



Co-op's Ten-Point Climate Plan

Published 2021



It's what we do

Foreword from Jo

Global society is facing a monumental climate change crisis entirely of its own making. We must all recognise that we are in part responsible and that we all have to do more and do it quicker.

Today, we are sharing the action we are taking, unveiling our comprehensive Ten-Point Climate Plan to address our impacts across our business and beyond. We are committed to reduce our total emissions in line with the science and to get to net zero by 2040. At the same time we will offset the emissions from both our products and operations whilst we work to rapidly reduce them.

We recognise that climate change will disproportionately affect people and communities around the world. Our plan commits us to support a fair transition for farmers, producers and communities in the UK and beyond.

The global response to the pandemic has shown us what we can achieve when the need is great and urgent enough. The global response to climate

change will require an even greater level of co-operation. At COP26 our Government has the opportunity to bring together the global community to deliver the co-operative action that will be required to deliver on its ambitions. And at the same time, I urge the UK corporate sector to come together to take co-operative action to tackle climate change.

Jo Whitfield
Co-op Food CEO



Introduction

At Co-op, we're a consumer-owned co-operative running an ethically responsible business. Since 1844, the co-operative movement has been built on values of clear social purpose and doing the right thing. Our vision today is a continuation of this: to use the power of co-operation to create a fairer world.

We have long recognised the scale of the climate crisis that we're facing and have acted appropriately. Today, we recognise the need to ramp this action up even further. Our Ten-Point Plan sets out our pathway to achieving net zero by 2040, 10 years ahead of international agreements. From products and packaging to power and pension fund investments, the plan details how Co-op will reduce the impact of operations and products across Food, Funeralcare, Insurance and Power businesses. The plan sets out targets, endorsed by the Science Based Targets Initiative, in line with the carbon reduction that is required to cap global temperature increases and meet the goals of the Paris Agreement.



Our plan is grounded by three principles:

We'll follow the science in our target setting and decision making. Above all else we must rapidly reduce the carbon we put into the air.

We'll work for a fair and just transition for people and planet. Solving the climate crisis can't come at the expense of those who can least afford it.

We'll co-operate to drive systems change because we recognise that we are stronger and more effective when we work with others.

1. Make long-term changes to how we do business

We will be a net zero business by 2040, for our operations and for our products.



2. Set clear short-term milestones

We will reduce the impact of our operations by 50% and our products by 11%, both by 2025.



3. Rapidly reduce carbon from our operations and products

We will take clear, practical steps to reduce carbon from the running of our business and the products we sell.



4. Compensate for our climate impact

Our operations will be carbon neutral from 2021 and our own-brand products by 2025.



5. Make lower carbon choices easier for customers

We will support our customers and members to make lower carbon choices.



Ten-point climate plan



It's what we do

6. Direct our finance to reducing carbon

We will align our finance, including carbon offsets and pension funds, to low carbon investments.



7. Help suppliers on the front line of the climate crisis

We will support our producers (including Fairtrade) to adapt to climate change realities and to become more climate resilient.



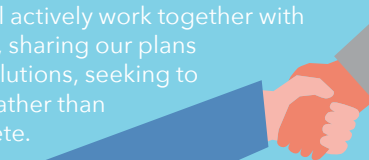
8. Campaign for climate action

We will lobby and advocate with Government to press for the necessary systemic change.



9. Co-operate for change at scale

We will actively work together with others, sharing our plans and solutions, seeking to align rather than compete.



10. Make our climate plan a priority

Underpinning these goals, we are linking the pay of our Food CEO to achieving our carbon reduction targets.



Carbon and greenhouse gas emissions. Throughout our plans you'll see us reference 'reducing carbon' or 'carbon neutral'. In all cases we are describing our total greenhouse gas emissions expressed as their 'carbon dioxide equivalent'. We are not excluding other greenhouse gases from our targets.



1. Make long-term changes to how we do business

We will be a net zero business by 2040, for our operations and for our products.

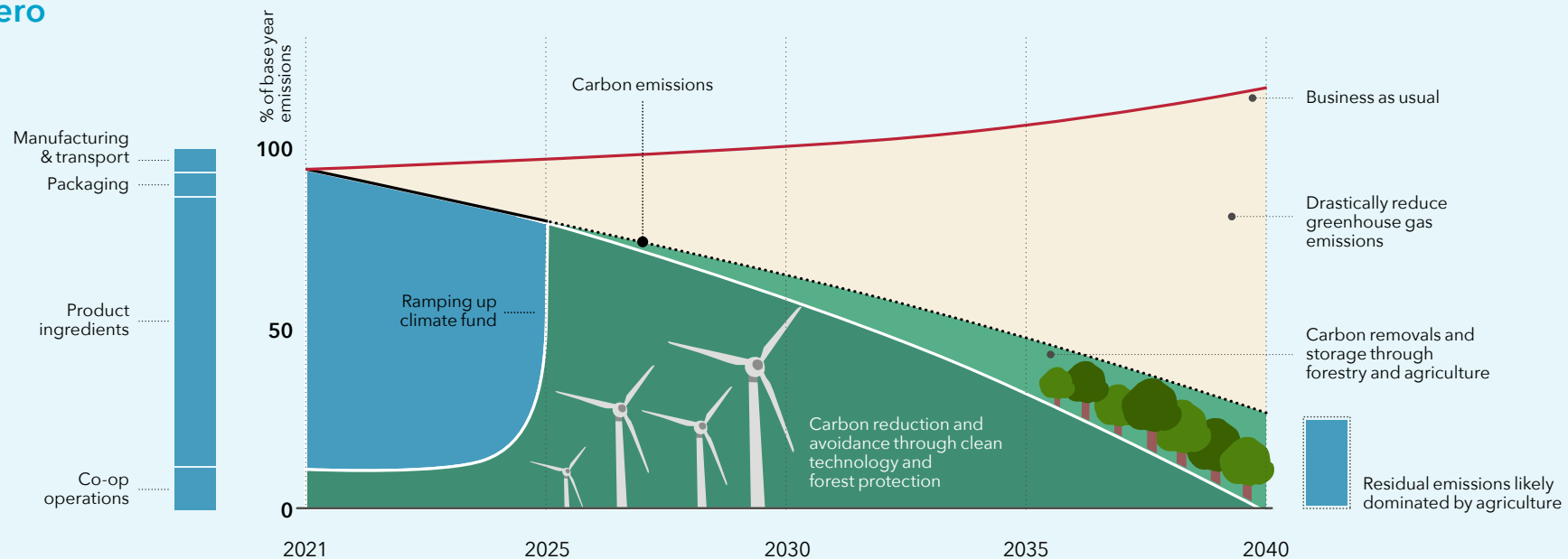
We are committing to become a net zero carbon business by 2040, 10 years ahead of international agreements to address the climate crisis. This is a transformational target that will mean far-reaching changes to how we operate.

Our pathway to achieving this will be to reduce carbon rapidly in line with the best practice of the Science Based Targets Initiative, in order to reach a state of only residual emissions by 2040.

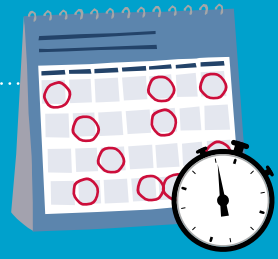
Whilst we reduce carbon emissions we will compensate for the climate impact of our operations and products, before ultimately balancing our residual emissions through verified and proven greenhouse gas removals.

As with any 20-year pathway this is indicative and based on what we know today. The science and policy around 'net zero' goals are moving quickly, and with that in mind we commit to reassess our progress and approach against the latest guidance at least every 5 years.

Co-op's pathway to net zero



Residual emissions refer to the unavoidable remaining carbon emissions, typically agreed at a country and global level by policymakers, which may continue in balance with the natural or technological removal of carbon from the air. This is both a scientific and political distinction.

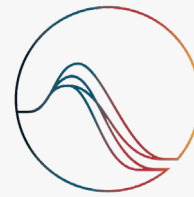


2. Set clear short-term milestones

We will reduce the impact of our operations by 50% and our products by 11%, both by 2025.

Long-term targets are not meaningful without short-term action. Our priority is to rapidly reduce the carbon from our operations and products. To do so, we have set the following targets, approved by the Science Based Targets Initiative.

We publish our performance against these targets openly in our annual sustainability report which you can find online ([here](#)).



SCIENCE
BASED
TARGETS

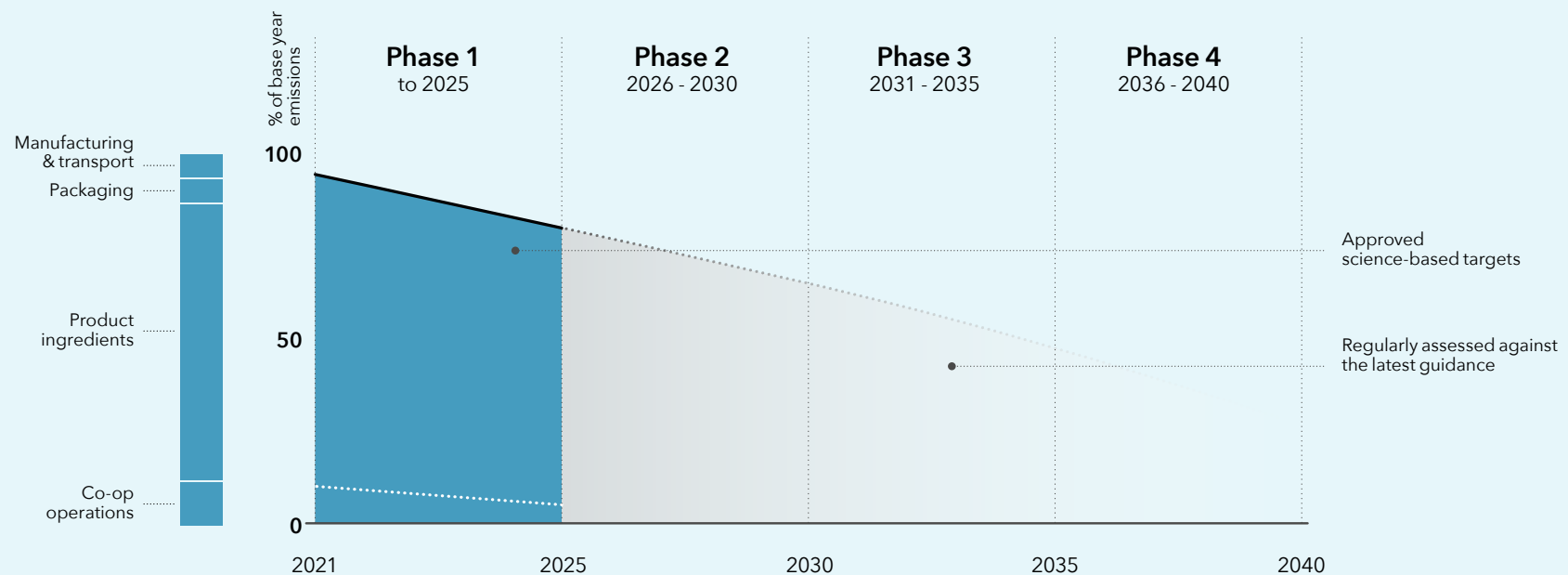
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

 **Approved science-based targets:**

Operations: 50% reduction
(2016 to 2025)

Products: 11% reduction
(2016 to 2025)

Regularly reviewed milestones





3. Rapidly reduce carbon from our operations and products

Carbon reduction in our operations

Our first responsibility is to reduce the carbon emissions from our own operations, and this is where we can make the quickest impact. We've already reduced the emissions from running our business, our own stores, trucks, funeral homes, offices and buildings by 47% from 2016 to 2020, and more than 70% since 2006.

- We are investing millions of pounds in carbon saving solutions such as LED lighting, better fridges and cooling systems.
- We will continue to use 100% renewable electricity, including sourcing from the 5 UK wind farms we helped to develop.
- From 2021, all new Co-op stores will have zero fossil fuel heating.

- By 2025 100% of our home delivery vehicles will be electric.

Our biggest remaining challenge for our operations will be to completely move away from fossil fuels, which will depend on technological solutions such as low or zero carbon heavy goods vehicles.

Performance against science-based targets:

Operations

Target: **50% reduction** (2016 to 2025)

Progress: **47% reduction** (2016 to 2020)

Products

Target: **11% reduction** (2016 to 2025)

Progress: **2.5% reduction** (2016/17 - 2018/19)



Case studies:

Our climate plan in action - food stores and funeral homes

We're investing in carbon saving solutions continually. Our specification for all new food stores now includes energy-efficient equipment and natural refrigerants as standard. We have a rolling refit programme that means we continue to deliver energy efficiency and refrigerant improvements to our estate each and every year.

In 2020 we invested approximately £1m in energy efficiency in our older buildings to keep driving down the carbon emissions from running our business. Across our entire estate of food stores, funeral homes and offices our total energy consumption has reduced by 5% between 2019 and 2020 and our emissions from refrigeration have reduced by 23%.

Our climate plan in action - 100% electric home deliveries

As we expand our online shopping and home delivery offer, we're moving to entirely zero emission electric vehicles. As of December 2020, the first of our new fleet were up and running in Hebden Bridge, Holmfirth and Hove.

By 2025 we'll have replaced our entire fleet of more than 200 fossil-fuel home delivery vans.

Carbon reduction in our products

We are constantly working to reduce the impacts of Co-op products and have already achieved a 2.5% carbon reduction. To achieve the remainder of our first science-based target for products:

- We will make a Carbon Reduction Toolkit available to our beef and dairy farmers.
- We will switch to only selling peat-free compost from this year.
- We will make 100% of our own-brand packaging recyclable and reduce the amount of packaging we use.
- We will ensure 100% of our soy in animal feed is physically sustainable by 2025 and are developing action plans with key suppliers.

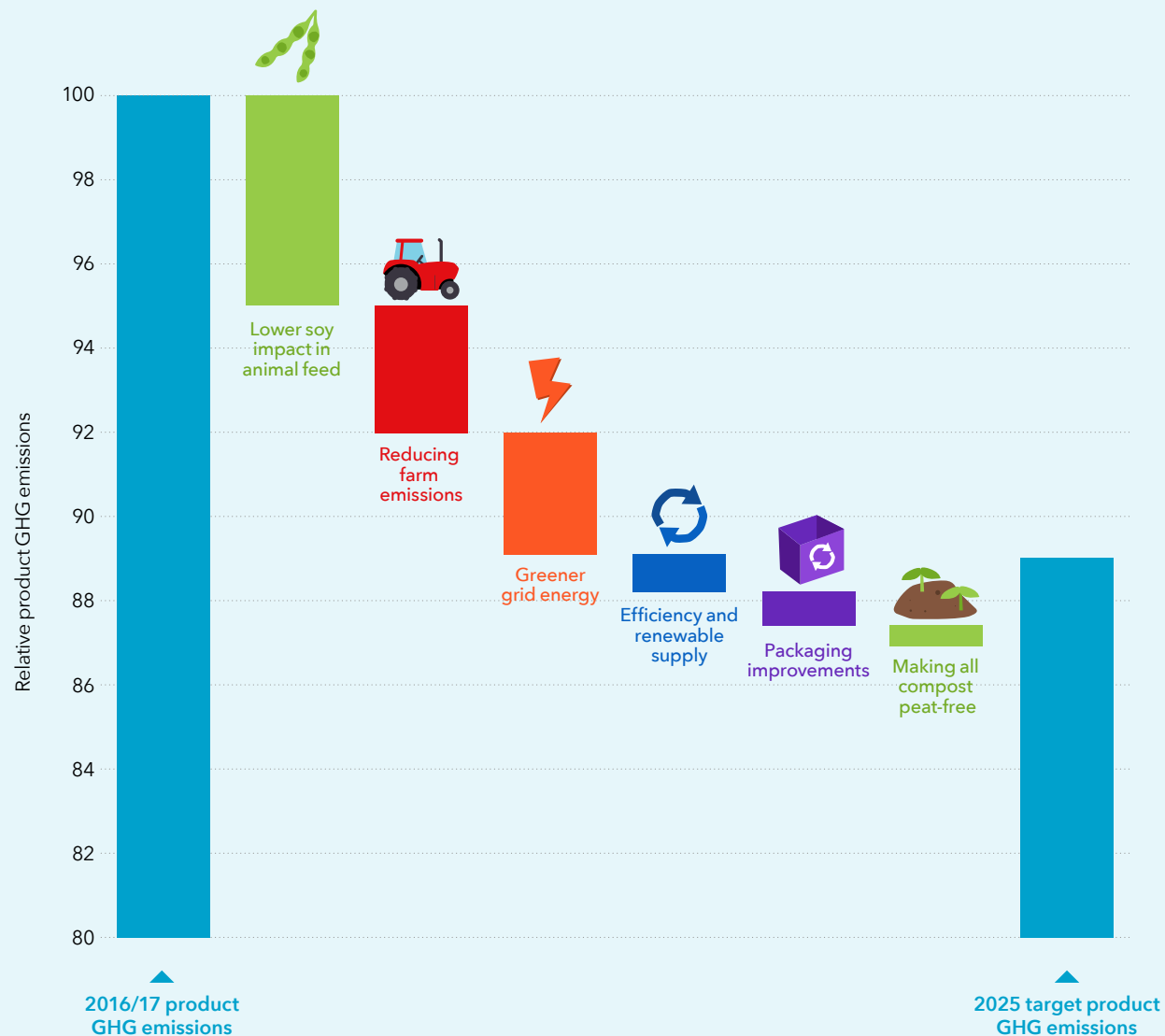
Case study:

Our climate plan in action - 100% British meat and dairy

Not only is all of our meat and all of the milk and cream used for block butter, cheddar and yoghurts 100% British, supporting our farmers to make this meat and dairy better for the world is one of the best things we can do to achieve our carbon targets.

We launched the 'Enviromap' programme in 2016, an environmental impact measurement tool for our farming groups, backed up by expert and peer-to-peer support. Our first three years saw a cumulative emissions reduction of 123,591 tonnes of carbon ([read more here](#)).

Estimated contributions to Co-op's science-based target



4. Compensate for our climate impact

Our operations will be carbon neutral from 2021 and our own-brand products by 2025.

There are practical limits on how fast we can reduce carbon emissions, but at Co-op we recognise that there are immediate steps we can and should take.

Our support for offsetting projects will align to the highest possible standards and our commitment to a fair transition, as the projects we choose have tangible benefits to people and communities all over the world. We specifically follow the criteria of VERRA, Gold Standard or the UN Clean Development Mechanism and carry out our own independent due diligence.



Commitments:

We will become carbon neutral through a robust offsetting programme, delivering:

Carbon neutral operations (by 2021)

Carbon neutral own-brand products (by 2025)



Gold Standard

Offsetting standards

Co-op has a long history of supporting high quality carbon offsetting and apply the following tests to any potential project. It must be:

Real	Legitimate, based on a credible and conservative baseline, and not leading to an increase in emissions elsewhere;
Measurable	Based on robust data, using accurate methods and standardised greenhouse gas metrics;
Additional	Would not have occurred without the funding and goes beyond already committed activity;
Permanent	Won't be reversed after being funded;
Verified	Monitored, reported and certified by a credible third-party system;
Just	No laws or treaties are violated, no environmental or social harm is caused;
Fair	Of mutual benefit to the hosting community, with co-benefits such as job creation, health or wellbeing.

Carbon neutral describes a state when carbon emissions within a set boundary are balanced by action to reduce, avoid or remove emissions. It is a way to compensate for climate impact.
Net zero is a longer-term goal and describes the point when emissions within a set boundary are both 1) reduced to only residual emissions and 2) balanced by natural or technological removal.

Case study:

Our climate plan in action - carbon offsetting done well

We only follow the highest independent standards for the carbon reduction projects that we will support. One such project is Gyapa Stoves in Ghana, a Gold Standard accredited project.

Nearly 3 billion people in the developing world cook food and heat their homes with traditional cookstoves or open fires. Studies estimate that 4 million premature deaths occur every year due to smoke exposure from these methods.

The Gyapa Stoves project supports a whole infrastructure around one simple product; a more efficient cookstove. It reduces smoke exposure, uses less fuel, saves families money and provides thousands of jobs. At the same time the reduced fuel burden protects forests and avoids a huge amount of (verified) carbon emissions.



5. Make lower carbon choices easier for customers



We will support our customers and members to make lower carbon choices.

We are developing more sustainable and healthier options for people through the redesign of our products and services (including the ingredients, packaging, and transport options available) with carbon reduction at the core.

We're already making the products we sell lower carbon, often without any change that would be obvious to our members and customers.

To accelerate this progress:

Commitments:

We will expand our plant-based alternatives via our GRO range.

We will price match between our own-brand plant-based and meat or dairy-based counterparts.

We're also committed to taking practical steps to encourage the behaviour shift that's required. That's why we're a supporter of the global community [Count Us In](#) to get one billion people to take practical steps that when aggregated will make a significant impact in reducing carbon emissions.

COUNT US IN





6. Direct our finance to reducing carbon

We will align our finance, including carbon offsets and pension funds, to low carbon investments.

As a large consumer co-operative we have a significant financial footprint, whether through our investments, capital we raise, our charitable foundation or how we direct revenue. At any time we may be responsible for hundreds of millions of pounds, directly or indirectly. Directing this finance effectively is a significant opportunity to address climate change.

Through this climate plan, we will be specifically aligning our finance to support the objective of lower carbon emissions across our organisation and wider global society.

Commitments:

We have linked our multi-million pound revolving credit facility to achieving our carbon reduction targets.

We will invest millions of pounds proceeding from the UK carrier bag charge to support UK natural restoration projects and an innovation fund for carbon reduction research and development initiatives.

Our pension fund will support lower carbon investments through the Make My Money Matter campaign, working together with pension scheme members.



Case study:

Our climate plan in action – Responsible pensions investment

Through our pensions fund, we invest on behalf of 143,000 Co-op colleagues, past and present.

We already work with the Trustees to invest their funds responsibly – in 2019 we switched the default for members who haven't made a fund choice to a strategy that "tilts" investment towards more sustainable companies, and excludes investments in coal. This change reduced the carbon footprint of the fund by almost 50%.

But we want to go further. We're partnering with Make My Money Matter to engage with colleagues on what they want from pensions, and from 2022 we're going to measure and report on the scheme's carbon emissions annually to track progress against our targets to further reduce our carbon footprint.



7. Help suppliers on the front line of the climate crisis

We will support our producers (including Fairtrade) to adapt to climate change realities and to become more climate resilient.

Despite contributing the least to the climate crisis, smallholders in the Global South are disproportionately affected and have fewer resources to adapt to these challenges.

Many of the world's farmers and workers live in poverty, and yet these same people are on the front line of climate change, with their lives and livelihoods affected today by a more volatile climate.

Our approach here is twofold; firstly we need to take responsibility for our emissions wherever they occur, which means working with our producers to reduce carbon impacts in the countries we source from. Secondly, we need to give extra support to those in the Global South who are least able to bear the cost of change.

Commitments:

We will be the UK's biggest supporter of Fairtrade by growing the contribution we make to Fairtrade producers through sourcing commitments, programmes and joint-advocacy and campaigning

We will support our Fairtrade producers to become more climate resilient

We will use our carbon offset programme to prioritise projects which help communities across the world transition to a lower carbon future



Case study:

Our climate plan in action – Fairtrade producer resilience

The effects of climate change are already being felt by our coffee producers. As temperatures rise, bugs and diseases such as leaf rust are spreading which is affecting production, yield and incomes. It also means that land suitable for coffee growing is moving to higher altitudes, resulting in deforestation as land is cleared for planting. By 2050, it is expected that the total area of land suitable for coffee growing will have reduced by 50%.

To tackle the twin issues of the climate crisis and falling numbers of young people seeing coffee farming as a viable future, we've supported Fairtrade Africa's East Africa Youth in Coffee Programme, which creates opportunities to involve young people in the coffee value chain. We funded the implementation of this programme at the Mutira Farmers' Co-operative Society in Kenya, who sit in our supply chain.

The six-month project trained 61 youths on agricultural practices, coffee nutrition and establishing nurseries for more climate-resilient coffee beans. In the 2021 main season, 200,000 seedlings will be distributed to farmers with priority given to youths and women at Mutira Farmers' Co-operative Society, to increase production.

8. Campaign for climate action



We will lobby and advocate with Government to press for the necessary systemic change.

As a member-owned co-operative, campaigning for change is what we do. Over the last decade we've campaigned and lobbied government on a number of important climate change issues.

We've lobbied for a halt on UK fracking, support for community renewable energy, solar energy subsidies, stronger company climate reporting and legally binding climate targets.

We're now redoubling our campaigning activity with climate change as the focus.



Commitments:

We will seek to build effective partnerships to press for systemic change

We will lobby government and advocate for decisive action on climate change

As we set out this plan in 2021, we see the very real opportunity for the UK government to play a leading role on the world stage. First and foremost we need governments to be bold in their level of ambition and the targets they agree at COP-26, the international climate conference in Glasgow this year which will be hosted by the UK Government.



Climate action priorities:

There are three further immediate areas where we call on the UK Government to act:

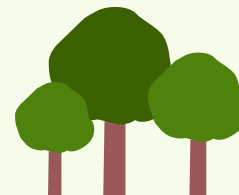
Climate transparency

We are calling for mandatory reporting that would see all large businesses and organisations required to publish full end-to-end carbon footprints covering Scope 1, 2 and 3 greenhouse gas emissions. This needs to be backed with commensurate support to streamline this process and ensure consistency for all.



Deforestation

We are calling for planned legislation to protect natural forests from the threat of deforestation to be robust. There needs to be a level playing field, so all businesses conduct meaningful due diligence when sourcing at-risk forest commodities: this is critical given that global deforestation is one of the primary contributors to climate change.



International aid and development

We are calling for further Government focus on a fair transition and maintaining its world leading commitment of 0.7% of the UK's Gross National Income (GNI) to international aid and development. This is a principle we're committed to supporting, not only with our words, but with our wallet – for years we've invested at least 0.7% of our pre-tax profit in international development projects.



9. Co-operate for change at scale

We're supporting the BRC Climate Roadmap bringing together the retail sector

As we journey towards net zero, we'll co-operate with our peers, partners, and suppliers.

Commitments:

We will support our own suppliers to move their manufacturing to renewable energy, including scaling up our co-operative energy business, Co-op Power.

By 2030, our ambition is that all suppliers share our Net Zero ambition and every product that we sell (own brand and brands) will be at least carbon neutral.

We're proud to have 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 carbon emissions by 2040, across all of our businesses as well as our supply chains.

As we move forward we'll seek to work and share plans with the wider co-operative movement.

We funded and steered the development of the [BRC Climate Action Roadmap](#) alongside 19 founding retailers including IKEA, M&S and Central England Co-operative.



Case study:

Our climate plan in action - Co-op Power

Tackling climate change needs action at scale. That's why we're expanding a whole arm of our business into renewable energy. Over the last two decades we've supported the development of new wind farms in the UK and provided power to the Co-op and members of the wider co-operative movement.

We're now the biggest energy buying co-operative in the UK, helping some of Britain's biggest brands to save money and source 100% green energy in an ethical, sustainable way.

Collectively purchasing renewable energy together not only makes financial sense, it supports the UK's transition away from fossil fuels and our progress towards a low carbon future. Learn more [here](#).



10. Make our climate plan a priority



We are linking the pay of our Food CEO to achieving our carbon reduction targets.

Achieving the goals of our climate plan will require transformational change across our entire business, along with equally transformational change across UK society.

Bold commitments by organisations are for nothing if not backed up by action, we are therefore putting measures in place to ensure that we can be held to account.

Commitments:

Our Food CEO remuneration will be tied to achievement of our carbon reduction targets.

We will report on our plan progress annually, and our carbon footprint figures will be assured by independent third parties.

We will reassess our progress and approach against the latest independent scientific guidance at least every five years.

You can find our latest performance figures online [here](#), and as a consumer-owned co-operative, our members are welcome to shape our plans and approach.



Thanks to support from

- 3Keel on our carbon emissions modelling and future reduction pathways;
- ClimateCare on our offsetting standards and approach, and;
- Fairtrade Foundation on our work with producers on climate adaptation, mitigation and resilience.

Finally, a special thanks to our Council and Members for their consistent support in championing this issue for well over a decade.

Join us

If you have questions or think you can help with some of the challenges we face, then let us know at climateplan@coop.co.uk.

If you want to be part of a co-operative of more than 4 million members, and help shape our plans then you can become a co-op member [here](#).