of our key achievements from 2022 included:

- From May 2021 to May 2022, the vegetable content in our Food To Go salads was increased by 11.5%, with 75% of the salads containing at least 1 of your 5 a day.
- In Autumn 2022, 53.5% of our ready meals range contained a portion of veg (up from 47% in Autumn 2021).

As well as finding opportunities to add more veg into our Co-op products, we have also been using product labels to help inspire customers to add more veg to their meals.

- We add serving suggestions to frozen pizza, ready meals and cooking sauces to encourage customers to add more veg to their meals. For example, 'try me with a side salad' has been added to our frozen pizzas.
- We have been adding a portion of vegetables or a side salad to photography on front of pack to inspire customers how to complete their meal.

For information on our progress on our communications commitments, please see section 8.1.

To help ensure we don't waste fruit and veg, all packaged produce follows a standard price reduction process, starting up to 24 hours before end of life. If it remains unsold it will either go to waste, or to a Foodshare partner. This applies in all stores which sell packaged produce.

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4.5 Trans Fats

In 2007 we removed hydrogenated vegetable oil from all our own Co-op brand products.

The use of hydrogenated fat as a direct ingredient is prohibited in all Co-op own brand products. Use within an additive may be permitted if no suitable alternative is available.

Section 5.0: Labelling

5.1 Labelling Policies

Co-op is committed to using front of pack traffic light labelling on our own brand products to allow customers to make easy, healthier choices. We provide information on

- energy, fat, saturated fat, sugar and salt content per 100g and per serving
- the percentage reference intake of these nutrients
- whether the product is high, medium or low in these nutrients through use of the traffic light colours.

Our history of clear labelling is below:

History

- **1985** We were first to put dental advice on all confectionery
- **1986** We introduced HIGH, MEDIUM and LOW nutrient labelling on food products the first consumer friendly, nutrition labelling system used by any retailer
- **1995** We became the first retailer to commit to front of pack nutrition labelling for fat and calories (salt was added in 1998)
- 1997 We added more dental warnings, this time on to sugary drinks and fruit juices
- **1998** We were first to add salt to front of pack, and Guideline Daily Amounts information for calories, fat and salt on back of pack
- **1999** We became the first UK retailer to label the ingredients within our own-brand wines. By the end of 2007, all of our own brand alcohol beverages included the ingredients on their labels.
- 2002 We were first to add calorie information to own brand alcoholic drinks
- **2006** We became one of the first retailers to adopt and support the FSA traffic light labelling scheme
- 2009 We introduced a front of pack logo to highlight healthier choices across all ranges

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2009 – Co-op started including traffic light nutrition information on recipes on our corporate website, magazine, digital media and recipe cards/point of sale.

2010 – Co-op moved to hybrid scheme combining colour coding and GDAs. Co-op included energy and reference intakes on front of pack panel in line with new Department of Health guidance.

2021–We launched a new health design to make it easier for customers to identify healthier choices in our stores.

For most of our on-pack nutrition information, Co-op uses analysed nutrition carried out by an accredited laboratory. We use data from McCance and Widdowson's The Composition of Foods data for fruit and vegetables and plain protein (meat/fish).

5.2 Traffic light labelling

Co-op is committed to adding traffic light labelling to front of pack on all Co-op own brand processed products, apart from the exemptions set out in Annex V of Regulation (EU) 1169/2011 on the provision of food information to consumers, and on gifting products e.g. Christmas chocolates.

Product categories where we do not add traffic light labelling, as per <u>Department of Health guidance</u>:

- In-store bakery items*
- Milk
- Eggs
- Cooks' ingredients such as herbs, spices, oil, vinegar
- Plain meat e.g. chicken breast, lamb leg, steak, mince
- Fresh/frozen unprocessed fish
- Frozen veg
- Dried pasta
- Home baking products such as icing, nuts, seeds, dried fruit, flour, sugar
- Prepped veg/salad
- Lentils/pearl barley/soup mix
- Whole fruit and veg- potatoes, apples etc
- Gifting e.g. Christmas chocolates
- Products where the labels are too small
- Bottled water
- Alcohol
- Coffee/tea

*We provide kcal/kJ info on the shelf edge label. We have implemented any requirements of the out of home calorie labelling regulations.

We also include a full table of nutrition on back of pack with traffic light labelling where space allows.

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We provide nutritional information per 100g and per serving (where applicable) for all our own label products, sold through Co-op online delivery. We also include an image of the front of pack so that the traffic lights are visible.

All Co-op own brand products carry a recommended portion size on front of pack. For meat and fish, we provide nutrition information per 100g to allow for easy comparison between products, and for fruit & veg we give a portion of 80g, which is based on Government's 'one of a 5 a day'.

See section 3.1 for information on our nutrition and 5 a day claims on front of pack.

5.3 Allergens

On pre-packed food items, any allergens in our Co-op products are highlighted in bold in the ingredients list on the back of pack. We will always try to highlight the allergy update flash on front of pack to highlight changes.

Foods prepared and packed in-store (pre-packed for direct sale) also highlight allergen information on their labelling. Over 2021 we extended this information to include all ingredient information ahead of Natasha's Law coming into effect on 1st October 2021. We did this across the entire estate of our stores in England, Wales, Northern Ireland, Scotland and the Isle of Man.

For foods prepared in-store and sold loose, allergen information is displayed on the shelf edge ticket for the product with notices for customers to ask store colleagues, if necessary, who have access to the full ingredients list of the product on our internal system. A list of all loose bakery items and the allergens they contain is also available on our Co-op website.

Section 6.0: Accessibility

We use several methods to ensure the accessibility of healthy products for our customers.

6.1 Range

We focus on developing ranges that meet all customer needs, particularly through well balanced nutritious foods and the availability of fresh fruit and vegetables, meat and dairy.

More widely we offer tasty healthy products that are easy to purchase for our convenience customers. In Section 3, more can be found about our product ranges, which are constantly developing to meet future needs as customer expectations evolve.

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6.2 Price

Price may be a barrier for some customers to choose a healthy nutritious lifestyle. That is why at the Co-op we are proud that our own brand healthier choices (i.e. 'light' or 'reduced' alternatives) are no more expensive than the standard products. This applies across all our stores and Co-op online delivery.

We report on our compliance with this commitment in our annual <u>Sustainability report</u>, published each April. At the end of 2022, all products met this commitment.

We increased the value of the Government's Healthy Start vouchers by £1 (£3.10 to £4.10) in Co-op stores in England, Wales and NI throughout 2021. The scheme provides pregnant mothers and families with children under the age of four who are eligible for certain benefits a weekly voucher that can be spent on milk, fresh, frozen, and tinned fruit and vegetables, fresh, dried, and tinned pulses, and infant formula milk. This commitment has been part of our work as a founding member of Marcus Rashford MBE's Child Poverty Task Force, which aims to ensure that all children have access to healthy and nutritious food.

In 2023, we have been promoting the Healthy Start scheme every month on Co-op till screens and it is also supported on our in-store radio channel daily. We are exploring how to better promote it on other customer channels, particularly in locations where a higher frequency of shoppers meet the criteria for vouchers.

6.3 Placement

Our aim is to ensure that healthy options are available to customers and that they are clearly visible in store. In our larger convenience stores the layout ensures that fresh produce is the first section customers find when they enter the store.

In July 2020, the Department of Health and Social care published <u>Tackling Obesity:</u> <u>empowering adults and children to live healthier lives</u>. This laid out plans to restrict the placement of HFSS (high fat, sugar, salt) foods and drinks. This legislation was enforced in October 2022. We have incorporated any legal requirements into our policies as applicable. We use the OFCOM nutrient profiling model (2004-2005) to determine if our Co-op products and branded products are HFSS when deciding where they can be merchandised.

6.4 Sweets at checkout

In June 2016, Co-op banned the sale of sweets and chocolate confectionery from checkout stands in all our stores in the UK.

The legislation to restrict the placement of HFSS products includes checkouts and so replaced this commitment in stores in scope of the legislation.

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6.5 Promotions

In July 2020, the Department of Health and Social care published <u>Tackling Obesity:</u> empowering adults and children to live healthier lives. This has laid out plans to restrict volume promotions of HFSS foods and drinks. These restrictions are due to be enforced in October 2023. We will incorporate any legal requirements into our policies as applicable. We will use the OFCOM nutrient profiling model (2004-2005) to determine if our Co-op products and branded products are HFSS when the legislation is enforced.

We know our customers are looking to increase their intake of fruit and vegetables, but price is the biggest barrier to them shopping this category. Therefore in 2023, Co-op moved away from regular price promotions, which our customers told us weren't working for them; instead investing in prices across our Produce range, with some seasonal promotions.

Section 7.0: Inspiration and marketing

Marketing and advertising help us to inform our customers about our business, our products and our Co-op difference.

To ensure we market and advertise in a responsible way, we comply with industry guidance such as the CAP code, BCAP code, Portman Code and the advertising controls put in place on the Transport for London network. These include:

- Broadcast TV
- Digital Display
- Paid Social
- Online Video
- Out of Home advertising (OOH)

7.1 Co-op marketing to children policy

Co-op do not market to children (under 16 years of age), and we don't promote our products in any junior/early teen publications.

- Co-op do not give free samples or promote HFSS products specifically aimed at children
- Co-op do not run in-store promotional campaigns/activities directed at children that involve any HFSS products
- Co-op do not allow own label equity (cartoon type) characters to be developed as a product or on artwork with the exception of seasonal products (Easter, Halloween, Christmas only)

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and fruit & veg products. This includes any designs that could be interpreted as being aimed at children, for example, images of dinosaurs or unicorns.

- Co-op do not advertise HFSS products in specific children's titles or adjacent to children's pages in newspapers.
- Co-op do not give free samples or promote by demonstration in stores, any high fat, sugar and salt products aimed specifically at children
- Co-op do not advertise HFSS products on TV during children's television hours
- Co-op do not advertise HFSS food and drink products across any on-broadcast media (including print, cinema and online/social media) targeted at under 16's
- Co-op banned the sale of high caffeine soft drinks to under 16's.

7.2 Co-op marketing to parents policy

The Co-op does not market directly to children (under 16 years old) however we do market products and recipes to parents to give to their children. In 2022, a 'Marketing to Parents' policy was developed.

This policy applies across <u>all comms channels</u>, e.g. magazine, social media, online, in-store POS, advertorials, etc. and applies to Co-op brand and branded products:

Only non-HFSS food products, non-HFSS recipes and no added sugar drinks can be marketed using:

- phrases related to children or families, e.g. children's lunchboxes, back to school, recipes for families, half-term recipes, getting kids involved with cooking
- photography of children or cartoon-type characters/child-friendly images

HFSS baking recipes are allowed all year round and may refer to children and families e.g. a cake recipe for children to make for Mother's Day.

Co-op use the Food Standard Agency's OFCOM nutrient profiling 2004-2005 <u>model</u> to determine which food and drink products (both Co-op products and branded products) are classed as non-HFSS (non-high fat, sugar or salt) i.e. healthy.

In July 2020, the Government published their <u>Tackling obesity: empowering adults and children to live healthier lives</u> policy paper. This set out their plans to tackle obesity with measures including banning the advertising of HFSS products being shown on TV and online before 9pm. These restrictions are expected to be enforced in October 2025. The Government will use the OFCOM nutrient profiling model to determine HFSS products. Co-op will incorporate any new legislation into our polices where applicable. We will use the OFCOM nutrient profiling model to determine if our Co-op products and branded products are HFSS when the legislation is enforced.

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7.3 How Co-op define 'healthy' products

Co-op use the Food Standard Agency's OFCOM nutrient profiling 2004-2005 <u>model</u> to determine which food and drink products (both Co-op products and branded products) are classed as non-high fat, sugar or salt i.e. healthy. We use the model without any adaptations across all own brand and branded food and drinks when:

- We use the term 'healthy' or imply it on recipes, POS, digital, own brand adverts & advertorials, TV.
- We advertise products during children's television programmes

The OFCOM model applies equally to all food and drink; there are no exemptions or categoryspecific criteria.

7.4 Inspiring through content

We inspire our customers to choose healthy products and live healthier lifestyles through a variety of channels.

- We provide information on nutrition and healthy lifestyles on our <u>website</u> to support our customers in understanding how to achieve a healthy, balanced diet.
- To help customers choose healthier recipes, Co-op include traffic light nutrition information on recipes on our website, digital media and recipe cards in store.
- We apply nutrition claims and 5 a day claims to recipes on our website to make it easier for customers to spot the healthier recipes. We add 5 a day claims to social media recipes where applicable.
- Social media is a huge opportunity for the Co-op to share our products and activities
 in relation to health and wellbeing. Our customers are increasingly active on these
 platforms and engage widely, meaning that we see these platforms as a crucial
 channel in engaging future generations and raising the profile of our health offering.
- The focus of our in-store communication and point of sale communications (POS) is to help customers navigate our stores and make their shopping trip easy. Our own brand range has a number of healthy options available and we supplement this at key times with POS to make these more prominent and visible to our customers, for example in our healthier choices campaigns which we have run in January for the past number of years.

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Example of Healthier Choices campaign in Jan 2021

Section 8.0: Healthy Partnerships

We work with a number of partners to promote and encourage healthier diets.

8.1 Peas Please

In October 2017, we signed up to the <u>Peas Please campaign</u> founded by the Food Foundation. We committed to increasing the amount of vegetables in our products and to inspire customers to eat more veg through our communication channels. See section 4.4 for our commitments.

Co-op has increased the presence of veg in our Co-op communications through several methods.

- Promoting the 5 a day claim on relevant recipe content across all organic channels each month
- Using our organic channels to promote vegetables at least once a month, using a variety of formats including inspiring growers' stories, recipes, and best in season/seasonal produce posts.

8.2 Veg Power

We co-funded and supported the <u>Veg Power</u> 'Eat them to Defeat them' campaign in early 2019, supported by ITV. This campaign aimed to inspire children to start eating more vegetables. Some Co-op activity included:

A joint TV advert with other food retailers on ITV

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- Sainsbury's and Co-op taking part in a co-ordinated Twitter battle against the veg.
 Working together we called on our audiences to share photos of them eating veg and to commit to eat more veg so we could take back control of our Twitter accounts
- Working with Co-op Academies where we captured content of children taking part in sessions at school learning more about vegetables. We used this content to create a blog post and video.

In 2020, we supported the campaign again on our social media channels. We also part-funded interactive kids' magazines which went to schools in lower demographic areas to encourage the eating of more veg. Our Member Pioneer network also shared the activity books in their local communities.

In 2021, Co-op became a founding member and supported Veg Power again, and also in 2022. We provided Veg Power resources to our Co-op Academy students.

8.3 Change4life/Better Health

<u>Change4life</u> was the marketing programme set up by Public Health England to provide parents with the information to make simple changes to have a healthier lifestyle for their families.

We partnered with Change4Life since its creation in 2009 and have supported a number of the campaigns in-store via till screens and in-store radio, as well as on our Co-op website and in the Co-op Food magazine.

Change4life has now been replaced with the Government's <u>'Better Health'</u> campaign which we have supported on our Co-op website since January 2022.

8.4 DrinkAware

We have been working in partnership with <u>The Drinkaware Trust</u> since 2007 to promote responsible drinking. More information on this can be found in Section 12.1.

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Section 9.0: Healthy behaviours

As a responsible retailer we are always looking for ways to help customers make healthier choices. As per our Future of Food commitment 'we will inspire healthy, sustainable behaviour in communities through behaviour change trials with partners', we have implemented behaviour change trials to switch customers to healthier, more sustainable choices.

9.1 Consumer Goods Forum trial

The Consumer Goods Forum (CGF) is an organisation that helps retailers and manufacturers to collaborate and drive positive change and efficiency. While Co-op is not a member of the CGF, we decided to join their Collaboration for Healthier Lives UK programme to play our role as a responsible, collaborative retailer.





In summer 2019, we worked with 22 of our London stores in Lambeth & Southwark, and the Consumer Goods Forum, to run a behaviour change trial to reduce sales of sugary soft drinks and encourage sugar free choices. We created point of sale (POS) materials with our Marketing team which we used around the soft drinks fixtures (chilled and ambient) with the aim of encouraging customers to make sugar free choices.

Co-op's intervention aimed to switch sales of sugary drinks into sugar-free drinks, by highlighting ambient and chilled sugar-free drinks using POS, but unfortunately the <u>evaluation</u> showed there was no impact. While this was disappointing, the trial adds to the body of knowledge around education and labelling in terms of behaviour change.

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9.2 Co-op behavioural trials

Case study 1: Are the sales of meat-free products positively impacted by repositioning in store?

The opportunity

The <u>Eatwell Guide</u> lays out the principles of how to achieve a balance of healthier and more sustainable food choices. It encourages us to eat less red and processed meat, and to eat more plant-based proteins. Co-op aims to make plant-based choices easier for customers.

Co-op introduced our plant-based range 'GRO' in 2020. Whether they are vegetarian, vegan, or simply choosing to reduce their meat intake, customers' appetite for meat-free options continues to increase.

As a convenience retailer with small square footage in stores, optimum use of product placement is essential to meet our customers' needs. Chilled GRO products were formerly positioned together in our Ready Meals fixture to present a 'destination' space for our customers seeking meat-free options.

However, <u>research has shown</u> that prominent positioning of meat-free products in the meat aisle can increase sales of meat-free alternatives. Co-op wanted to trial moving our GRO plant-based protein options into our meat aisle to help flexitarian customers shop our protein range more easily and to inspire meat-eaters to try our plant-based protein offering.

The trial

In Summer 2022 17 GRO products were moved from their designated space in our Ready Meals fixture to their six 'parent' categories elsewhere in store, for example pizza moved from the GRO space to sit alongside other pizzas.

Six of the products repositioned were meat-free products which moved to a section in the meat aisle: GRO Chick'n Nuggets, GRO Sizzlin' Sausages, GRO Chick'n Pieces, GRO Chunky Fishless Goujons*, GRO The Quarter Pounder, and GRO Tender Mince.

The results

Analysis showed that the repositioning of these six meat-free products was successful. Across the six lines, there was an 18.4% increase in volume sales.

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It must be noted that during the period measured**, the number of stores which had the products in their range increased which would have affected the results.

The conclusion

Although the higher number of stores stocking the products played a role in the success of this trial, we are confident that the move was a positive one for the volume sales of our meatfree alternatives. We will continue to review the sales of key GRO products.

A build for any further trials would be the inclusion of more signage in stores, to direct shoppers to the re-positioned products and create more prominence.

- * GRO chunky Fishless Goujons were removed from the range during this trial
- **The time periods used for measures are:
 - Pre-Move: 18 wks w/e 2nd April (includes Christmas & Veganuary)
 - Post Move: 18wks w/e 12th November 2022

During 14 weeks of the period measured, we had some availability issues, which meant some GRO products were not available in all stores. Due to these availability issues, sales during June and early July 2022 have been excluded from the analysis.

Case study 2: Does a price incentive influence customers to try meat free alternatives?

The Opportunity

At Co-op, we aim to make plant-based choices easier for customers. In Summer 2022, Co-op moved the products in our plant-based range GRO out of their designated space in our Ready Meals fixture to their 'parent' categories elsewhere in store, meaning our chilled GRO plant-based proteins moved to the Protein aisle. This was to help flexitarian customers shop our protein range easier and to inspire meat eaters to try our plant-based protein offering. Moving the products had a positive impact on the sales of the GRO lines.

As a next step, we wanted to run a trial to see if we could move the behaviour of meat-eating customers from purchasing animal protein, to trying our GRO plant-based protein range. We decided to focus on using price as the incentive.

The Trial

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In September 2022, over 345,000 customers who had bought meat in the previous month were given a printed coupon for 50p off four selected GRO plant-based proteins, which were stocked in the most stores. The coupons only had a small redemption rate of 2617 customers (0.8%) which shows that customers who purchase meat may need further persuasion than a price incentive to try meat alternatives.

The Results

The coupons were mostly redeemed on the GRO sausages (54%), followed by the GRO burger (21%), GRO no Chick'n pieces (16%) and the GRO mince (10%). * The GRO sausages had just been included on another promotional deal (Beer and Sausages for £4) before the coupons went live, so perhaps this influenced the popularity of the GRO sausages. The end of barbeque season may have also played a role with the GRO sausages and burgers being more popular. Or perhaps customers were more comfortable with knowing how to cook and use the GRO sausages and burgers.

Interestingly 70% of coupons were redeemed by customers who were over 56+ years old (23%) and 66+ years old (47%).

Looking at the 6 months prior to the coupons, only 46% of the shoppers who redeemed the coupons had shopped GRO meat alternatives. Only 25% of customers who redeemed the coupons, had shopped for GRO meat alternatives in the 4 weeks prior to the coupons. This would suggest that coupons are an effective way to get both new and previous customers into shopping plant-based products.

The Conclusion and Next Steps

Unfortunately, there was no sustained behaviour change achieved at 8 weeks post the coupons. They had a positive impact on enticing customers to try plant-based products, however, a temporary price reduction was not enough to drive sustained behaviour change.

We need to do more customer research to understand what the other barriers are to shifting customers into our GRO plant protein range.

*Some customers bought more than one of the selected GRO products when redeeming the coupon so these figures exceed 100%.

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Section 10.0: Lifestyles

Our partnership with parkrun has gone from strength to strength over the past few years. We love encouraging healthy living and healthy eating within our communities and with our colleagues. That's why our partnership with parkrun is so important to us – a community that encourages everyone to get up and go no matter your fitness level.



Section 11.0: Access to food

We want to build stronger and more resilient communities by offering fairer access to food for everyone, and <u>Co-op has taken great strides</u> to play its part in tackling food poverty over the past year.

- In 2021, as part of our work as a founding member of the Child Food Poverty Task Force, led by campaigner Marcus Rashford MBE, we topped up the value of the government's Healthy Start vouchers by adding £1 to every voucher spent, to help families have access to more healthy and nutritious food.
- Co-op was the first major food retailer to support footballer Marcus Rashford's campaign for free school meals vouchers and provided an additional 6,000 children with free school meal vouchers within our own Co-op Academy schools.
- In 2020, we donated £1.5 million of Co-op stock to food distribution charity FareShare.
- In 2021, 28% of our Food stores' surplus food was shared with community groups through our Foodshare programme. We also supported Fareshare by distributing 2.8 million meals through our depot distribution network
- We announced an expansion of our partnership with Hubbub on Community Fridges at the end of November 2021, for Co-op to support the launch of 350 Community Fridges and expand the Community Fridge Network to over 500 locations by the end of 2023. By the end of 2022 the network has 400 open Community Fridges, with all 350 of the Co-op supported locations identified.
- In 2022, we also partnered with Your Local Pantry, to provide expertise and support to open and develop 150 low cost, member-led pantries in three years, by mid 2025. When all the pantries are open, they will support 30,000 households have cumulative annual savings n food of c.£5m. The first 20 of these new pantries have now opened.

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• In 2023, Co-op promoted the use of Healthy Start Vouchers more to customers through in-store radio adverts and till screen messages.

Section 12.0: Responsible Retailing

As a responsible retailer we have a role to play to make sure that the products that we sell and promote do not have a negative impact on our communities. Some details of the responsible practices we undertake are detailed below.

12.1 Alcohol and Drinkaware Trust

Co-op knows it has a duty to sell alcohol and products containing alcohol responsibly; we share widespread concerns on the impact of alcohol misuse on public health. Back in 1996 we led the way by putting sensible drinking advice on our own-brand wines and spirits, in addition to the alcohol units already on the label.

We have been working in partnership with <u>The Drinkaware Trust</u> since 2007 to promote responsible drinking. The Drinkaware Trust is an independent UK-wide alcohol education charity.

We give our store colleagues the right training and provide our customers, colleagues and members with the information they need to make informed choices.

- Since 2007, all our own brand alcoholic drinks have displayed the 'Drinkaware' web address, clear unit content, NHS alcohol consumption guidelines and warnings to pregnant women.
- The Co-op has operated and promoted 'Challenge 25' in all its stores since 2009, in order to reduce the likelihood of underage customers attempting to purchase alcohol in our stores.
- In 2017 we started amending our labelling on alcohol products with the revised Chief Medical Officer's recommendation of no more than 14 units a week.
- Any marketing materials including reference to or an image of alcohol will carry the wording 'bedrinkaware.co.uk'.

12.2 Tobacco

The health impacts of smoking are well documented. We sell e-cigarettes and smoking cessation products in most of our stores to help support those who are trying to give up

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smoking. 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.

12.3 Energy Drinks

In January 2018, the Co-op introduced a voluntary age restriction on sales of high caffeine soft drinks (soft drinks which have a caffeine content in excess of 15mg/100ml). We will not sell such products to any customer who cannot prove that they are aged 16 or over.

For our in-store colleagues a policy on selling age-restricted products is in place and colleagues must follow the instructions for Challenge 25 on the tills for a specified list of high caffeine soft drinks.

More information on our age restricted items can be found here

Section 13.0: Engagement

Working collaboratively across the industry and with our supply base is central to our cooperative way of working. Below is a list of all the industry/trade associations that we work with.

Nutrition working groups:

- British Retail Consortium (BRC) Co-op is a member of the BRC nutrition working group https://brc.org.uk/.
- Institute of Grocery Distribution (IGD) Co-op are a member of IGD's Industry Nutrition Strategy Group. Co-op are also a member of IGD's healthy and sustainable diets working group which sets out to collaboratively identify and test strategies to help shift consumers towards affordable, healthier and more sustainable diets. https://www.igd.com/
- Campden BRI Co-op attend Campden BRI meetings to learn more about their latest research on how to make products healthier through reformulation, fortification etc https://www.campdenbri.co.uk/
- British Nutrition Foundation (BNF)- Co-op are a member of the British Nutrition Foundation. They have supported us with internal nutrition projects and participated in workshops to help us shape our Future of Food ambitions. Co-op is also a member of the British Nutrition Foundation's working group on healthier sustainable diets comms. www.nutrition.org.uk - British Nutrition Foundation

Government

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Co-op have engaged with both the Office for Health Improvement and Disparities (OHID) and Department of Health & Social Care (DHSC) both directly and through the British Retail Consortium.

Initiatives

- Food Foundation -The Food Foundation was involved in helping shape our Co-op Future of Food plan. Co-op has also signed up to the Food Foundation's Peas Please campaign to help the nation eat more veg. More information on our Peas Please activities can be found in sections 4.4 and 8.1. Co-op has been co-funding the Veg Power campaign since 2019, see section 8.2 for more information. We also work with the Food Foundation on their 'Plating up Progress' report which assesses our progress across key themes relating to the transition to a healthy and sustainable food system. https://foodfoundation.org.uk/
- Consumer Goods Forum information on how we have worked with the Consumer Goods Forum's Collaboration for Healthier Lives UK programme can be found in section 9.1. https://www.theconsumergoodsforum.com/
- World Wildlife Fund (WWF) Co-op has signed up to the WWF basket to work with other UK retailers to halve the environmental impacts of UK baskets by 2030.
 www.wwf.org.uk/basket-metric
- ShareAction We engage with ShareAction on their UK retailer index reports ShareAction.org

Partnerships

 Drinkaware - We have been working in partnership with the Drinkaware Trust since 2007 to promote responsible drinking. More information on how we work with Drinkaware can be found in section 12.1. https://www.drinkaware.co.uk/

Non-Government organisations

Over the years, Co-op have engaged with <u>Action on Salt</u> and <u>Action on Sugar</u> by giving updates on our progress and attending Salt Awareness week events in the past.

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Section 14: Co-op health and wellbeing reporting

We report on our progress on our targets and commitments within the Healthy Living section of the Co-op sustainability report on an annual basis.

In addition, we share great information about our activities and customer facing information on our webpages which can be found <u>here.</u>

Co-op's annual, interim and sustainability reports can be found here.