



OWNED BY YOU. RIGHT BY YOU.

Our members' Social Value and
Sustainability Report 2025



OWNED BY YOU.
RIGHT BY YOU.

Co-op
Community
TEER

WELCOME TO OUR 20TH SOCIAL VALUE AND SUSTAINABILITY REPORT

2025 marks the 20th anniversary of our Social Value and Sustainability Report – a milestone that celebrates two decades of demonstrating our commitment to being an ethical and sustainable business, grounded in transparency and accountability.

The content of this Report is shaped by our Vision priorities, our member owners and other key stakeholders. We support progress towards the [UN Sustainable Development Goals \(SDGs\)](#) as a framework that allows for long-term, collaborative action, and our targets are mapped against the SDGs throughout this Report. We report in accordance with the Global Reporting Initiative (GRI) Standards; see our GRI Index [here](#).

We engaged external auditors, DNV, to carry out assurance of this Report as described in their [Assurance Statement](#). Our report is reviewed by a subcommittee of our National Members' Council and approved by our Risk and Audit Committee, and Board. We put the Report to a vote by our members at our Annual General Meeting (AGM), alongside our Annual Report. Details on how we measure against our targets and the scope of our reporting can be found in our [Basis of Reporting](#).

¹ Key Performance Indicators.

READING THE REPORT:

[Strategy and Highlights](#)

15-minute read

[Access to Opportunities](#)

30-minute read

[Access to a Sustainable Future](#)

30-minute read

[Access to Peace of Mind and Wellbeing](#)

30-minute read

[Fairer Business:](#) 15-minute read

Or you can read our annual results highlights [here](#)



KPIs¹: Data tables show our progress over four years where possible.



Targets: Our targets align with our Vision. Progress is reported within the data tables.



Assurance: Data reviewed to a greater depth through our assurance process is identified with **A**.

CONTENTS:

CEO WELCOME

WELCOME TO OUR CO-OP'S 20TH SOCIAL VALUE AND SUSTAINABILITY REPORT, WHICH WE'RE PROUD TO SHARE WITH YOU, OUR SEVEN MILLION ACTIVE MEMBER OWNERS.

I must start by thanking you, our colleagues and partners for supporting such meaningful outcomes in 2025. Every year, this report makes me so proud of what we achieved.

Last year was underpinned by our Vision - 'Co-operating to build more value for our member owners everyday' - but we faced a series of challenges.

We faced rising costs, increased consumer caution and a sophisticated criminal cyber attack. This makes everything we achieved here even more exceptional.

As we navigated 2025, we continued to listen and stay close to our member owners and our National Members' Council. We took valuable insight from our annual Big Survey and the views of tens of thousands of member owners which, in turn, helped shape the new social value strategy we announced in August.

We know the cost of living, the climate crisis and ongoing conflict and division

have been the principal causes for concern - and we responded.

We created new **access to opportunities**. Our partnership with Barnardo's continued and we pledged £5 million to fund early childhood apprenticeships, while also developing a unique apprenticeship for young people, to gain experience across different types of work within our Co-op.

In finding a truly co-operative response to the cyber attack, we established a new partnership with social impact business The Hacking Games. Before the year was out, we had hosted our first Inspire Session at Co-op Academy Walkden, introducing 300 students to careers that positively harness digital talent.



Shirine Khoury-Haq
CEO, The Co-op Group

THIS REPORT HIGHLIGHTS THE INCREDIBLE THINGS WE ACHIEVE TOGETHER – WORKING WITH PARTNERS, SUPPLIERS, COLLEAGUES AND GOVERNMENT TO CREATE MORE VALUE THAN ANY OF US COULD ALONE.



We focused on greater **access to a sustainable future**. We've made good progress on cutting our carbon emissions in our own operations, and we provided £760,000 of funding to British farmers in our supply chain, to support them in reducing emissions and promoting nature.

As co-chair of the Government's Net Zero Council, I am proud of our Co-op's work with the Green Alliance and the report we developed together, offering advice to businesses determined to decarbonise electricity supplies.

Teams across our Co-op, including our nationwide Member Activators, led a programme of activity during Fairtrade Fortnight, encouraging more than 230,000 of our member owners to engage with Fairtrade.

International conflict was unrelenting and felt across the UK in 2025, and we sought out greater **access to peace of mind and wellbeing** on your behalf.

We launched our Peace and Co-operation campaign, during what has been the UN's International Year of Co-operation. Our advocacy for co-operation, as a means to re-unite and galvanise, was a thread

that ran through our work in 2025 and our support for those areas experiencing unrest and suffering. We are working with the wider global co-operative movement to progress this work.

In line with our long-standing commitment to human rights and a call from you, our members, we also adopted a policy to stop sourcing from countries where the international community has identified serious risks of community-wide human rights abuses and violation of international law.

As you read this report, I really hope - like me - you're reminded of all the reasons we should take pride in our Co-op. A huge thank you to everyone who contributed to our achievements in 2025, including our exceptional 53,000 colleagues. And thank you to those who are supporting us to do even more in 2026.

Shirine Khoury-Haq
CEO, The Co-op Group

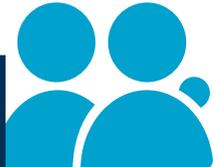
2025 HIGHLIGHTS

1M+

new members joined us
in 2025, taking us to over

7.2M
MEMBERS



5M 

Our social activity has created value for **5 million people**¹ in our members' communities, on issues member owners care about.

65% 

reduction in greenhouse gas emissions from our **operations** (Scope 1 & 2) since 2016.

£6.5M 

raised for Barnardo's in total since start of partnership, supporting 750,000+ young people.

75% 

of Co-op own-brand food and drink sales² was from healthy products (non-HFSS³).

£760,000 

of funding provided to farmers in our supply chain to help them adopt sustainable practices.

FIRST 

retailer to publish Intersectional pay gap report⁴.

¹ Number of people supported through our community activity, including beneficiaries of Local Community Fund, Time to Talk Day and Barnardo's. Full list [here](#).

² Sales tonnage (excluding non-food and alcohol).

³ HFSS is a shortened term for food and beverage products which are high in fat, salt, and sugar, as defined by the OFCOM nutrient profiling model 2004-5.

⁴ [Our report](#) on gender, ethnicity, socioeconomic background and disability pay gaps.

SOCIAL VALUE

OUR VISION IS CO-OPERATING TO BUILD MORE VALUE FOR OUR MEMBER OWNERS EVERY DAY

We're owned and run by our members, not a small group of shareholders. The more our members choose us, the more value we create for our member owners and their communities. At the heart of our Vision is creating and returning value to our member owners in three ways. These values are interlinked, so while this report focuses on social value, you'll see examples of all three being delivered together. You can read more on our Vision in our [Annual Report and Accounts](#).



Our members own our Co-op and always have a say on what we focus on. We've built our plan to deliver social value to our member owners on the issues they care about - delivering positive impact and lasting value for people and planet across three areas:

ACCESS TO OPPORTUNITY



Helping people find routes into education, skills and good work - especially where those things are hardest to find.

We're co-operating to:

- Support equity and access to opportunities in the communities we serve
- Take action on social mobility, inclusion and belonging
- Provide education and opportunities for young people
- Enable access to food

ACCESS TO A SUSTAINABLE FUTURE



Supporting members and communities to reduce their environmental impact, while cutting Co-op's own carbon footprint.

We're co-operating to:

- Reduce our environmental impact and protect & restore nature
- Take action on climate justice
- Source responsibly and build resilient, inclusive supply chains
- Support people in making healthy and sustainable choices

ACCESS TO PEACE OF MIND AND WELLBEING



Backing grassroots efforts that strengthen community safety, resilience and cohesion - at home and abroad.

We're co-operating to:

- Make communities safer, kinder and more inclusive
- Support people at difficult times
- Support global development, peace and co-operation
- Bring people together and reduce divisions in communities
- Support effective action to tackle retail crime and its causes

DELIVERING SOCIAL VALUE

Just as important as what we deliver to our member owners is how we do it.

CO-OPERATING

Co-operation is in our DNA, guiding everything we do - from our Member Activators who support communities and member owners locally, to sharing expertise with supply chain partners and other co-operatives to reduce costs and cut carbon emissions. Together, we're aiming to build value for everyone involved.

ENGAGING

From campaigning alongside our member owners to asking our colleagues to shape policies that matter to them, you'll find examples of how we've been listening and learning together with our members, partners, suppliers and colleagues throughout this report, and in our Annual Report.

CAMPAIGNING

Campaigning for public policy change on the issues that matter to our member owners has been a core part of our identity as a co-operative since the very beginning.

In 2025, we engaged with the development of public policy relevant to our business with the UK Government, the Devolved Administrations and elected representatives at all levels across the UK and from every major political party. This level of

engagement is typical for businesses of our size, but what sets the Co-op apart is our commitment to empowering our member owners to campaign alongside us for meaningful social change. For a full list of our Public Policy Engagements in 2025, see [here](#).

It's our member owners - through the National Members' Council and through the relevant motions at our AGM - who have the deciding say in choosing the key advocacy campaigns that we run. In 2025, we continued to campaign for Climate Justice; Safer Colleagues, Safer Communities; and Social Mobility. We also launched our new Peace and Co-operation campaign.



OWNED BY YOU

Member owners contributed to our campaigning agenda throughout the year once again by participating in our Join In activities, writing to their elected representatives, signing petitions, engaging with our partners' campaigns and attending major advocacy events.



MEASURING OUR IMPACT

For over 20 years, we've set targets to track progress on our social value and sustainability activities. These targets help us stay focused on delivering more value for our members and their communities.

You can see a list of our headline targets and progress against them [here](#).

As well as tracking progress against specific KPIs, we assess how many people and organisations have been positively impacted, and the depth of that impact, wherever we can. This ranges from supporting people to make better connections or achieve improvements, through to longer-term, transformative change.

You can see some examples of this throughout the report in these boxes.

How do we define the Impact?

- Connect:** The number of people who can report some limited change as a result of an activity (e.g. raised awareness of opportunities to improve literacy skills)
- Improve:** The number of people who can report some substantive improvement in their lives as a result of the activity (e.g. actually able to read better)
- Transform:** The number of people who can report an enduring change in their circumstances (e.g. got a job as a result of improved literacy)

OUR TARGETS

Setting targets helps us stay on track to deliver more value for our members and their communities. These are our headline targets for 2025, showing progress over the last two years on the issues our members care about. You can see more of our targets in the data tables throughout this report. For more information on our progress against our targets, see our [data tables](#).

ICON KEY

A In-depth assurance Target Achieved On Track Behind Schedule Target not Achieved

REPORT SECTION	TARGET	2024	2025	PROGRESS
In support of our vision	We aim to end 2025 with 7m active members	6.19m	7.2m A	
	In 2025, we will enable 2.9m member engagements ¹ in our Co-op	2.6m	3.3m	
	Our activity will create value for 3.6m people in members' communities on issues our member owners care about in 2025 ²	4.2m	4.8m	
Access to opportunities	We will increase the proportion of ethnic minorities who are leaders to 10% by 2027 and 13% by 2030	9%	9% A	
	We will increase the proportion of women who are leaders to 45% by 2027 and 48% by 2030	43%	43% A	
	We will raise £5 million for Barnardo's by June 2025 to bring communities together to support 750,000 young people	£4.1m	£6.5m	
Access to a sustainable future	We commit to reduce absolute Scope 1 and 2 emissions by 66% by 2030 from a 2016 base year	61%	65% A	
	We commit to reduce absolute Scope 3 emissions by 48% by 2030 from a 2016 base year	24%	27%	
	We will reduce our plastic footprint by 30% by the end of 2025, per 1% market share ³ compared to a baseline year of 2018 ⁴	24%	27.5%	
	We will reduce food waste generated in our stores and depots by 50% by 2030 compared to 2022 ⁵	31%	20%	
	By 2030, 83% of our Co-op own-brand food and drink sales (tonnes) will come from non-HFSS products (excluding alcohol and non-food)	75%	75%	
	100% of soy in our Co-op products, including that embedded in animal feed, will be deforestation-free and responsibly sourced by 2025 ⁶	10%	8%	
	We will support our suppliers in improving human rights across our supply chains through the delivery of our global supplier engagement programme, reaching over 2,500 delegates in 50 events in 2025	Delegates: 3,135 Events: 126	Delegates: 3,717 Events: 155	

¹ Includes number of members engaged by Member Activators, members selecting local causes and member actions through 'Join In'.

² Number of people supported through our community activity, including beneficiaries of Local Community Fund, Time to Talk Day and Barnardo's.

³ Kantar Total Till Roll market share.

⁴ See page 90 for more details on our performance against this target.

⁵ See page 90 for more details on our performance against this target.

⁶ See page 96 for more details on our performance against this target.

OUR CO-OP

WE'RE FOUNDED ON A SET OF VALUES AND PRINCIPLES THAT GUIDE ALL CO-OPERATIVES AND DESCRIBE A DIFFERENT, FAIRER AND BETTER WAY OF DOING BUSINESS.

These values and principles inform every decision we make, helping us bring our Vision to life.

CO-OPERATIVE VALUES:

- 1 Self-help
- 2 Self-responsibility
- 3 Democracy
- 4 Equality
- 5 Equity
- 6 Solidarity
- 7 Honesty
- 8 Openness
- 9 Social responsibility
- 10 Caring for others

CO-OPERATIVE PRINCIPLES:

- 1 Voluntary and open membership
- 2 Democratic member control
- 3 Member economic participation
- 4 Autonomy and independence
- 5 Education, training and information
- 6 Co-operation among co-operatives
- 7 Concern for community



We now have over 7 million member owners actively trading with Co-op and benefitting from the value this brings.

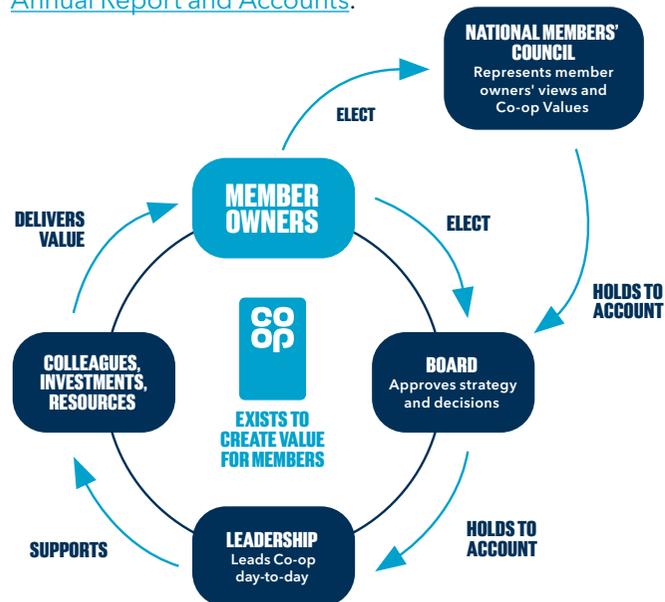
Co-op membership is different. Our members collectively own the business. This means our member owners can have a say in how it's run, including the products we sell, the causes we support, voting on the big issues members care about and choosing the leaders on our Board and National Members' Council.

This year we have increased value to our members everyday through Aldi price matched products, promotions on categories that matter most like meal deals, supercharged personalised offers and money off rewards through member in-app games. We also launched Member Prizes, where members can exclusively enter incredible monthly prize draws.

OUR CO-OP IS RUN DIFFERENTLY

National Members' Council

Co-op is our members' business. We exist to meet their needs. To help us do this, we have a 100-strong National Members' Council, which meets throughout the year to represent members' views and our values. Members elect their representatives on the National Members' Council and also directly elect four Member Nominated Directors to our Board, so that their voice is at the heart of what we do and how we do it. Ahead of each Annual General Meeting (AGM), member owners pick their leaders on our Board and National Members' Council as part of our elections, and they can stand for our Member Nominated Director and Council Member roles themselves if eligible. You can see how our unique governance works to create value with and for our member owners below. For more information see our [Annual Report and Accounts](#).



How our Board and National Members' Council worked with and for our members in 2025

Together, our Board and National Members' Council have continued to prioritise the issues that matter most to our member owners. Through the Big Co-op Survey, over 37,000 members shared what impacts their daily lives, their concerns and their hopes for the future. These insights shaped Council motions to our AGM and have helped guide what we work on and campaign for next. Here's a look at some of the issues you raised and how we've tackled them in 2025...

- **The cost of living:** we invested in even more lower prices on everyday essentials and favourites, price matching them to Aldi.
- **The health of people and planet:** Member Activators and Council Members hosted hundreds of events in Food Waste Action Week to share top tips and recipes.
- **Thriving communities:** in autumn, we met with thousands of member owners to hear about what works well locally, what's missing and the role Co-op can play to help our high streets thrive again.
- **Conflict and division:** our members' concerns were fed into a review of our Sourcing Policy. As of summer 2025, we adopted a policy to stop sourcing from countries where the international community has identified serious risks of community-wide human right abuses and violation of international law.

AGM

Member owners, our Council and Board can all put forward motions as part of our AGM, which thousands of members then vote on. This year, our National Members' Council put forward three motions to our

member owners, alongside two member motions on Animal Welfare and Trading with Israel.

The motions from our National Members' Council were:

- [Hate Divides Communities, Co-operation Builds Them](#)
- [Empowering Member Owners to Start, Choose, Understand, and Grow Co-operatives](#)
- [Supporting Member Owners with the Cost of Living and Responsible Consumption](#)

Our member owners voted in favour of all of our motions, and you can find updates on how we've made your voice count [here](#).



OWNED BY YOU, SHAPED BY YOU

Members own our Co-op and shape its future through everyday opportunities to participate – like our Join In activities – via our website, membership emails, the Co-op App or by connecting with local Member Activators.

Members can also set the direction for the big issues we tackle by making their vote count as part of our Annual General Meeting (AGM). Through these opportunities, members can tell us what matters most to them to inform our plans, learn more about their unique Co-op, select a local community cause to support, shape products and services and take part in our campaigns. Throughout this report, you'll find "owned by you, shaped by you" examples showing how members have helped deliver our shared vision.

This year, we explored how to deepen understanding of what it means to be a Co-op member owner—reviewing how we communicate ownership, the channels we use and how feedback drives change. We always aim to increase member participation and help every member gain more value from their Co-op.

MEMBER ACTIVATORS

Our network of 90 Member Activators work closely with our member owners, leading the charge in raising awareness of our membership value, whether it be economic, social or ownership value.

 **300,000+¹**

In 2025, our Member Activators delivered over 300,000 interactions with our member owners and colleagues on the issues that matter most in our communities. Highlights from 2025 include:



130 events

130 events in October, asking our members for feedback on our products and services and ideas on how we can work together locally.



6 AGM local events

Six AGM local events, inviting members to watch and be part of the AGM at a local level.



FAIRTRADE

Over 400

Over 400 events on our sustainability commitments, including Food Waste Action Week in March and Fairtrade Fortnight in September with over 23,000 interactions with members.



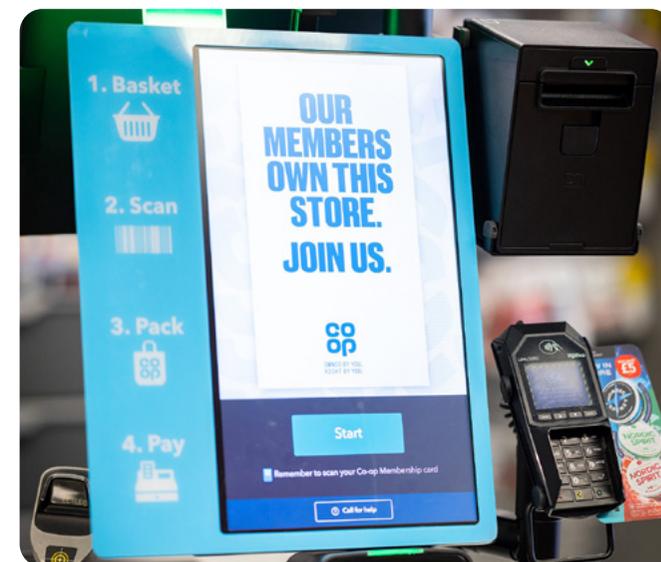
Promoting membership

140 Community Celebrations with member owners and 1,500 local groups in November.

CO-OPERATION AMONG CO-OPERATIVES

We're building partnerships to advance co-operative principles and help co-operatives and social businesses thrive. It's our ambition to be at the forefront of this movement, using our scale and influence to help others. We remain the UK's largest funder of the Co-operative movement, providing over £1.6m to a diverse range of organisations.

Our Co-op also has Independent Society Members (ISMs)—other retail co-operatives across the UK—sourcing products through Federal Retail Trading Services (FRTS), a jointly owned wholesale organisation. Fifteen ISM representatives sit on our National Members' Council, strengthening collaboration on issues that matter to members and the wider movement.



¹ This figure is calculated based on estimated ranges of members engaged provided in Member Activator monthly reports. Total taking maximum of range: 338k, total taking minimum of range: 164k - more detail is provided in our [Basis of Reporting](#).

INTERNATIONAL YEAR OF CO-OPERATIVES

This year, as part of the United Nations International Year of Co-operatives, we joined Co-operatives UK in welcoming co-operators from around the world to events across Rochdale and Manchester.

The Festival of Co-operation was the UK's largest gathering of international co-operative leaders in over a decade, returning to the birthplace of the movement and celebrating the legacy of the Rochdale Pioneers. The five-day programme featured visits to our Food stores, Co-op Academies, local co-operatives and the Rochdale Pioneers Museum.

The International Co-operative Alliance held its general assembly at Manchester City Council Chambers, exploring how co-operation can build a better world. This was followed by a major reception at our support centre, where hundreds of co-operators connected and shared ideas. We also hosted the CM50

meeting, bringing together CEOs of some of the world's largest co-ops.

Our CEO Shirine unveiled a plaque honouring Eliza Brierley—the first female Rochdale Pioneer—and commemorating a festival that brought energy, innovation and opportunity to our hometown.

We'll continue to help members understand what co-ops are and how they do things differently so they can play their full part in the business they own through engagement activities, our democracy and resources.



INVESTING IN OUR COMMUNITIES

Co-operation and collaboration are key to helping us deliver social value to our member owners and their communities on the issues they care about.

It's important that we hold true to our Co-operative Values and Principles, so investing in our communities remains at the heart of our membership. We achieve this by supporting causes that align with our social value priorities: creating access to opportunities, building a sustainable future, and promoting peace of mind and wellbeing.



Creating Adventures, Activities in Warrington for Adults with Autism and Learning Disabilities

LOCAL COMMUNITY FUND

Our Local Community fund supports projects across the UK that help people and communities to thrive. Since 2016, the Fund has shared £120 million with 39,000 community projects in our members' communities, with the share of funds for each cause driven by the choices of our members.

The benefits to community groups extend beyond funding, with 94% of causes saying that they felt more connected with their community as a result of participating in The Local Community Fund. The local nature of the fund means we're able to support a diverse range of beneficiaries including people with disabilities (60%), ethnic minorities (47%) and LGBTQ+ communities (35%).

In 2025, we invested £5 million in our Local Community Fund, supporting 2,500 causes. Our monthly Member Prize initiative, where members win £500 for themselves and £5,000 for their chosen local cause, enables a further boost to some local causes. In addition to their allocation from the Local Community Fund, £380,000 was shared with members and their chosen local causes.



£5M
INVESTED
IN 2025



634,249
PEOPLE
BENEFITTING
IN 2025



2,500
CAUSES
SUPPORTED
IN 2025



SUPPORTING ACCESS TO A SUSTAINABLE FUTURE

The [Green Community Centre's Nature Club](#) allows local families to take advantage of outdoor space, helping them to thrive.



SUPPORTING ACCESS TO PEACE OF MIND AND WELLBEING

The [Port Men in Sheds](#) provides a youth club for older men.



SUPPORTING ACCESS TO OPPORTUNITIES

[London Titans](#) provide opportunities for individuals with physical disabilities to engage in a high-energy and competitive team sport, helping them keep their level of independence and sense of community.

THE CO-OP FOUNDATION

Our charity, the Co-op Foundation, believes that young people have a right to be heard and make decisions on issues that impact on their future.

By delivering funding and campaigns with and for young people, the Foundation is creating opportunities for young people to thrive.

In 2025 the Foundation paid out £1,987,339 in direct funding to 36 organisations, including three onward-granting partners. Through these partners, a further 100 organisations and individuals received funding to build fair, inclusive and sustainable communities.

In 2026, the Foundation will launch two new funds to support delivery of Co-op’s social value strategy:

- Green Opportunities Fund - part of Co-op’s climate justice campaign, it aims to make green careers more accessible and appealing to underrepresented young people.
- Lead the Change - a collaborative fund led by BBC Children in Need, brings together funders to tackle division and unrest in the UK through supporting young people from all backgrounds to build inclusive, peaceful communities.

You can find out more about the work The Co-op Foundation does [here](#).




£1.9M
INVESTED IN 2025



136
ORGANISATIONS AND INDIVIDUALS
SUPPORTED IN 2025



**SUPPORTING ACCESS
TO A SUSTAINABLE FUTURE**

The Roots & Routes Fund supports young climate activists and the climate justice movement. This £270,000 collaborative initiative alongside Blagrave Trust, OVO Foundation, Energy Saving Trust Foundation and Impatience Earth, awarded up to £20,000 to six youth-led organisations and £10,000 to three individual young people in 2025. The fund will also award £19,000 to five infrastructure organisations that are supporting the climate justice movement in 2026.



**SUPPORTING ACCESS TO PEACE
OF MIND & WELLBEING**

In 2025, the Foundation launched the second round of its Future Communities Fund and two campaign partnerships to support children and young people with experience of the justice system. The £1,750,000 Future Communities Fund will support organisations helping young people re-connect with their communities after involvement with the justice system. The campaign partnerships are calling for an end to unnecessary imprisonment for children and promoting community-based alternatives. The campaign partners will receive £285,000 over three years.



SUPPORTING ACCESS TO OPPORTUNITIES

The Foundation’s Young Gamechangers Fund and Funding Futures Programme supports young social entrepreneurs and youth-led community organisations. In 2025 it awarded 66 Young Gamechangers aged 10-25 with £1,037,722 of funding to tackle issues such as climate justice, violence against women and girls and inclusivity in sport. Its Funding Futures Programme provided £363,858 of funding to 26 social entrepreneurs aged 18-25 that are working on financial inclusion in their communities.

MAKING A DIFFERENCE LOCALLY

Making a Difference Locally (MADL) is Co-op Wholesale’s charity and was launched in 2008 to help independent convenience stores across the UK support local causes. Stores build charity funds by purchasing Co-op own-brand products from Co-op Wholesale – each transaction adds to their fund, which grows in line with their wholesale purchases.

In 2025, MADL invested more than £1m in small charities, grassroots organisations and community groups operating in the towns, villages and cities served by Co op Wholesale’s network of independent retail partners, many trading as Nisa Local convenience stores.



£1M
INVESTED
IN 2025

317,289
PEOPLE
BENEFITTING
IN 2025

1,245
CAUSES SUPPORTED
IN 2025

SUPPORTING ACCESS TO A SUSTAINABLE FUTURE

Polden Environmental Network secured £2,000 to enhance local green spaces, plant 100 climate-resilient trees, and engage communities in biodiversity and conservation efforts.

SUPPORTING ACCESS TO PEACE OF MIND & WELLBEING

Making a Difference Locally Pride Pot is a £50,000 fund supporting LGBTQ+ communities in areas served by Co-op Wholesale-supplied stores. It ensures Pride groups, youth organisations and community projects have year-round funding to help LGBTQ+ people - especially young people - feel seen, supported and safe.

SUPPORTING ACCESS TO OPPORTUNITIES

In May, the charity launched a funding programme to support small charities focusing on providing equal access to opportunity called the Heart of the Community Awards, a total of £157,000 was awarded across 86 small charities and community groups supporting 20,702 people.

ACCESS TO OPPORTUNITIES



SUPPORT EQUITY AND ACCESS TO OPPORTUNITIES IN THE COMMUNITIES THAT WE SERVE



PROVIDE EDUCATION AND OPPORTUNITIES FOR YOUNG PEOPLE



TAKE ACTION ON SOCIAL MOBILITY, INCLUSION AND BELONGING



ENABLE ACCESS TO FOOD

LEVY SHARE

£42M

since 2021, Co-op Levy Share has seen £42m in pledges and has funded over 3,800 apprentices from diverse backgrounds



38

Co-op Academies providing a Co-operative Education to over 20,000 students



400K+

400,000+ people have benefitted from community fridge and pantry networks supported by Co-op in 2025

SUPPORTING POSITIVE FUTURES FOR YOUNG PEOPLE

We know that co-operation is vital in tackling the key challenges in our members' communities. We partner with like-minded organisations who can help to deliver positive and lasting change on the big issues our members care about and create social value in their local communities.

In June 2025, we announced the extension of our partnership with the UK's largest children's charity, Barnardo's. We're now raising £7m to support positive futures for 1 million young people.



£6.5m

Since our partnership began, colleagues, members, suppliers and customers have raised £6.5m and supported over 750,000 young people.



551,479
PEOPLE BENEFITTING
IN 2025



**IMPACT:
IMPROVE**

Colleagues continued to hold fundraising activities such as walkathons, car washes, raffles, cold water swims and more. We also added a bit of magic to our fundraising when Barnardo's [partnered with film franchise, Wicked: For Good](#).

Our partnership is supporting young people online through advice and information on TikTok,

Instagram and YouTube. Content includes quick and easy meal ideas, how to look after your mental wellbeing and tips for pushing out of your comfort zone to take advantage of opportunities.

We're also delivering face-to-face support services in local communities, including:

- **Sal-food Together in Salford:** Weekly and holiday sessions with activities focused on cooking, wellbeing and life skills.
- **Sedgemoor for our Future in Sedgemoor:** Weekly 'social kitchen' where young people cook and eat together with sessions on skills and wellbeing.
- **Project Balance in Edinburgh:** Weekly sessions focused on topics such as life skills, wellbeing and food.

In July, we launched [Deeper Roots, Stronger Futures](#), a policy report highlighting the need to involve young people in local food partnerships. 96% of our members aged 16-25 said they want to see and be involved in more local food partnerships. The report offers actionable recommendations for Government, local authorities, businesses, charities and community groups to support their meaningful participation in food partnerships. Our previous policy report, Recipes for Success, contributed to the three-year extension of the Government's Holiday, Activities and Food programme.



CO-OP LEVY SHARE

Launched in 2021, Co-op Levy Share brings together our suppliers, partners and other employers to pool unspent levy funds and channel them into apprenticeships for underrepresented groups.

The service continues to provide vital funding to the communities and organisations that need it most. This year we have received £8.8m in pledges, which has supported 1,084 apprenticeships.

To date more than 3,800 apprenticeships have been supported with:

- 30% individuals of non-white British ethnicity.
- 67% female.
- 19% declaring a disability.



1,084
PEOPLE BENEFITTING
IN 2025



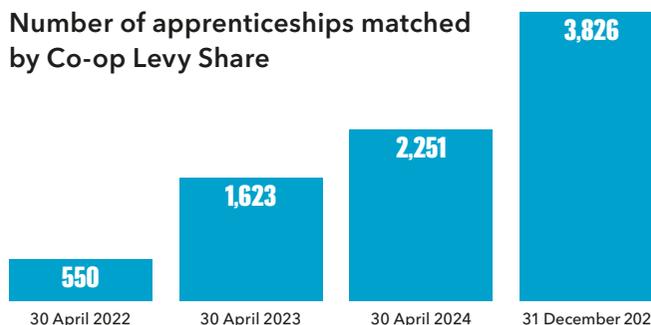
**IMPACT:
IMPROVE &
TRANSFORM**

In the last four years, the amount pledged has massively exceeded our initial target of £15 million over three years and over 3,000 apprenticeships have been matched with employers.



Over £42m

pledged in total since launching Levy Share in 2021¹.





65%

of apprenticeships provided through Co-op Levy Share² were located in communities scoring 5 or below in the Index of Multiple Deprivation

In 2025, Co-op Levy Share partnered with the City & Guilds Foundation to fund the first rail engineering apprenticeships at the Centre of Excellence skills hub in HMP Highpoint. This pioneering initiative addresses the UK's rail engineering skills shortage while helping to reduce reoffending rates. The initiative aims to reduce the UK's £21bn annual reoffending cost by offering industry-standard training and guaranteed employment upon release.

We also continued our partnership with The Royal Foundation to support apprenticeships in the early childhood sector.

You can read more on the impact Levy Share is making in our four-year impact report [here](#).



"My apprenticeship journey has been very fulfilling yet challenging, pushing me to work to the best of my ability. I have experienced a variety of opportunities to enhance my skills and knowledge in fabrication and welding preparing for my future" Zafeerah

¹ As of December 2025.
² Apprenticeships created up to 30 April 2025.

ROYAL FOUNDATION

We're proud to be a founding member of The Royal Foundation Centre for Early Childhood Business Taskforce.

The Taskforce was created to play an essential role in the Princess of Wales's work to inspire society-wide action to create a healthier, happier society for young children.

Over the past two years our Co-op has embraced the Taskforce's ambition to help build a more compassionate world in which children can grow, learn and live. We've supported our members, customers and colleagues by:

- **Co-op Suppliers stepping up:** After we hosted a roundtable, Kellogg's and Noble Foods began donating to our Co-op Academy breakfast clubs. Lego joined in too, gifting development kits to our primary academies and Midcounties nurseries.
- **Apprenticeships for the future:** Our Co-op pledged to raise £5m over five years through our Apprentice Levy Share scheme to fund early childhood apprenticeships. Just one year in, we've already raised £1.4m, supporting 133 apprenticeships.
- **Local Community Fund causes:** Through our Local Community Fund, we've supported 124 causes from baby banks to playgroups, taking our total investment through the Local Community Fund for the early years to £5.6m since 2016.
- **Business action hub:** Together with the Royal Foundation Centre for Early Childhood, we've built a hub to help businesses of all sizes take practical steps for children's futures.

Looking ahead to 2026, we'll celebrate the importance of pausing and connecting with young children. Together with over 8,000 of our members who have helped us shape the campaign, we'll share real stories and advice that inspire simple, playful everyday moments.



SOCIAL MOBILITY, INCLUSION AND BELONGING

Social Mobility, Inclusion and Belonging have always been priorities for our member owners - areas where they expect us to campaign, advocate and drive change.

Our strategy focuses on building a more inclusive workplace, enhancing social value and ensuring The Co-op remains responsive to colleagues, member owners and their communities.

In 2025, we strengthened fair access to opportunities, deepened belonging across all identities and embedded behaviours that help every colleague feel safe, respected and able to thrive.

OUR TARGET:

- We will increase the proportion of ethnic minorities who are leaders to 10% by 2027 and 13% by 2030
- We will increase the proportion of women who are leaders to 45% by 2027 and 48% by 2030

OUR PROGRESS:

- 9% of our leaders are from an ethnic minority background
- 43% of our leaders identify as women

ATTRACTING AND RETAINING DIVERSE TALENT

To advance our commitment to increasing diversity in leadership, we delivered two more cohorts of our *Elevating Women in Leadership* programme - equipping women with the skills, behaviours and confidence to progress into senior roles. Targeted where representation declines, the programme blends world-class facilitation with leading gender diversity research.

We see similar challenges for ethnic minorities, so we piloted a dedicated programme focused on removing structural barriers to progression and creating fair access to leadership opportunities.

FOSTERING A CULTURE OF INCLUSION AND BELONGING

In 2025, we reaffirmed our commitment to trans colleagues and communities. Following our CEO's public statement, we made clear that dignity, safety and respect are non-negotiable for everyone we serve and employ. We created a colleague working group to ensure our approach reflects diverse needs and reviewed our estate to provide facilities that uphold dignity and respect for all.

We also rolled out our new Colleague Code, supported by updated learning resources and a Zero Tolerance standard. Leaders used these tools to drive conversations about behaviour, expectations and

accountability. Managers have given feedback that they feel more confident addressing non-inclusive behaviour, and colleagues say the Code makes expectations "clearer, simpler, and easier to act on."

The Co-op's first digital Inclusion Passport launched, making workplace adjustments simpler and more consistent. Colleagues with disabilities or other needs can record agreed adjustments in our online colleague system (MyHR), ensuring support follows them across roles. Shaped by colleague feedback, it reinforces our commitment to dignity, equity and belonging.

Our Inclusion Pioneers continued to play a critical role in 2025. Drawn from all areas, they acted as catalysts for change - spotting barriers, modelling inclusive behaviours and supporting teams to create safer, fairer, more welcoming workplaces.



PAY GAP REPORTING

In 2025, we published our first [Intersectional Pay Gap Report](#), reinforcing our commitment to transparency and equity. By examining how gender, ethnicity, disability and socio-economic background intersect, we gained a clearer picture of colleague experience and progression. These insights are already driving targeted actions to close gaps, improve representation and ensure fair access to opportunity - marking a unique step forward in the retail sector.

In 2026, we'll stay focused on improving representation across all characteristics and ensuring our systems deliver equitable outcomes - from recruitment through to engagement and progression. We'll also focus on strengthening inclusive leadership, launching a Career Acceleration Programme for ethnic minority colleagues in Funeralcare, and continuing our *Elevating Women in Leadership* programme.



6th in the 'Diversity in Retail' Index

This year, we were proud to place 6th in the 'Diversity in Retail' Index, reflecting our progress in creating a workplace where difference is valued and inclusion is part of everyday practice.

CAMPAIGN: SOCIAL MOBILITY

Social mobility is, at its heart, about giving every individual a fair chance.

For The Co-op, it's not just about a lucky few landing elite jobs in big cities - it's about enabling more people to thrive in the communities they call home and ensuring our workforce reflects the communities we serve. That's why, since our members voted for action in 2021, we've been campaigning to tackle the inequalities we see today.

Taking action on social mobility isn't just the *right* thing to do - it's the *smart* thing to do. It has the potential to deliver on both the Government's "Opportunity" and "Growth" missions. Our 2024 report with think tank Demos, *The Opportunity Effect*, found that improving social mobility could boost the UK economy by £19bn - proving it's not a burden, but a way to increase productivity.

In 2024, we became the first UK retailer to publish a standalone socio-economic pay gap report. In 2025, we went further with a single report covering gender, ethnicity, disability and socio-economic background - remaining the only major UK retailer to voluntarily publish pay gap data across all four areas.

We've worked hard to encourage colleagues to share their socio-economic background (SEB) data. Starting with a 48% share rate, we set a target of 80% by 2025. We hit that target a year early, and today 82% of colleagues have shared their SEB data.

In November 2025, we published a Social Mobility Employer Toolkit, offering practical guidance for employers to measure, understand and promote social mobility in their workforces. We also launched an Employability Toolkit to help people facing barriers to work - such as young people, returners, refugees and those with convictions - build job-ready skills and confidence.

In March 2025, we gave oral evidence to the Lords Social Mobility Committee, making the case for SEB to become the 10th protected characteristic and for Government to encourage employers to collect SEB

SMF

TOP 75 IN

THE SOCIAL MOBILITY

EMPLOYER

INDEX

2025

17th place

We ranked 17th in the 2025 Social Mobility Employer Index (2024: 34th)



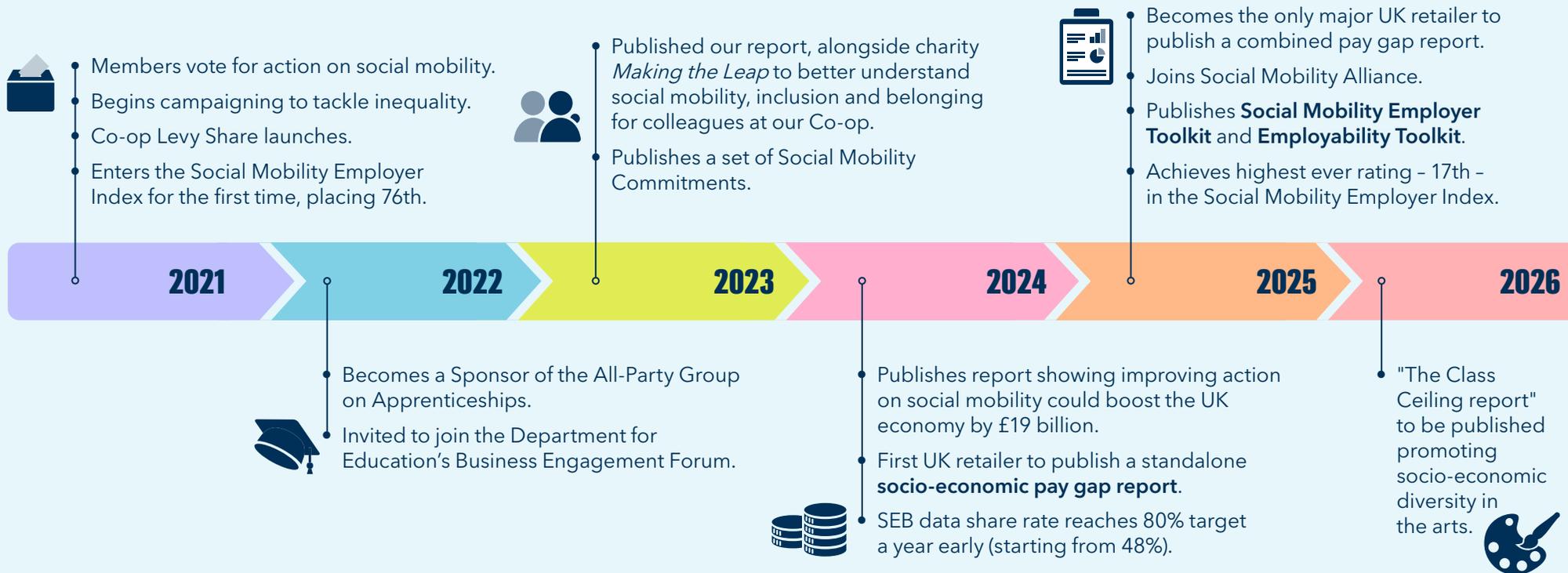
Take action on social mobility, inclusion and belonging

data and report SEB pay gaps. In June, we joined the Social Mobility Alliance - the only employer invited - to help co-ordinate lobbying efforts to promote social mobility. And in December, we appeared before the Women and Equalities Select Committee to give evidence alongside the Social Mobility Foundation. We also responded to the consultation on the Draft Equality (Ethnicity and Disability) Bill, advocating for SEB pay gap reporting to be introduced alongside proposed mandatory ethnicity and disability reporting.

We see apprenticeships as a vital way to promote social mobility. That's why we continue to push for reform of the Apprenticeship Levy, sponsor the All-Party Group on Apprenticeships and provide evidence to Parliamentary committees. During National Apprenticeship Week, we also called on the newly formed Skills England to collect SEB data on apprentices - ensuring these opportunities are truly open to everyone. You can read more on our Co-op Levy Share Service [here](#).

Looking ahead to 2026, we've co-sponsored research in partnership with the Greater Manchester Combined Authority to promote socio-economic diversity in the arts and creative sector. The *Class Ceiling* report will be published early next year. We've also commissioned new research, due in May 2026, exploring the link between social mobility and wellbeing to broaden the conversation beyond income and status.

SOCIAL MOBILITY CAMPAIGN: 2021-2026



CO-OP ACADEMIES

The [Co-op Academies Trust](#) is one of the largest multi-academy trusts serving the north of England, with 38 primary, secondary, special and post-16 academies. The Trust provides an education based on Co-operative Values and Principles as well as supporting careers education and encouraging social action for over 20,000 young people. By providing education and opportunities for the youngest in our society, our Academies aim to inspire a new generation of high-achieving, ambitious, skilled and confident co-operators, and are helping us deliver our social value priorities.

 **Over 20,000**
38 Academies providing an education based on Co-operative values and principles for over 20,000 students



Our Co-op provides £1m of funding annually, which is targeted at supporting pupil premium students, and to cover the cost of the Trust’s community team. We’ve strengthened our support for Co-op Academies by offering more enrichment activities and tackling barriers to social mobility, ensuring help reaches the students who need it most.

The Trust and its pupils get involved in social action projects throughout the year, including [The Big Lunch](#). Academies across the Trust hosted activities to bring people together, including events such as ‘Tea Time Pie and Mash’, garden parties and Father’s Day breakfasts.

We’re proud to support a broad careers offer for pupils across our Trust, from Reception all the way up to Year 13. Our Co-op Careers Programme continues to go from strength to strength, with the Primary World of Work Week now delivered in all our primary academies. We’re also delighted that the Trust has been selected to take part in a national pilot in partnership with the National Careers Company.


20,000
PEOPLE BENEFITTING IN 2025


IMPACT: IMPROVE



THE HACKING GAMES

As part of our long-term response to the spring cyber-attack, we launched a new partnership with *The Hacking Games* - a UK-based social impact business dedicated to preventing cybercrime by identifying and supporting young cyber talent before they are exploited.

The initiative goes beyond recovery; it's about prevention by connecting the cybersecurity industry with unconventional talent. With an estimated 30-40% of people in tech identifying as neurodivergent, the programme focuses on prevention through access to opportunity, resilience-building and guidance - especially for those most at risk of exploitation.

Our long-term partnership begins with an independent research study to inform prevention strategies and a pilot within the Co-op Academies Trust. Together, we aim to create a programme that delivers targeted training for students and parents, and opens pathways to ethical cyber careers.

"We know first-hand what it feels like to be targeted by cybercrime.

At Co-op, we can't just stand back and hope it doesn't happen again - to us or to others. Our members expect us to find a co-operative means of tackling the cause, not just the symptom. Our partnership with The Hacking Games lets us reach talented young people early, guide their skills toward protection rather than harm, and open real paths into ethical work. When we expand opportunity we reduce risk, while having a positive impact on society."

Shirine Khoury-Haq, Co-op CEO

Since launching the partnership, we've partnered with *The Guardian* to highlight the scale of youth cybercrime through a series of articles exploring how talented teenagers are being led astray - and the ethical alternatives available.

We also hosted our first Inspire Session at Co-op Academy Walkden, engaging 300 students (aged 14-15) with leading cybersecurity experts. The session introduced ethical hacking and showcased career opportunities for digital talent.



ENABLING ACCESS TO FOOD

In 2025, we continued to use surplus food and improve food redistribution. As cost of living pressures continue, our partnerships with Hubbub and Your Local Pantry promote sustainable and dignified approaches to reducing food insecurity.

Since 2021, we have helped to double the size of the Hubbub Community Fridge Network, which now has more than 815 locations that were visited over 1.5 million times in the last 12 months.

In 2025, we have funded 45 new community fridges across the UK (343 since the start of the partnership), allowing local residents to come together to learn new food cooking and growing skills, access affordable food and connect with their neighbours. We also distributed 300 investment fund grants. Since the start of our partnership, Your Local Pantry has opened 80 new pantries, growing their network to more than 120 pantries. There have been 314,000 visits over a 12-month period, where members of Your Local Pantry have saved £6.9m on their shopping bills.





409,930
PEOPLE BENEFITTING
IN 2025¹



**IMPACT:
IMPROVE**

¹ Cumulative beneficiaries of YLP and Hubbub community fridges.

ACCESS TO A SUSTAINABLE FUTURE



**REDUCE OUR ENVIRONMENTAL IMPACT
AND PROTECT & RESTORE NATURE**



TAKE ACTION ON CLIMATE JUSTICE



**SOURCE RESPONSIBLY AND BUILD RESILIENT,
INCLUSIVE SUPPLY CHAINS**



**SUPPORT PEOPLE IN MAKING HEALTHY
AND SUSTAINABLE CHOICES**



65%

65% reduction in GHG¹ emissions from our operations (Scope 1 & 2) since 2016
27% reduction in GHG emissions from our value chain (Scope 3) since 2016

¹ Greenhouse Gas.



230t

We removed 230 tonnes of plastic packaging through reduction projects



£707k

£707,000 of Co-op funding deployed to water, sanitation and hygiene programmes with Water Unite in 2025, reaching 8,762 beneficiaries



GOLD

GOLD EcoVadis Medal for sustainability performance, placing Co-op among the top 5% of companies assessed globally

CLIMATE CHANGE

Together, we're making real progress towards a more sustainable future and reaching Net Zero is a priority for us and our member owners. But we can't solve this alone; collective action is essential for reducing carbon emissions and protecting people and the planet.

OUR TARGETS¹:

Long-term target

We will be a Net Zero business by 2035 for our GHG operations (Scope 1 and 2) and by 2040 across our value chain (Scope 3).

Near-term targets

- We commit to reduce absolute Scope 1 and 2 GHG emissions by 66% by 2030, from a 2016 base year.
- We commit to reduce absolute Scope 3 GHG emissions by 48% by 2030, from a 2016 base year.
- 77% of suppliers in Category 1, Scope 3 GHG emissions covered by suppliers with validated science-based targets by 2026 & 79% of suppliers in Category 1 Scope 3 GHG emissions covered by suppliers with validated science-based targets by 2030.

OUR PROGRESS:

- 65% reduction in GHG emissions from running our business (Scope 1 & 2) since 2016.
- 27% reduction in value chain and product (Scope 3) GHG emissions since 2016.
- 72% of Category 1 Scope 3 GHG emissions covered by suppliers with validated science-based targets in 2025.

For over 20 years, we've been reducing our carbon emissions - cutting our energy use, investing in renewables, upgrading to more efficient vehicles and fridges, and supporting our producers around the world.

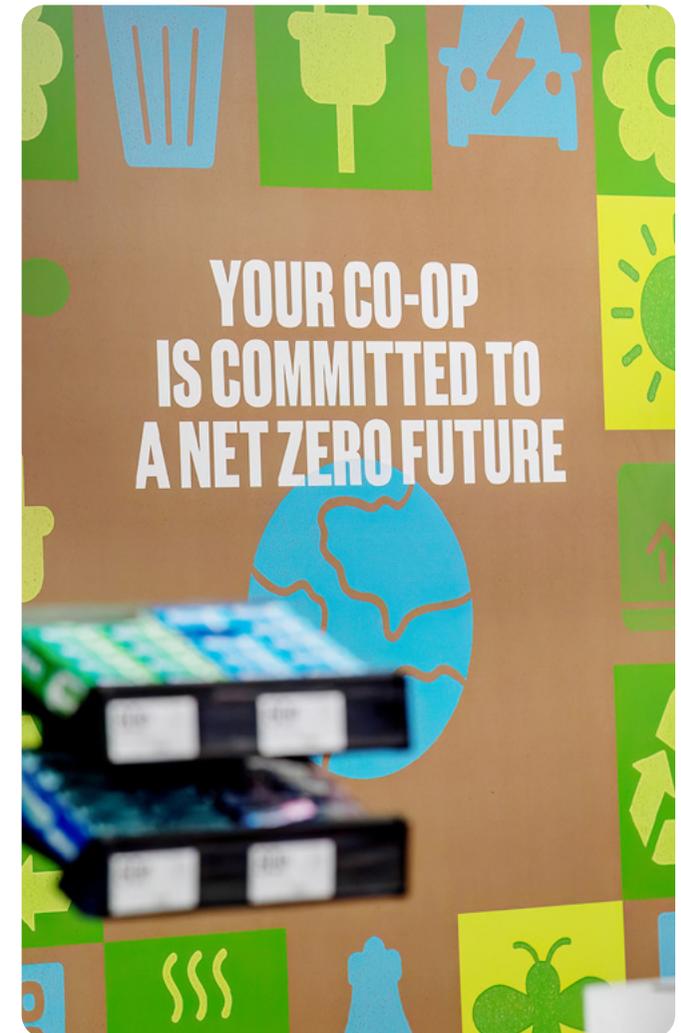
We know we can't solve climate change alone; most of our emissions² come from producing the products we sell, so working with our suppliers and producers is essential.

Our climate action is guided by three principles:

1 FOLLOW THE SCIENCE.

2 WORK FOR A FAIR AND JUST TRANSITION.

3 CO-OPERATE FOR SYSTEMS CHANGE.



¹ Following the latest best practice guidance of the Science Based Targets Initiative, we have set detailed target pathways which break down our 'energy and industry' and 'forestry, land use and agriculture' emissions and our pathway to reach Net Zero. These are set out in detail in our performance data.

² 95% of our carbon footprint came from Scope 3 emissions in 2025.

Reduce our environmental impact and protect & restore nature

CO-OP'S CARBON FOOTPRINT 2025 (ktCO₂e)

SCOPE 3 (EMISSIONS FROM OUR VALUE CHAIN)

57%

(2,358 ktCO₂e)

Purchased Goods

Production of our ingredients across the world, whether from plants or animals, branded or own-brand



10%

(427 ktCO₂e)

Packaging

All the packaging on our products



10%

(411 ktCO₂e)

Manufacturing products

Processing ingredients into the final product



7%

(273 ktCO₂e)

Land Use Change

Estimated impact of deforestation and land use change in our supply chain



5%

(214 ktCO₂e)

Supply chain transport

All the transportation of ingredients or final products before it gets to our depots



4%

(163 ktCO₂e)

Goods and Services to run our business

Emissions covering the goods or services to run our business. From carrier bags to uniforms



SCOPE 1 & 2 (EMISSIONS FROM RUNNING OUR BUSINESS)

2%

(83 ktCO₂e)

Electricity used at Co-op



<1%

(15 ktCO₂e)

Gas used at Co-op



2%

(86 ktCO₂e)

Transport by Co-op

Transport of goods to store, home delivery and our Funeralcare fleet



1%

(47 ktCO₂e)

Refrigeration at Co-op

Emissions from running our fridges



2%

(77 ktCO₂e)

Other

Everything else. Including colleagues commuting to work, travelling for business, and the end disposal of waste we generate



This breakdown shows emissions within the scope of our near-term target boundary. Our total footprint also includes a number of smaller categories of GHG emissions excluded from our near-term targets as per SBTi guidance, detailed [here](#). The percentages have been rounded to the nearest whole number.

PRINCIPLE 1. FOLLOW THE SCIENCE, RAPIDLY REDUCE CARBON EMISSIONS

HOW WE'RE REDUCING CARBON EMISSIONS – SCOPE 1 & 2



65% reduction

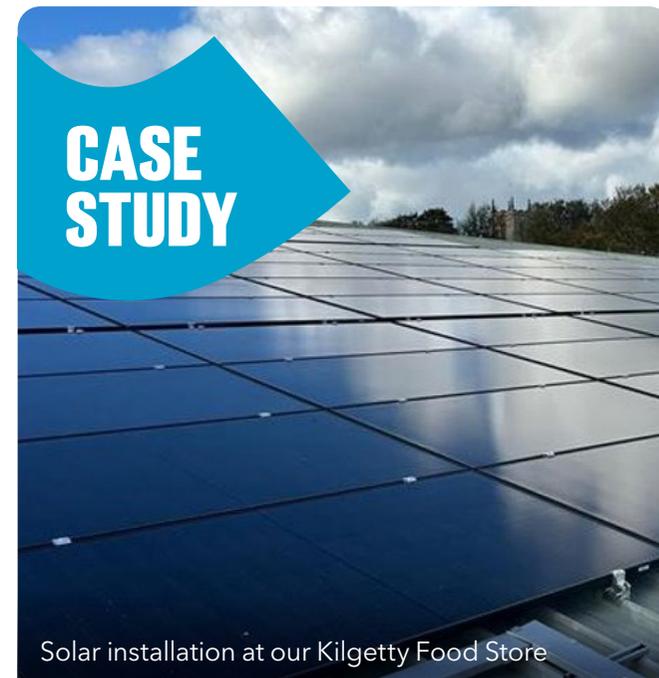
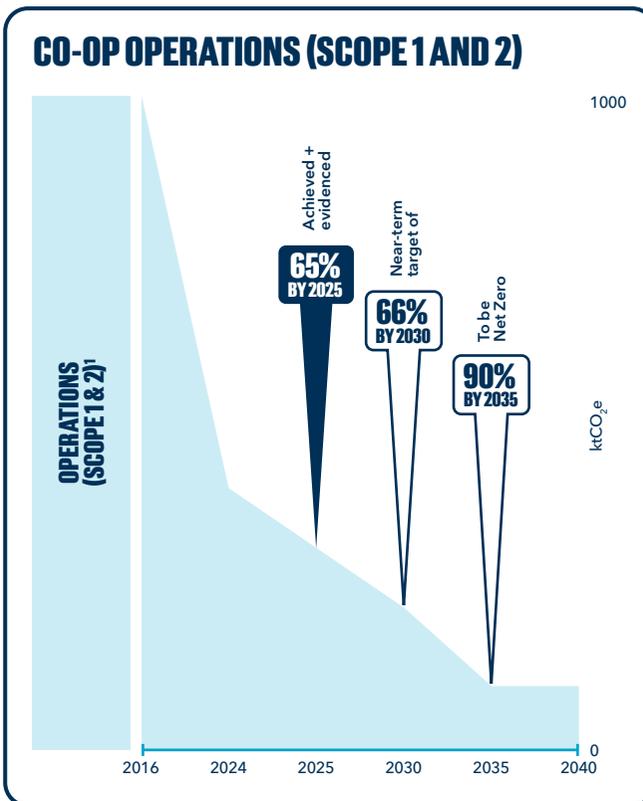
in GHG emissions from running our business (Scope 1 & 2) since 2016.

In 2025, we made significant progress in our energy efficiency, cutting electricity use by 4%, gas use by 13%, and reducing carbon emissions from electricity and gas by 17% compared to 2024. This was achieved through investment in store refits and asset connectivity upgrades allowing us to optimise energy consumption remotely. We also installed more submeters to improve our energy use tracking, undertook optimisation measures, and installed solar panels on several stores and one depot.



OWNED BY YOU

We were delighted to welcome members and customers to our two Sustainability Showcase stores in Soham and Earls Barton this year, giving them an opportunity to see the changes we're making to our food store estate to reduce emissions from our operations. Click the video to hear more about our Earls Barton store.



Solar installation at our Kilgetty Food Store

Biggleswade Solar, Offshore Wind & Solar PV Rollout

We installed retrofit rooftop solar panels on food stores for the first time this year, giving us valuable insights that are shaping a scalable rollout plan for 2026, ensuring we can deliver solar at pace and with confidence.

Our largest installation was our Biggleswade depot², where circa 6,700 panels now generate circa 2,500 MWh/year. This reduces our carbon emissions, improves our energy security and eases pressure on the national grid. We've also signed power purchase agreements to secure a long-term supply of renewable energy.

¹ Energy, fossil fuels and cooling.

² Went live in July 2025.

Reduce our environmental impact and protect & restore nature

Despite a 2% reduction in diesel use due to reduced volumes following the cyber attack, emissions from the food logistics network rose slightly (0.4%¹) due to higher emissions per litre of diesel. We continued to improve vehicle efficiency, refrigeration plug-in compliance and transport network optimisation to help drive down emissions. We introduced 30 biomethane tractor units and installed high-efficiency refrigeration onto our new fixed-body delivery trucks. Our home delivery fleet is being updated too, with 50 new electric non-refrigerated vehicles and a small number of diesel vehicles replacing older refrigerated diesel models². In Funeralcare, we added a further 13 electric hearses and 13 electric limousines to the fleet.

OPPORTUNITIES FOR THE FUTURE

We will continue to work on reducing our emissions from electricity and gas in 2026 and beyond, through energy efficiency technologies and initiatives, and through our solar rollout, which will continue in 2026 to cover more stores, depots and funeral homes.

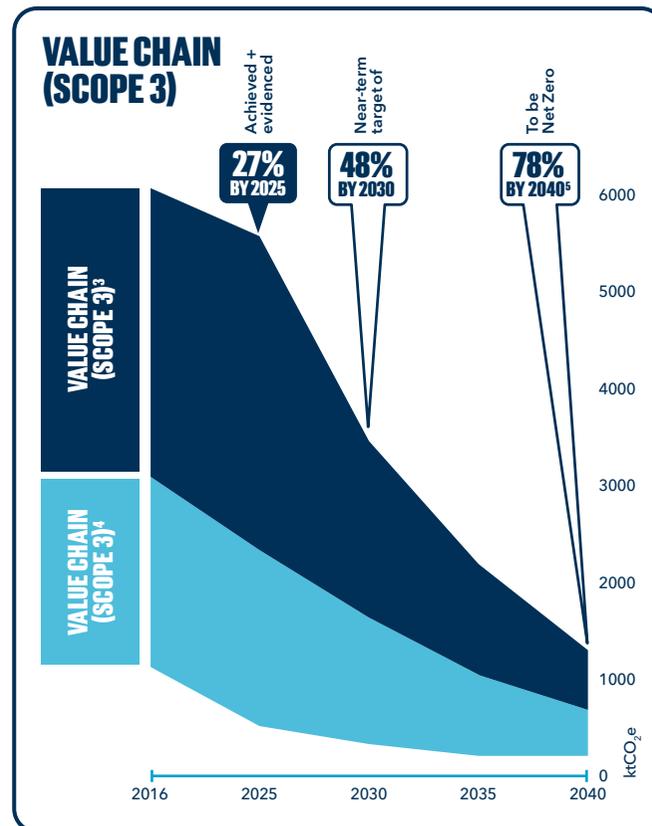
We'll keep optimising our fleet to improve efficiency across our network, we'll also continue to review biomethane vehicles as an alternative to diesel in 2026. High efficiency refrigeration units are now standard on new logistics vehicles and 2026 will see the introduction of our first fully electric heavy goods vehicle.

We'll continue to invest in natural refrigeration systems in new stores and refits, whilst collaborating with refrigeration manufacturers and installers to embrace new technology to continue to reduce emissions.

¹ Since 2024.
² Rollout started in Q4 25 and will complete in Q1 26.
³ Forestry, land use and agriculture.
⁴ Energy, waste, heat, fossil fuels, industry.
⁵ This equates to a 90% reduction in Scope 1, 2 and 3 energy & industrial emissions and a 72% reduction in FLAG emissions. See full target detail in the Our Data [section](#).

HOW WE'RE REDUCING CARBON EMISSIONS – SCOPE 3

PROGRESS THIS YEAR



Over 90% of our carbon footprint comes from Scope 3 emissions, most of which are linked to producing the products we sell. This makes reducing the carbon footprint of our products and value chain critical in reducing our climate impact. In 2025, we've taken four main actions:

- Improving product data.
- Supporting British farmers.
- Designing more sustainable products.
- Engaging with our suppliers.

IMPROVING PRODUCT DATA

When we first estimated our value chain (Scope 3) emissions back in 2016, we had to make a lot of assumptions about our product emissions. We've since collaborated across the food industry with other retailers and our suppliers to build a common way of measuring the impacts of the products we sell (read more about Cross Industry Collaboration [here](#)).

By the end of 2025, we now use specific-product level data for the majority of our own-brand food products. This gives us a more accurate and transparent view of our impact, helps us target the areas where we can make the biggest difference, and enables us to work with suppliers on shared plans and track progress together.

SUPPORTING BRITISH FARMERS

We depend on British farmers to grow and produce the food we sell. In 2025, we announced a new fund to support them and we have continued to support them to reduce the carbon intensity of our dairy and protein. Read more about our commitments and work with British farmers [here](#).

Reduce our environmental impact and protect & restore nature

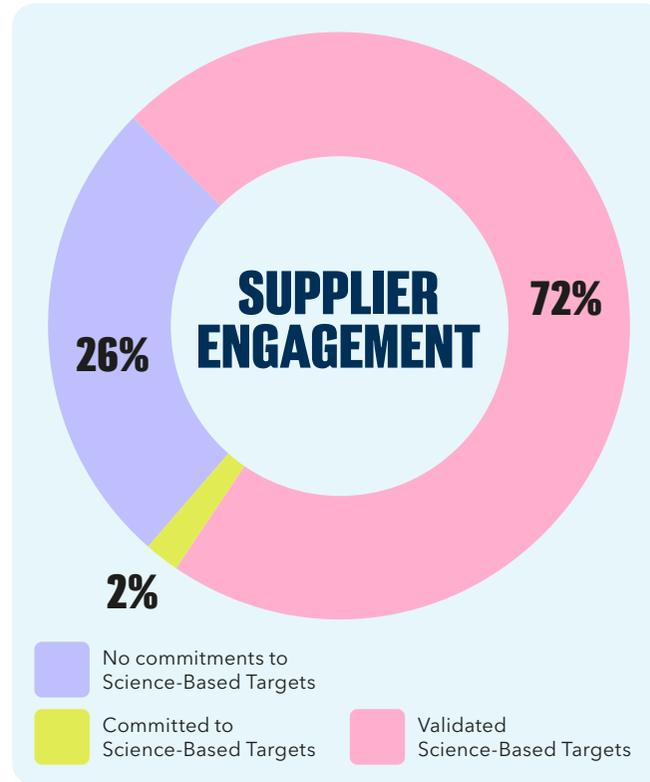
DESIGNING MORE SUSTAINABLE PRODUCTS

Cutting waste and improving our packaging helps lower our carbon footprint and makes our products more affordable for our customers. In 2025, we removed 235 tonnes of plastic packaging. Now that we have data on the carbon footprint of all our own-brand products, we can make changes which improve quality, nutrition and environmental impact at the same time.

SUPPLIER ENGAGEMENT

We buy products from thousands of suppliers every year. We track the progress of our top 200 suppliers towards carbon reduction, and in 2025, we continued to work with our strategic suppliers to agree plans and make progress.

This year, 72% of our purchased goods GHG emissions are from suppliers with validated near-term science-based targets, up from 48% in 2024 – a strong step forward towards our shared climate goals.



PRINCIPLE 2. WORK FOR A FAIR AND JUST TRANSITION, ADAPT TO A CHANGING CLIMATE

Climate change is making growing conditions more volatile, affecting food production and, in turn, the livelihoods and lives that depend on it. Farmers, communities and workers who produce our products globally are directly affected by the present-day impacts of climate change and extreme weather events.

Our approach is split into two parts:

- Understanding Climate Risk: Ensuring we understand the scale of change that is coming, including the growing risk to our business, and to the people who produce and supply our products and services.
- Supporting Adaptation and Resilience: Acting as an ethical and fair-trading partner to the people we source from and support their adaptation to climate change.

UNDERSTANDING CLIMATE RISK

We publish a detailed climate risk disclosure report each year which you can read [here](#), aligned to the best practice guidance of the Task Force on Climate-related Financial Disclosures (TCFD).

SUPPORTING ADAPTATION AND RESILIENCE

Climate justice means those least responsible for climate change shouldn't face the greatest impacts.



We support Fairtrade producers to adapt and mitigate through diversifying income, growing more resilient crops and adopting practices like shade planting. Read more about our work with The Fairtrade Foundation [here](#).

In recent years we've seen more volatile weather in the UK as well, and we're supporting our British farmers to adapt to unpredictable harvests. Read more about our support for British Farming [here](#).

PRINCIPLE 3. CO-OPERATE FOR SYSTEMS CHANGE, WORK TOGETHER ACROSS SOCIETY

We drive systems change rather than acting alone. Climate change is a shared issue that needs a co-operative response. In 2025 we did this in three ways.

POLITICAL ENGAGEMENT AND LEADERSHIP

In July, we supported a mass lobby, organised by The Climate Coalition, a coalition of over 100 organisations including The Co-op, uniting voices to demand action for people, climate and nature.

CROSS-INDUSTRY COLLABORATION

This year we have continued to support cross-industry alignment through the [IGD](#) Transition Plan for the UK Food System.

We're supporting IGD's work to build the value case for baselining the carbon footprint and nature impact of British farms. Read more in our Farming and Fisheries section [here](#).

By standardising product carbon footprinting across the industry, we've collectively removed a major barrier to Net Zero and enabled increased collaboration with our suppliers, farmers and producers.

NGO AND CHARITY PARTNERSHIPS

In 2025, we have continued our charitable partnership to restore degraded peatlands with the RSPB, with the first two years of the partnership protecting 500 hectares of peatland in their natural state long into the future, avoiding about 70,000 tonnes of carbon emissions, and seeing the return of rare species including golden plover, hen harrier and curlew.

Our cross-industry work is supported and convened by environmental NGOs¹ who play an important role in holding us to high independent standards, primarily [WWF](#) and [WRAP](#), working alongside our industry bodies IGD and [BRC](#). You can read more about the work of retail-environmental NGO partnerships online [here](#).



Mondra

Understanding the environmental impact of food products has long been a challenge. Calculating a single product's carbon footprint used to be slow and inconsistent, making it hard for the industry to compare emissions, track progress or work together effectively.

The BRC-Mondra coalition has changed that. Now representing over 90% of the food retail market, it combines advanced technology with industry collaboration resulting in standardised carbon footprints for thousands of our own-brand products. This gives us high-quality, scalable data that updates automatically whenever recipes or packaging change - allowing us to track progress in real time. As data from British farmers can be added, accuracy will continue to improve.



¹ Non-governmental organisation.

DELIVERING IMPACT IN OUR STORES

We launched two new Sustainability Showcase stores in 2025 to introduce and test innovative technologies in real operating conditions. These stores allow us to trial new solutions, understand how they perform and explore how they can be integrated across our wider estate.

A key part of the programme is sharing our journey with our member owners, customers, colleagues, industry partners and peers, because co-operation is essential to meeting our shared climate goals.

This diagram highlights a range of innovative features included in our Sustainability Showcase stores. We've also included some product-based initiatives and certifications that support both environmental and social impact – from reducing waste and energy use to supporting better benefits for farmers and workers in our supply chains. Together, they reflect the steps we're taking to make a meaningful difference across our entire store estate, range and supply chain.



RESOURCE USE

We have an important role to play in how we use resources. By reducing waste, choosing materials wisely and working more efficiently, we can help create a future that's better for our colleagues, communities and the planet.

PLASTICS AND PACKAGING

Packaging plays an important role in keeping food fresh, maintaining quality and preventing waste. We're committed to reducing its environmental impact by continually improving and innovating our materials while ensuring we meet current and emerging regulations in a cost-effective way.

OUR TARGET:

We will reduce our plastic packaging by 30% by the end of 2025, per 1% market share compared to baseline year of 2018.

OUR PROGRESS:

Against our target using the Kantar market share metric, our final figure was 27.5%

In 2025, we focused on three key areas:

- **Improving data quality:** We've been improving our data quality to comply with the Extended Producer Responsibility (EPR) obligations.
- **Continuing our work on plastic reduction.**
- **Resetting our Packaging Strategy:** In line with the new UK Packaging Pact¹, of which we are a founding member, and the UK Government Circular Economy Growth Strategy².



2025 PLASTIC REDUCTION PROJECTS

Tomatoes and peppers tray redesign:



78 TONNES

Moved laundry detergents to fibre-based cartons:



33.5 TONNES

Mini bites moved to bag in box:



20 TONNES

Irresistible steaks moved to card skin trays:



20 TONNES

Irresistible potatoes - Removed sleeve and used printed film:



19 TONNES

Yum Yums - Switched into card trays:



17 TONNES

Citrus Fruits - Format update:



14 TONNES

Flowers - Sleeve reduction:



12 TONNES

FTG snack pots - micron reduction:



7.3 TONNES

Spring onion tag removal:



5 TONNES

Cut herbs film downgrade:



4 TONNES

Washing up liquid cap redesign:



0.3 TONNES

¹ UK Packaging Pact | WRAP - The Waste and Resources Action Programme

² Circular Economy Taskforce - GOV.UK

Our progress

We have reduced our plastic use in absolute terms by 37%, and 27.5% against our target using the Kantar market share metric.

Whilst plastic reduction remains part of our ongoing strategy, our future focus will be on optimising packaging to minimise overall environmental impact by reducing material weights, increasing recycled content and improving recyclability.

Opportunities for the future

Alongside reducing plastic, we're focused on making all our own-brand packaging easy to recycle and lowering the environmental impact of the materials we use. We're also reviewing new targets to help drive further progress.

Our priorities for 2026:

- Implement our new Packaging Strategy, aiming to reduce the environmental impact of all packaging materials including plastics, metals and glass.
- Review our packaging target using a revised methodology and our improved data sources.
- Improve data accuracy to help us reduce the impact of extended producer responsibility.
- We will continue to work with our suppliers to ensure that all packaging materials are sourced responsibly.

CASE STUDY



Deposit Return Schemes

Our members are passionate about reducing packaging waste and finding easy-to-recycle alternatives. In response to this, as part of our Recycle Week in September, we asked our members to Join In with a survey on Deposit Return Schemes (DRS) - a Government initiative set to come into force for aluminium and plastic drinks containers in 2027. While DRS will help ensure materials are recycled

effectively, it also brings challenges for retailers including take-back requirements, store space, logistics and labelling.

Over 6,000 members joined in to talk to us about this issue, the insights from which will shape how we implement DRS in a way that works for our members, focusing on convenient return options and flexible ways to receive cash deposits.

Reduce our environmental impact and protect & restore nature

FOOD WASTE

Food waste puts pressure on precious resources like water and land and drives up emissions. Our member owners care about preventing food waste, and so do we. That's why we work hard to prevent food waste - and when food does become surplus, we try to ensure that it's shared with people in our communities.

OUR TARGET:

We will reduce food waste generated in our stores and depots by 50% by 2030 compared to 2022.

OUR PROGRESS:

In 2025 although we saw an increase in our food waste, our reduction since 2022 sits at 20% and we are still on track to achieve our 2030 target.

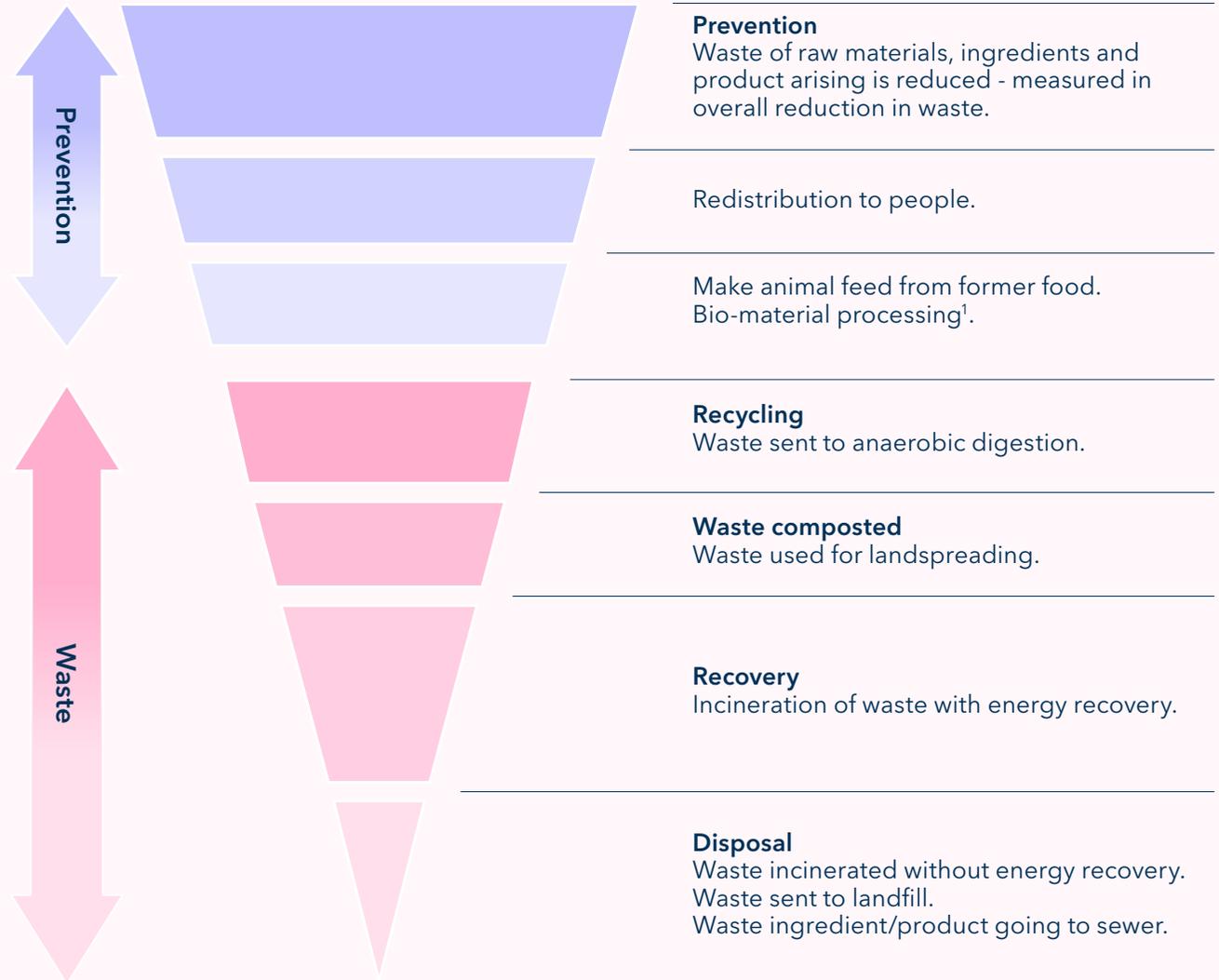
We continue to tackle food waste across our operations, following the food use hierarchy (see diagram to the right). We support suppliers, members and customers to reduce and prevent food waste, and where food cannot be sold, we prioritise redistribution. Through our food redistribution platform Caboodle, surplus food from stores is redistributed to community groups, while our depots work with national and local partners. Any food that cannot be redistributed is used to make green energy through [anaerobic digestion](#).



7,000 tonnes

We redistributed over 7,000 tonnes of food in 2025 (nearly 1,000 tonnes more than last year), enough to provide the equivalent of 16.7m meals.

FOOD MATERIAL HIERARCHY



¹ Turning organic waste materials (like surplus food, peelings, trimmings, expired products, etc.) into useful biological products rather than sending them to landfill or incineration.

Reduce our environmental impact and protect & restore nature

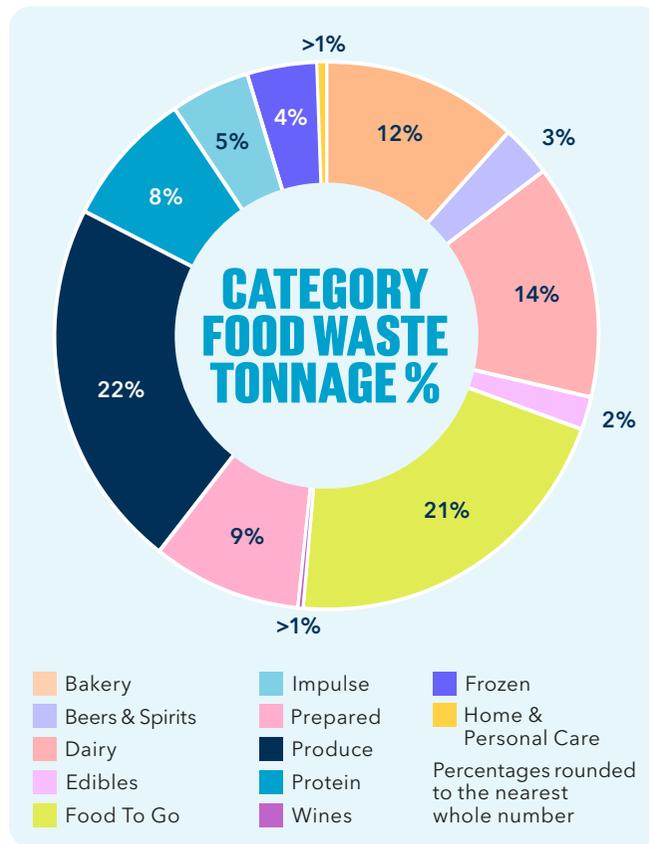


OWNED BY YOU

Members asked us to develop activities that will help them save money through reducing Food Waste. In Food Waste Action Week this year we held hundreds of events across the UK and provided online content for members to find out more about how to save money and save the planet. [You're helping to prevent food waste | Co-op Blog](#)

This year, we've seen a 16.5% increase in our food waste. This is due to several factors including our commercial strategy, the impact of the cyber-attack and the resulting reprioritisation of available stock into stores. Our focus for 2026 is to continue to work towards our 2030 target. The unprecedented challenges of 2025 also highlighted the need to strengthen our redistribution capability, both for day-to-day operations and for unexpected events.

The chart on the right shows a breakdown of our food waste in 2025. The increase in our operational food waste inevitably impacted on our food waste intensity, which rose 1.03% last year to 1.23%.



We have continued to work on prevention of food waste throughout the year, using data and collaborating with suppliers to identify high-waste lines such as bananas, in-store Bakery (ISB) and Food to Go.

We're focusing on a wide range of programmes with suppliers and colleagues, to drive value and cut waste from our supply chain. We've also reviewed our redistribution processes in-store to identify key improvements for the future.



CASE STUDY

Engaging with customers on food waste and contributing to collaborative initiatives

In-store bakery (ISB) is one of our highest-wasting categories, contributing over 1,000 tonnes of unsold food in 2024. To address this, we launched a Co-op member initiative offering 50% off loose ISB items after 6pm supported by the "More Value, Less Waste" campaign. Our store colleagues have welcomed the initiative, with a strong increase in member sales after 6pm and less food going to waste.

Reduce our environmental impact and protect & restore nature

CASE
STUDY



Collaboration with our main suppliers to track, measure and act on food waste in the supply chain

As part of our efforts to prevent waste in our stores, we've engaged with key suppliers to identify our priority areas and inform supply chain actions. One example is our collaboration with Warburtons where we targeted a batch of high-waste intensity lines and analysed the sales and waste data at a store level. Warburtons used these insights to make targeted interventions. After six weeks of monitoring, the data showed a drop in waste by 2% across the lines and helped to optimise sales.

Opportunities for the future

We'll continue to focus on preventing food waste across our highest-wasting categories including bakery, dairy, fresh produce and Food to Go. Insights gathered in 2025, such as our end-to-end review of bananas and work with key Food to Go suppliers, will guide targeted prevention activities.

We now have a clear plan to strengthen our redistribution capability, and delivering these improvements will be a major focus for 2026.

We'll also continue to refine the delivery of our food waste prevention strategy, exploring opportunities for improvement and shared learning across our wider network including wholesale, franchise stores and member societies.

WATER USE

Last year, we reported on our work to improve the accuracy of our water consumption data and outlined our plan to install automatic meters at key sites. These steps have strengthened our understanding of water use. However, overall consumption in 2025 increased slightly due to a small number of leaks across our estate. As a result, we did not achieve our 2025 target.

This outcome highlights the need for accurate data and proactive leak management. In response, we have launched a new water strategy and roadmap, with a strong emphasis on improved data and monitoring. Key actions include expanding our automatic meter reading (AMR) programme and developing dashboards to track consumption in real time. We have also implemented monthly reviews, leak identification processes, and targeted audits to drive efficiency.

Alongside these measures, we have refreshed internal targets for depots, Funeralcare and food sites and established a water management working group to oversee delivery. Our roadmap focuses on five key pillars:

- Data improvement
- Leak monitoring
- Colleague engagement
- Target setting and reporting
- Efficiency measures

These actions will help us embed responsible water use across our operations. We will share further updates in our 2026 report.



NATURE

A resilient food system depends on nature – from fresh water and fertile soils to biodiversity. But these ecosystems are under increasing pressure, and the global food system is a major driver of nature loss. Our members have called for action, and we recognise our responsibility to reduce our impact, protect nature and work with suppliers and partners to restore nature in our key sourcing regions.

Our members have told us they care about nature. Taking action helps protect food security, support communities and reduce the impacts of climate change. That's why we've made public commitments to support nature, including being a founding signatory of the WWF Retailers' Commitment for Nature.

Nature is already central to many of our responsible retailing programmes – we're tackling deforestation, responding to the climate crisis and building resilience across our strategic supply chains. Read more [here](#).

In 2025, we partnered with the Soil Association Exchange (SAX) to promote carbon reduction, biodiversity and soil health through sustainable farming practices in key supply chains. To read about

our work with SAX in more detail, see our [Farming and Fisheries section](#).

Other existing nature programmes include our charitable partnership with RSPB (see [case study](#)), our cocoa PIP¹ programme in key cocoa-growing communities in Peru (read more [here](#)), and reforestation and biodiversity research in Malaysian Borneo with Chester Zoo and HUTAN (read more [here](#)).

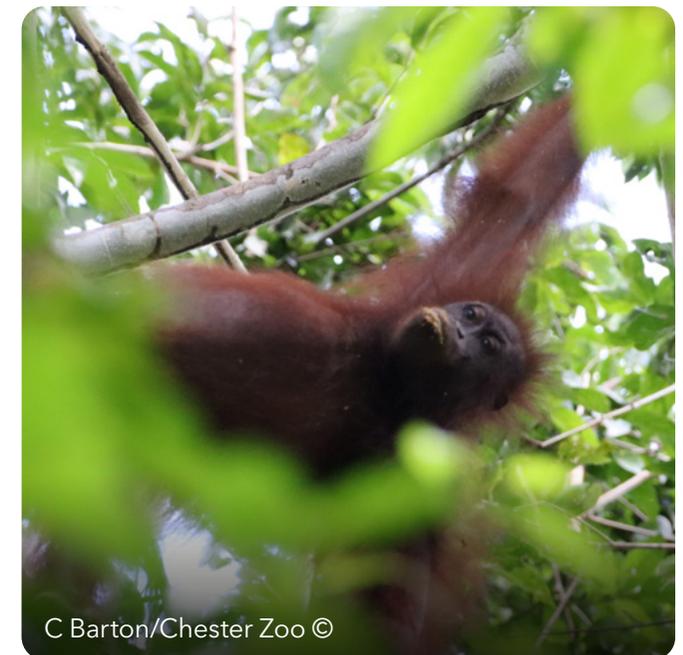


OWNED BY YOU

Our members smashed our target of 50,000 hours in nature this year by completing over 585,000 hours as part of our Summer in Nature campaign and taking 92,000 actions in support of nature. [You joined us for a Summer of Nature | Co-op Blog](#)



Cerniau, Wales 2025. Credit: Daniela Klein



C Barton/Chester Zoo ©

¹ Productivity Improvement Programme.

CASE STUDY



Restoring UK peatlands with RSPB

Through our partnership with the RSPB, we're supporting the restoration of UK peatlands through a three-year project, funded by proceeds from our Co-op carrier bags. We've contributed £2m so far, supporting work on six sites, including Forsinard in the Scottish Highlands and Cerniau in Wales.

We've prevented around 70,000 tonnes of CO₂ emissions over the sites' managed lifetimes, tracked and verified through the Peatland Code.

Nature is already returning – sphagnum moss is thriving, water voles have returned and rare birds like hen harriers and golden plovers are nesting.

This work isn't just about climate and biodiversity – it's about people too. The project is creating local jobs, building skills and supporting rural economies. By investing in peatland restoration, we're helping to protect iconic landscapes and contribute to thriving environments.

OPPORTUNITIES FOR THE FUTURE

We're developing our approach to addressing nature loss and its impacts more holistically.

In 2025, we worked with expert partners to complete a nature risk materiality assessment, giving us a clearer picture of how key ingredients¹ affect nature in our key sourcing regions².

These insights are shaping our Co-op Food Nature Strategy, helping us embed more positive outcomes for nature into our existing programmes and identifying where further action is needed. By focusing on the right interventions, and co-operation with our suppliers and partners, we aim to halt nature's decline and support its recovery across our strategic supply chains.

Our priority for 2026 is to set clear, robust targets that demonstrate how we contribute to a more nature-positive future.



Dunlin and Golden Plover - Lumbister.
Credit: Faye Sherlock

¹ Including milk, beef, chicken, salmon, wheat, cocoa, coffee and fresh produce.

² Including the UK, southern Spain and Lake Naivasha, Kenya.

WATER SECURITY

Water is essential for a secure future, and investing in sustainable, resilient water resources is key to addressing increasing climate vulnerability and inequalities.

We're improving water efficiency across our [operations](#) and collaborating with others to reduce water risk in our supply chain. We remain the only UK supermarket with an own-brand charity water, providing crucial funding that is changing lives.

We are signed up to WRAP's UK Food & Drink Pact which has an overarching industry target to source 50% of the UK's fresh food from areas with sustainable water management by 2030.

This year, we focused on delivering our Water Security Strategy by mapping water risk in our supply chain and increasing access to clean water, sanitation and hygiene (WASH).



¹ In Africa (Kenya, Rwanda, Tunisia and others).

² Colleagues who link with member owners in their local community.



£2.4m deployed

The One Foundation: £2.4m deployed to water, sanitation and hygiene programmes in 2025 through 3p per litre sold of our own-brand bottled water. Estimated to bring safe, clean water, improved sanitation and hygiene to over 89,000 people.



£707,000 in funding

Water Unite: £707,000 of Co-op funding deployed to water, sanitation and hygiene programmes¹ in 2025, reaching 8,762 beneficiaries.

ADDRESSING WATER RISK IN OUR VALUE CHAINS

Water is a shared resource and tackling water risk in food production requires collective action. In 2025, we continued working with WRAP, WWF and other retailers via the Retailer Leadership Commitment for Water. We are also founding supporters of WRAP's Water Roadmap which commits us to:

- Monitoring water use in our operations and improving efficiency: further work has been undertaken by our property team to accurately assess our water usage and develop robust water efficiency targets.
- Mapping water risk in our supply chain: a key focus during 2025, working with key fresh food suppliers to develop a framework to gather water risk data, giving us a clearer picture of hotspots in our fresh food supply chain.

- Supporting collective action in shared high-risk sourcing areas: we continue to support all ten of WRAP's collective action projects as part of our Retailer Leadership Commitment (see case study).
- Engaging suppliers in water stewardship: we continue to engage with key suppliers on water risk and will be further developing our approach with them in 2026.
- Advocating for better water governance: we continue to work with WRAP to support through the Retailer Leadership Commitment.

We also maintain our longstanding commitment to working with our suppliers to reduce pesticide use through our Crop Protection work (read more [here](#)).



OWNED BY YOU

During World Water Week in August, we encouraged our Member Activators² to host events on water - raising awareness about our charity water partnerships, and actions to conserve water at home. 36 events were organised, engaging over 2,800 members. Nearly 3,000 members also took part in an online quiz which raised awareness of water conservation.



Reduce our environmental impact and protect & restore nature

CASE
STUDY



WRAP Water Roadmap collective action projects

We now provide core funding towards ten WRAP Water Roadmap collective action projects in key sourcing areas across the UK, Kenya, South Africa, Spain and Peru. These projects enable us to play our part in helping to improve the health of key catchments, identified as being at risk from agriculture & food production. They bring together supermarkets, suppliers, farmers, local stakeholders and technical experts to deliver action plans and secure additional funding for specific interventions such as nature-based solutions.

One project is based in South Africa's Western Cape, a key water-supply region and major producer of crops¹ for local markets and exports such as fresh fruit for Co-op. The project tackles drought and flood risks by removing invasive vegetation and restoring indigenous species. This work helps rehabilitate vulnerable catchments, strengthens climate resilience for farmers, and supports local livelihoods through job creation, improved water and food security, and skills development.

WATER SECURITY AND PROGRAMME FUNDING

Alongside our work on water risk in the supply chain, we continued to support our charity water partners The One Foundation and Water Unite vital WASH programmes through donations on bottled water.

We celebrated reaching over £25m², thanks to our Co-op member owners and customers donating 3p per litre to The One Foundation through every purchase of our own-brand bottled water and ice; and donating 1p per litre to Water Unite on any other branded bottled water³ purchase with our branded water suppliers. We remain the only retailer raising funds for vital clean water, sanitation, hygiene and circular economy projects via our bottled water sales.

Through our partnership with The One Foundation, we have continued to fund vital WASH projects in Kenya, Ghana, Malawi and Rwanda. 50% of funding is ringfenced for Fairtrade producer communities within our supply chains and 40% of funding is provided for The One Foundation's priority programmes in areas of significant need such as urban informal settlements in Nairobi.

10% of our donations to The One Foundation are reserved for emergency relief, which in 2025 provided £230,000 of funding for critical WASH interventions in the Democratic Republic of the Congo and South Sudan.

We are also helping to connect The One Foundation and WRAP, to help integrate WASH partners into the WRAP collective action project in Naivasha, Kenya.



247,603
PEOPLE BENEFITTING
IN 2025⁴



**IMPACT:
TRANSFORM,
IMPROVE & CONNECT**

¹ Including apples, pears, stone fruit, berries, citrus and wine grapes.
² Since 2007.

³ Flavoured water and mixers (including tonic and soda water) are excluded.
⁴ From our work with The One Foundation.

WITNESSING OUR COLLECTIVE IMPACT FIRST-HAND

In October, Co-op colleagues visited The One Foundation in Kenya, where donations are helping to increase household access to clean water, improve toilet facilities and safely manage sewage in densely populated areas of Nairobi and Lake Naivasha.

We also visited Water Unite Impact investments, including Mr Green Africa, Sanivation and Jibu, all supported through micro-donations from branded water sold in our stores. We saw first-hand how selling bottled water in our stores leads to innovation on the ground to address pollution, the sanitation challenge and deforestation. Last year Water Unite Impact was selected as a winner of the [UpLink Nature Returns Challenge](#), run by the World Economic Forum in partnership with Mercuria, Sylvania and the Centre for Nature and Climate.

OPPORTUNITIES FOR THE FUTURE

A key priority for 2026 is refining our water risk mapping and reporting, and working more closely with suppliers on our approach to managing water risk in our fresh food supply chain. We will continue to work with WRAP to encourage co-ordination of a harmonised retailer approach to managing water risk, including alignment on data collection, agricultural standards and enhanced due diligence in high-risk sourcing areas.

We will continue to raise awareness of our water charity partners The One Foundation and Water Unite and the importance of improving water security.

CASE STUDY



Building supply chain resilience and expanding household access to clean water

Through our partnership with The One Foundation, Co-op is helping to build supply chain resilience and expand household access to clean water in Naivasha, Kenya - an important Fairtrade flower-sourcing area for Co-op. As well as helping communities connect with water services, the programme is strengthening small-scale water providers, to ensure they are regulated and able to provide safe and affordable

water for the long term. In addition, our funding is supporting five sanitation enterprises, delivering hygiene and behaviour change campaigns.

“It’s made my life much easier. I can go to work without stress, knowing I’ll have water when I come home.”

Lydia - flower farm worker, Kenya

CAMPAIGN: CLIMATE JUSTICE

We've been campaigning for a faster, fairer transition to Net Zero since 2021, building on Co-op's long history of acting in response to the climate crisis.

In 2025, we continued to see the impact of climate change on our Co-op: on our operations, on our producers and on our suppliers, both around the world and here in the UK. We saw sustainability and the cost of living remain at the top of the list when we surveyed our member owners on their concerns in 2025, and of course the two are closely linked.

That's why we remain steadfast in our call for urgent action on the climate and nature crises. Our member owners have been central to our Climate Justice campaign throughout 2025, contributing over 33,000 Join In engagements. We know real progress depends on strong partnerships, particularly as we must ensure that the costs involved in the transition don't fall on those least able to pay.

TAKING PART

We all have a part to play - every family, community, business and government - in tackling the climate crisis: we need to be working together towards a fairer, greener future.

In January, our member owners supported the Zero Hour 'Climate and Nature Bill', which led to the first ever Climate and Nature statement in the Houses of Parliament. In June, we joined The Climate Coalition's Great Big Green Week, with over a hundred events taking place on the theme of "swap together for good". In July, Co-op member owners and colleagues joined the *Act Now, Change Forever* mass lobby.

PEOPLE & PLANET

It cannot be right that those who have contributed the least to the advance of global heating are disproportionately impacted by the worst of its effects.

In September, we promoted Fairtrade's "Brew it Fair" campaign, which is all about creating a fairer future for the people behind the tea we drink. We've also been clear that we believe the Climate Change Act - and the legally binding 2050 Net Zero target - provides businesses with the vital certainty they need to plan and invest in the economy of the future.

RENEWABLE ENERGY

Whether for the sake of energy security, economic security or the environment, moving faster to decarbonise the grid should be a top priority.

In July, we published new research with Green Alliance setting out steps businesses can take to decarbonise their electricity use while contributing to greening the grid, highlighting the complexities faced by organisations of all sizes. We shared the report's recommendations with policymakers, elected representatives and in Parliament.

OPPORTUNITIES FOR THE FUTURE

Our CEO, Shirine Khoury-Haq co-chaired the UK Government's Net Zero Council until she stepped down from the Board of our Co-op on 29 March 2026.

The Council brings together business, civil society and government to advise ministers, coordinate action, and help ensure the economic and societal opportunities of the Net Zero transition are fully realised.

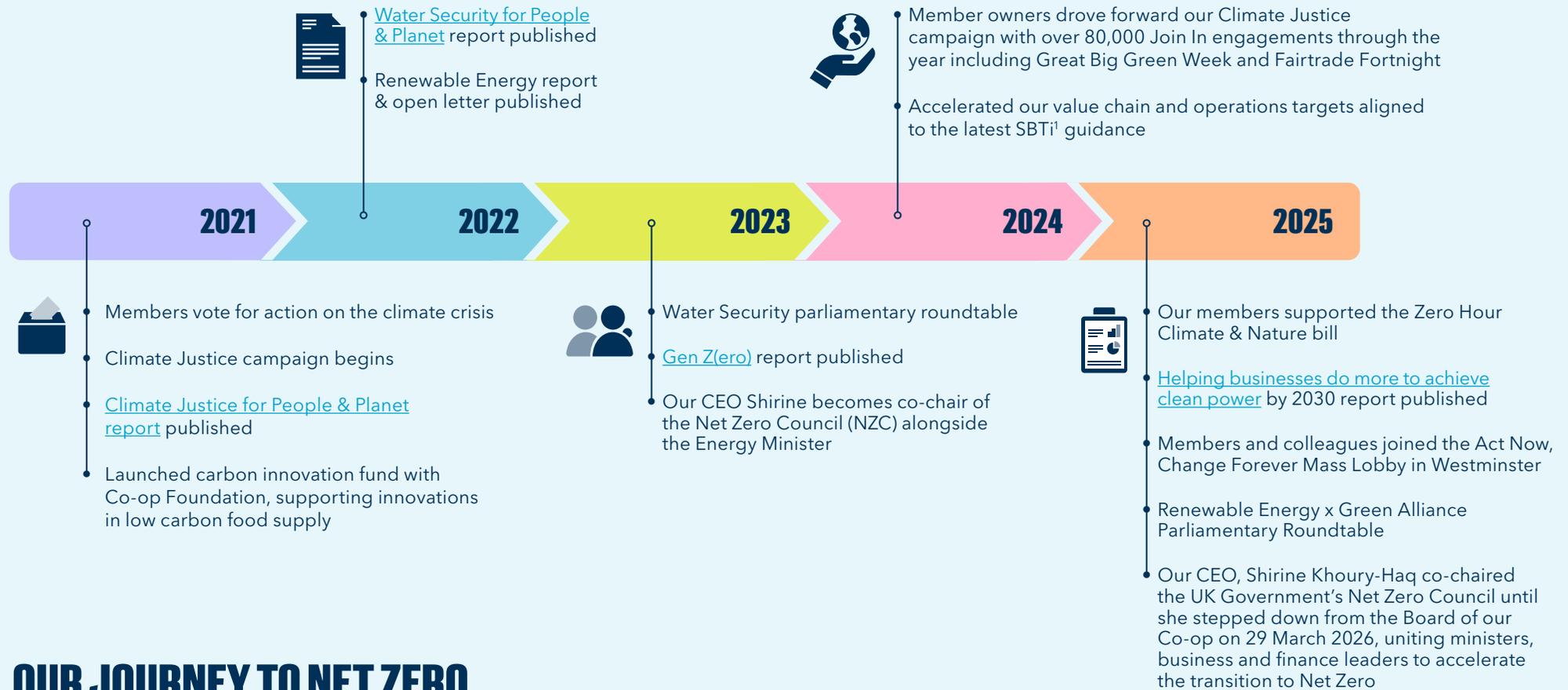
We are already seeing the very real impacts of climate change, and we remain clear that greater global ambition and strong domestic legislation are essential to ensuring a fair transition—both for communities across the UK and for those around the world. Amid the many challenges we face, we cannot afford to lose sight of the climate and nature crises. That's why, throughout 2026, we will continue to campaign for Climate Justice, for the sake of every generation to come.



OWNED BY YOU

In July, Co-op member owners and colleagues joined the *Act Now, Change Forever* mass lobby where thousands of people travelled to Westminster to meet their Member of Parliament. With our partners The Climate Coalition, we showed up to make it clear that climate and nature action matters, and that we want to see bold, tangible progress for people, climate and nature.

CLIMATE JUSTICE CAMPAIGN: 2021 - 2025



OUR JOURNEY TO NET ZERO



¹ Science-based Targets Initiative.

ETHICAL TRADE AND HUMAN RIGHTS

Ensuring that the people behind our products are respected, protected and treated fairly is a key value of the Co-op. To do this, we work closely with our suppliers and key partners to protect vulnerable workers and support resilient livelihoods across our supply chain. We're committed to ensuring that everyone involved in producing our own-brand products is treated fairly and that their fundamental human rights are upheld. This includes fair pay, safe and decent working conditions, and protection from forced labour, modern slavery and inhumane treatment.

This section is structured around our five strategic priorities, which we continued to focus our work around in 2025.

OUR TARGET:

We will support our suppliers in improving human rights across our supply chains through the delivery of our global supplier engagement programme, reaching over 2,500 delegates in 50 events in 2025.

OUR PROGRESS:

In 2025 we reached 3,717 delegates in 155 events.

DRIVING INNOVATION IN DUE DILIGENCE AND TRANSPARENCY

Our Food business has a robust programme of assessing and monitoring high-risk labour and human rights issues across our supply chain. In 2025, our programme covered 2,988 sites (676 Tier 1 and 2,312 Tier 2¹ supplier sites), across 66 countries, employing 784,657 workers. Our expectations are outlined in our [Human Rights Position Statement](#) and our [Sound Sourcing Code of Conduct](#).

All Co-op own-brand food suppliers must join [Sedex](#) (Supplier Ethical Data Exchange²), and Tier 1 sites in high-risk countries require an independent audit before approval. We are committed to working collaboratively with our suppliers to address the root causes of issues.

We actively use insights from workers through grievance mechanisms and whistleblowing channels such as [Unseen](#), alongside information from suppliers and independent sources to guide our due diligence. Over the past year, we've contributed to collaborative independent human rights investigations into issues raised in our supply chain alongside a range of enhanced due diligence assessments that support effective remediation for workers. We report on issues found in our supply chains in our [Modern Slavery Statement](#).



¹ A Tier 1 site is a production site where goods are finished, ready for supply to, or sale by, the end company. A Tier 2 site is a production site that supplies goods or materials to a Tier 1 site for incorporation into the finished product.

² Sedex is a global technology company that specialises in data, insights and professional services to empower supply chain sustainability. Sedex provides practical tools, services and a community network to help companies improve their responsible and sustainable business practices and source responsibly.

Source responsibly and build resilient, inclusive supply chains

To drive greater transparency, we're ensuring more high-risk supply chains share disaggregated, beyond Tier 1¹ data - covering sites, workers and freedom of association - via [Open Supply Hub](#).

EMBEDDING ETHICAL TRADE INTO CORE BUSINESS ACTIVITIES AND WINNING HEARTS AND MINDS

We work closely with colleagues with key human rights responsibilities through specialist training. The training shows how everyday decisions impact supply chain workers - from inductions to workshops - to help embed ethical trade into decision-making. To support this, we have updated our Technical Guide to Ethical Trade for colleagues and collaborated with commercial teams to manage human rights risks in supply chains and through our tender processes.

In July, we launched a Pan-Co-op Ethical Trade and Human Rights Working Group. The group is responsible for delivering actions that were developed through a Pan-Co-op Human Rights Risk assessment in 2024 to address ethical trade, human rights and modern slavery risks across our Co-op.

Our commercial processes, including tenders, assess suppliers' human rights capabilities, embedding ethics into supply chain relationships. We hold regular review meetings and annual cross-functional ethical trade reviews, fostering open dialogue and collaboration to address issues and advance human rights strategies together.

¹ Sites 'beyond Tier 1' include sites at Tier 2 and further down the supply chain, depending on the nature and complexity of the supply chain.



CASE STUDY

Driving impact through collaboration and capacity building

We believe everyone has a role in upholding human rights and ethical trade standards, and that involving a wide range of stakeholders is essential to preventing human rights abuses. This is why we support collaborative capacity-building initiatives in high-risk sourcing areas and in sectors where multi-industry action can be most effective.

2025 marked milestone anniversaries for two ethical trade forums we helped establish.

Spanish Ethical Trade Forum: 180 delegates met in Murcia for the forum's 10th anniversary. Co-op spoke at the event, which focused on corporate social responsibility (CSR) collaboration, labour legislation progress and impacts delivered by specialist working groups.

Egyptian Ethical Trade Forum: 48 organisations gathered in Cairo for the forum's 15th

anniversary, with multi-stakeholder discussions on youth employment and gender.

We also continued to create trusted spaces for engagement, including convening more than 60 strategic suppliers and colleague leaders at our Human Rights & Ethical Trade Forum to discuss worker safeguarding across our supply chain.

We also contributed to global thought leadership by speaking at an AIM-Progress panel at the UN Forum on Business and Human Rights, sharing best practice on building supplier ownership of human rights and environmental due diligence. Recognising our responsibility within our home community, we collaborated to re-launch the Greater Manchester Modern Slavery Business Network in 2025, helping local businesses work together to tackle modern slavery.

BUILDING CAPACITY AND RESILIENCE IN OUR SUPPLY BASE

Collaboration is essential to tackling the root causes of human rights issues in our supply chain. In 2025, we continued to work with partners including Food Network for Ethical Trade ([FNET](#)), [Stronger Together](#), the Modern Slavery Intelligence Network ([MSIN](#)), [Unseen](#), and Seafood Ethics Action Alliance ([SEAA](#)).

Through working in partnership with global and local stakeholders we build capacity and knowledge by supporting events that embed human rights and ethical trade practices across supply chains. In 2025 we trained over 3,717 delegates from 2,288 businesses, many of which are suppliers, in five countries. These efforts are building capability and driving systemic change and supplier ownership.

TACKLING MODERN SLAVERY AND MITIGATING HUMAN RIGHTS RISKS

This year, we've continued to review and prioritise activity addressing labour rights risks across our eight priority areas¹. See our [website](#) for detail on what the priorities are, the supply chain and products, and how we're responding to the issues.

In addition, we have strengthened our commitment to eliminating illegal and unfair recruitment fees across our global supply chains. Through the [Seasonal Workers Scheme Taskforce](#), we worked collaboratively to deliver grower roadshow events to 426 delegates, rolled out an independent worker survey, began development of a multi-lingual

support line for workers, launched the Employer Pays Principle ([EPP](#)) Feasibility Study and roundtables to address the risk of workers taking on debt to migrate for work, while considering food security and the sector's long-term sustainability.

In May, a new [report](#) on responsible recruitment in tuna processing was launched that was co-funded by Co-op along with other industry bodies, buyers and suppliers. The study focuses on migrant labour used in tuna processing plants in five countries and provides practical recommendations so the industry can work together to implement best practice on responsible recruitment.

To tackle modern slavery, we provided free modern slavery and responsible recruitment training to suppliers and labour providers in our supply chain, through our sponsorship of [Stronger Together Consumer Goods Programme](#), reaching 1,624 delegates across 94 training courses.

EMPOWERING WORKERS AND ENHANCING LIVELIHOODS

In partnership with our flower supplier Flamingo, we continued our support for the [Inua Dada Gender Empowerment Project](#) and commissioned an [endline report](#) and [learning paper](#), which was published in April. The report summarises key lessons, successes and challenges from our work. [Along with eight other retailers](#), Co-op provided funding for the Gender Action in Agriculture Initiative (GAIA) to develop a set of Gender Based Violence and Harassment principles to enable aligned and co-ordinated action in commercial agriculture and

fisheries. Over 90 organisations from Kenyan tea and flower and South African citrus sectors and the business and human rights field participated in series of roundtable events to develop the principles, which were launched in November.

In 2023, we joined other major UK retailers in signing [IDH's Living Wage Commitment](#) to close the living wage gap in international banana supply chains by 2027. As a leading Fairtrade retailer selling 100% Fairtrade bananas, we've taken significant steps toward this goal but recognise industry-wide collaboration is essential. We have continued to work with UK retailers, our supplier, Fairtrade and IDH on a living wage roadmap. Additionally, along with three other UK retailers, we've co-funded a two-year Banana Link-led project with producers, trade unions and governments in Ghana to establish collective bargaining agreements, securing living wages, decent work and improved living standards for banana workers.

More details about our Ethical Trade and Human Rights programme can be found in our [Modern Slavery Statements](#).

OPPORTUNITIES FOR THE FUTURE

In 2026, we will continue to strengthen due diligence in high-risk supply chains, support suppliers through our global engagement programme and advance women's rights by piloting GAIA-aligned projects to address gender-based violence and harassment. We will also continue collaborating to eliminate illegal and unfair recruitment fees across our global supply chains.

¹ These priorities are reviewed annually using insights from trusted partners and external sources to ensure they remain fit for purpose.

Source responsibly and build resilient, inclusive supply chains

FAIRTRADE

Around a third of the world's food is produced by 570 million small-scale family farms, many in regions facing the most extreme poverty. Driven by our passionate members, we've championed the Fairtrade movement for over 30 years, supporting through fairer prices, working conditions and terms of trade. Fairtrade is more than a label - it is a movement for trade justice.

Our objective is to be the UK's leading supporter of Fairtrade

Our work is grounded in a three-pillar approach: sourcing Fairtrade ingredients, delivering impactful programmes and championing producer voices through advocacy. Through this approach, we support farmers and workers to build more resilient livelihoods.

SOURCING

We are continuing to drive impact through strong Fairtrade sourcing commitments.

- 100% of our Co-op own-brand bananas, tea, coffee, bagged sugar, roses, South African wine and cocoa (including as an ingredient) are sourced on Fairtrade terms, and we are the world's biggest seller of Fairtrade wine.
- In 2025, we continued to be a Fairtrade leader in the UK. We sell more Fairtrade flowers and wine than any other UK grocery retailer.



CO-OP'S FAIRTRADE LEADERSHIP

At Co-op, we have been championing Fairtrade for over 30 years.

<p>1992</p> <p>We were the first major retailer to start selling ethically traded Cafédirect coffee, which became one of the world's first Fairtrade certified products in 1994</p> <p>1st</p>	<p>2000</p> <p>We were the first retailer to bring Fairtrade bananas to the UK, and to launch an own-brand Fairtrade product; our milk chocolate bar</p> <p>1st</p>	<p>2003</p> <p>We were the first UK retailer to make all of our coffee Fairtrade</p> <p>1st</p>	
<p>2017</p> <p>We were the first UK retailer to commit to sourcing all of the cocoa used as an ingredient on Fairtrade terms</p> <p>1st</p>	<p>2016</p> <p>We were the first UK retailer to make all of our own-brand chocolate Easter eggs Fairtrade (excluding Free From)</p> <p>1st</p>	<p>2008</p> <p>We were the first UK retailer to switch all Co-op own-brand hot drinks, bagged sugar and cotton wool to Fairtrade</p> <p>1st</p>	<p>2004</p> <p>We partnered with Traidcraft to launch the first fairly traded wine in 2001, which became the world's first Fairtrade wine in 2004</p> <p>1st</p>
<p>2018</p> <p>We were the first UK retailer to commit to sourcing all African roses on Fairtrade terms</p> <p>1st</p>	<p>2022</p> <p>We were the first retailer to move all own-brand and branded South African wine to Fairtrade</p> <p>1st</p>	<p>2024</p> <p>We became the first UK retailer to extend our commitment to sourcing 100% Fairtrade roses</p> <p>1st</p>	<p>2025</p> <p>We were the first UK retailer to launch a Fairtrade own-brand beer</p> <p>1st</p>

Source responsibly and build resilient, inclusive supply chains

- The Co-op's Fairtrade sourcing supports 178 producer organisations across 28 countries, reaching over 400,000 farmers and workers.
- Despite another volatile year for global supply chains, overall in 2025, we maintained steady volumes of Fairtrade ingredients sold, despite some drops in categories caused by availability issues.



OWNED BY YOU

Fairtrade Fortnight – our Member Activation team held 180 local events across the UK, bringing Fairtrade supporters together within communities and engaging with over 9,000 of our members. 36,900 members joined in through our online Fairtrade events with 21,000 members pledging to swap to Fairtrade through the activation. We developed a Fairtrade App game which attracted over 174,000 members to win money off Fairtrade products.

PROGRAMMES

Farmers and workers are facing increasing challenges – from unfair and unjust trading practices to escalating impacts of climate change which impact supply chains, food systems and livelihoods. We put people and planet at the heart of our [Climate Justice campaign](#) and are standing with farmers by investing in strategies that support them to adapt, mitigate and build their resilience to climate change.

2025 was a reset year for our programme work – some of our flagship and longstanding programmes concluded and we commenced new and innovative programmes supporting Fairtrade producers.

Bananas:

- Our five-year Productivity Improvement Programme (PIP) concluded in 2024, having strengthened soil health and productivity in the Dominican Republic and Colombia, and supported smallholder resilience and livelihoods. In 2025, we began working with CLAC¹, Fairtrade Foundation and Fyffes to explore a new phase of this programme, building on the success of the PIP programme and supporting the evolving needs of smallholder farmers.

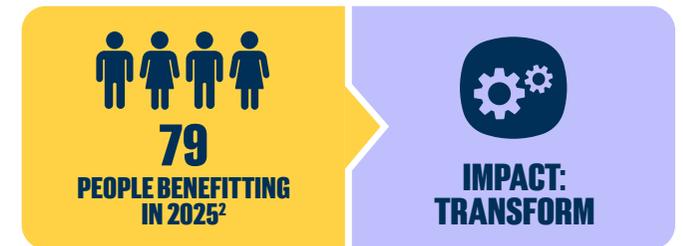
Cocoa:

- In partnership with CLAC, the Fairtrade Foundation and our supplier [ICAM](#), we have taken learnings from the successful banana PIP programme and launched a cocoa PIP programme in key cocoa-growing communities in Peru (see case study on the next page).

We also maintained our longstanding commitment to the Women's School of Leadership (WSOL) – Fairtrade

Africa's flagship gender empowerment programme. First launched in 2017, WSOL works to address gender-based challenges within the cocoa sector by supporting women (and some men) with the skills and confidence to take leadership roles, influence decision-making and drive community development.

New WSOL student cohorts were introduced across Côte d'Ivoire and Ghana in 2025, reaching a total of 79 beneficiaries (70 women and nine men) from 20 small-scale cocoa producer organisations. Through the support of Co-op and other international funding partners, these 79 beneficiaries are now receiving a range of training and mentoring on topics such as human rights, income diversification and influencing, which graduates can then cascade among their wider communities.



ADVOCACY

Through our strong relationships with producer organisations, we campaign on the issues that matter most to them and amplify their voices:

- We delivered another successful Fairtrade Fortnight campaign, educating our customers and increasing awareness on why action is needed. We also supported Fairtrade Foundation's "Brew It Fair" campaign, asking MPs to pledge their support.

¹ The Latin American and Caribbean Fairtrade Producer Network.
² Through our support to the WSOL.

Source responsibly and build resilient, inclusive supply chains

CASE
STUDY



Cocoa Productivity Improvement Programme

At Co-op, we're proud of our legacy in pioneering Fairtrade cocoa in the UK. We were the first UK supermarket to sell own-brand Fairtrade chocolate in 2000, and in 2017 we became the first UK retailer to source all our cocoa on Fairtrade terms. This means every cocoa ingredient in our products - from the chocolate sprinkles on our doughnuts, to our own-brand hot chocolate and Easter Eggs - supports Fairtrade cocoa farmers. In 2024, our commitment generated £465,987 in Fairtrade Premium for cocoa farmers across West Africa, Central and South America. However, we also recognise that farmers need additional support to strengthen resilience and secure sustainable livelihoods.

In response, and in collaboration with the CLAC, Fairtrade Foundation and our supplier ICAM, we launched a programme to support two key co-operatives within our cocoa supply chain in Peru,

producing the cocoa used in our Irresistible single origin chocolate bar range.

- Cuencas Del Huallaga Association of Agricultural Producers.
- Cooperativa Agraria Sonomoro del VRAEM Ltd.

This two-year project aims to reach at least 1,100 farmers and address the significant needs of cocoa producers in Peru, focusing on sustainable cocoa cultivation and ensuring that cocoa co-operatives involved can supply EUDR-compliant cocoa to the UK and EU. Through hands-on training and workshops, the programme will work with farmers and workers to improve soil fertility, enhance productivity, increase the use of natural fertilisers and reduce incidence of pests and diseases. CLAC will also be providing deforestation training, georeferencing and risk assessment support.

- Advocating for global Justice: Since 2021, we have led the call for climate justice, advocating for farmer-focused climate action. In 2025, we co-signed the Statement on Gaza from Fairtrade Leaders alongside other Fairtrade organisations, calling for urgent humanitarian access and the safeguarding of farmers and workers whose livelihoods have been disrupted by the conflict. This forms part of our wider commitment to Fairtrade communities across our supply chains and to uphold peace and co-operation.

OPPORTUNITIES FOR THE FUTURE

In 2026, we will begin implementing our five-year strategy focusing on strengthening farmer and worker resilience, and deepening our impact across priority Fairtrade supply chains, while maintaining our industry-leading [Core 7 Fairtrade ingredient approach](#).

Advocacy for farmers and workers will remain central to our approach - building on our partnerships and leveraging our voice to promote Fairtrade, better labour standards and more resilient livelihoods across our supply chains. Together, these steps will guide our efforts to deliver long-term, sustainable change for farmers and workers, and their communities.

SUSTAINABLE SOURCING

Sourcing the ingredients and raw materials we use can have a significant impact on the natural environment, whether that's in waterways, agricultural land, soil or forests.

OUR TARGET:

Zero deforestation across our primary deforestation-linked commodities by end of 2025.

OUR PROGRESS:

Due to delays to key legislation in the EU and UK causing significantly limited availability of verified deforestation-free supply chains, we have not met our target. A summary of our progress and remaining challenges is outlined in this section.

We're committed to protecting the environments that our ingredients are sourced from. Where it drives change, we support credible certifications and work with key partners to take a restorative approach to [nature](#).

Our responsible sourcing strategy centres around ingredient categories with the greatest sourcing risks for our business: fresh produce, animal protein, primary forest-risk commodities and Fairtrade priority ingredients.

We prioritise action based on the biggest sourcing risks, where our key sourcing landscapes are and where we can have the most impact.

This section is structured around the different

ecosystems our ingredient categories are based in:

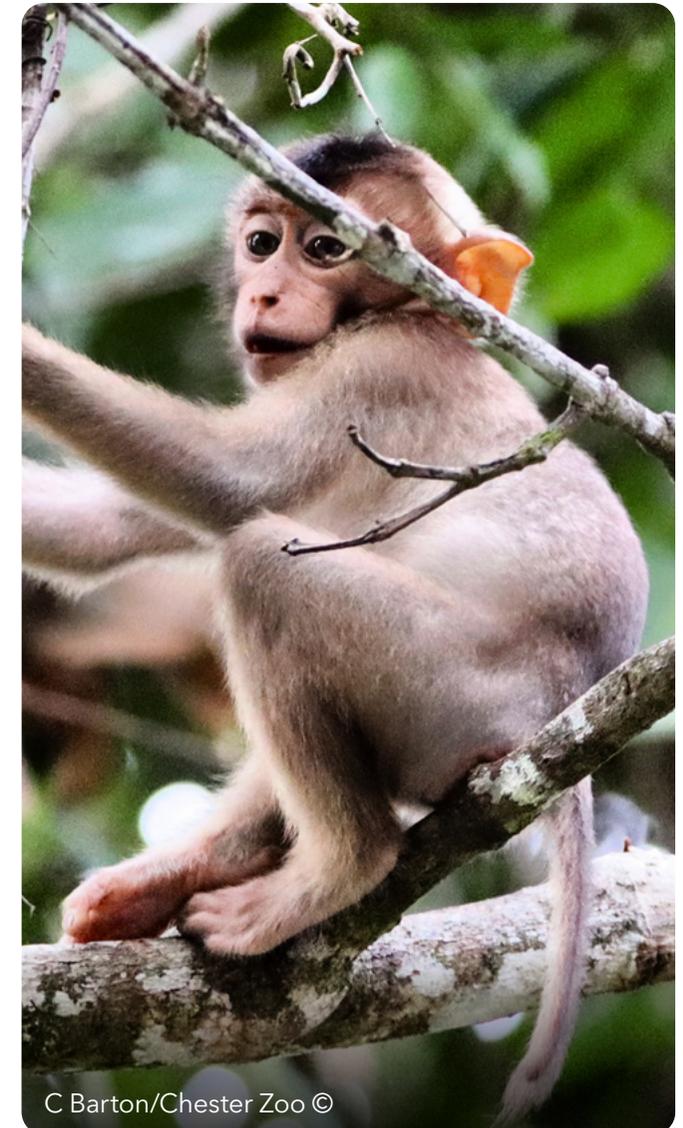
- Forests Risk Commodities.
- Peatland Preservation.
- Fresh Produce.
- [Farming and Fisheries](#).

FOREST RISK COMMODITIES

Deforestation has negative environmental, climate and local community impacts, particularly in tropical regions where agricultural supply chains are a key driver. As a major retailer, we are committed to tackling deforestation and supporting a just transition to more sustainable production. This is vital for meeting our commitments on nature and climate and ensuring the resilience of our key sourcing regions.

We work with industry and environmental NGOs to set clear policies and adopt the most effective approaches to achieve them. In line with the Science-Based Target initiative's Forest, Land and Agriculture (FLAG) guidance, we are committed to zero deforestation across our primary deforestation-linked commodities; the target was to reach this by the end of 2025.

Each supply chain is different, and while we are proud of our significant investments and progress, without effective regulation we have not been able to reach our target in full. Delays to EU and UK legislation mean voluntary action alone cannot deliver the transformation needed. We continue to advocate for robust legislation to address this.



C Barton/Chester Zoo ©

OUR FOREST-RISK COMMODITIES



C Barton/Chester Zoo ©



PROGRAMMES

Addressing the drivers of deforestation and conversion¹, supporting producers to transition to sustainable production, and using nature recovery to build resilience, requires action beyond our direct supply chains.

We have supported programmes in key sourcing forest landscapes, partnering with Chester Zoo on a biodiversity and reforestation project in a former palm plantation.

See case study [here](#).



RUBBER

We use very small volumes of natural rubber in our products and take a risk-based approach with our supplier.



CATTLE

100% of our own brand fresh and frozen beef is British and free from deforestation and conversion.

See [here](#) for more.



PALM OIL

We remain committed to sourcing palm oil responsibly, following NGO guidance that sustainable palm oil is the most effective way to protect forests and landscapes. Alternatives are often more environmentally damaging due to their land use.

All our palm oil is certified by one of the Roundtable on Sustainable Palm Oil (RSPO) schemes and we continue to use 100% RSPO-certified palm oil in our own-brand products. In 2025, 96% of the palm oil used in our products was segregated (2024: 94%), with the remainder covered by RSPO mass-balance certification, mainly in non-food products. We are working in cross-industry groups to develop an effective approach for addressing the risk of deforestation and conversion in sourcing all palm oil products.

Collaborative efforts through our membership of the Retailers' Palm Oil Group remain a key route to tackling the issues shared across the industry.



SOY

Our most significant use of soy is in feed for livestock in our meat, dairy, egg and farmed fish products.

Achieving verified deforestation-free and conversion-free (vDCF) soy is an industry-wide challenge and despite progress we have not been able to meet our commitment of 100% vDCF soy by the end of 2025 (8% 2025).

Through 2025, we have remained an active member of the Retail Soy Group and UK Soy Manifesto. A full statement on the progress industry has made and the challenges and limits of voluntary action that have restricted our progress is available [here](#).

We have continued to [advocate for robust legislation](#) and for the [critical environmental protection agreed in the Amazon Soy Moratorium](#).

We are supporting British Standards Institute on the [development of a common standard](#) to verify deforestation and conversion-free soy in global supply chains, due by the end of 2026.



COFFEE & COCOA

100% of our Co-op own-brand coffee and cocoa (including as an ingredient) are sourced on Fairtrade terms.

We know that poverty can be a key driver of deforestation, and this commitment is an important part of addressing this root cause.



WOOD & PAPER

We ensure that the wood and paper used in our own-brand products come from a responsible source and is of known origin. 99% comes from Forest Stewardship Council (FSC) or recycled sources (2024: 99%).

97% of coffins manufactured by our Funeralcare business were made from FSC® certified wood (2024: 97%).

¹ The clearing of natural forests for purposes like agriculture or mining.

CASE STUDY

C Barton/Chester Zoo ©

Partnerships to drive systems change

We know that we need to manage risk and impact beyond our direct sourcing, supporting environments and communities to enable responsible, resilient production.

Since 2019, we've partnered with Chester Zoo and HUTAN to restore former palm oil plantations in the Kinabatangan region of Malaysian Borneo. The project is creating a connected wildlife corridor using 49 native tree species and monitoring how returning wildlife uses the restored habitat - with 186 species recorded so far.

By April 2025, 71,000 trees had been planted across the project with Co-op directly funding

the planting of 30,000. Although this is below the original 50,000 target, the project has prioritised high-quality, diverse reforestation and adapted to challenges such as Covid and swine flu outbreaks.

In 2025, the Kinabatangan was designated as one of 26 new UNESCO Biosphere Reserves. Nominated by the national government and recognised by the Man and the Biosphere Programme, this status acknowledges the work of HUTAN and partners to reduce human-wildlife conflict and support biodiversity in an agricultural landscape.



Leading example

WWF Soy Scorecard 2025 - Scored 4/7 and identified as the leading example of transparent disclosure



6th Globally

WWF Palm Oil Buyers Scorecard 2024 - Scored 21.94/24 - in "Leading the way category" and 6th globally

PEATLAND PRESERVATION

Peat is a vital natural resource, providing carbon storage and natural flood defences. In April 2021, we became the first UK retailer to ban the use of peat in bagged growing products sold in our stores, covering both own-brand and branded products.

While this was an important first step, we know peat is used more widely in our supply chains and we need to address this as part of a responsible approach to growing media, ensuring we are using alternatives where we can understand and manage the sourcing risks.

We've been working towards phasing out peat in key lines and, in 2025, all our bedding plants were peat free.

In 2025, we partnered with our supplier to support a peat replacement project in mushroom production. Read more in the case study on the next page.

We're also part of the Retail Peat Group which brings retailers together to aim to reduce the use of peat in fresh produce production.

We've continued our partnership with RSPB to restore upland peatland in Scotland and Wales - read more [here](#).

Source responsibly and build resilient, inclusive supply chains

CASE
STUDY



Peat-Free Mushroom Trial

In 2025, we partnered with our mushroom supplier to trial peat-free growing medium in commercial mushroom production. Mushroom cultivation is among the highest consumers of peat - a finite natural resource essential for carbon storage, biodiversity and water regulation.

Reducing reliance on peat in fresh produce supply chains is a priority for our sustainability strategy, but alternatives currently cost significantly more and their performance in mushroom production remains uncertain. To address these challenges, we provided financial support to our grower, helping to de-risk the initial trial phase and assess the commercial viability of peat-free substrates.

While a viable alternative is still in development, the trial has provided valuable insights.

FRESH PRODUCE

We work with producers and growers, to protect our natural resources including water, soil and biodiversity, while building resilience to climate change. We also consider impacts on people and their livelihoods. See our commitments on [Fairtrade](#), [Farming and Fisheries](#) and [Ethical Trade](#).

Crop protection

Whilst crop protection is an important part of food production, it must be implemented responsibly. While pesticides remain the most common method of managing crop disease, we acknowledge their potential impact on the environment and workers' health in our supply chains.

Our Crop Protection Policy is built on transparency and collaboration - you can read the full policy and transparency report [here](#).

Implementation is supported through the Fresh Produce Forum which includes supplier representation.

We updated our [pesticide phase-out](#) list in 2024 and we continued to develop this throughout 2025. Our supplier partners are working towards phasing out the actives on this list and will report progress annually.



3rd Place

Maintained our 3rd Place Pesticide Action Network UK Supermarket Ranking awarded in 2024

In 2026, we'll continue prioritising phasing out Highly Hazardous Pesticides and supporting the wider uptake and use of Integrated Pest Management (IPM) techniques across our supply base, using the Co-op Fresh Produce Forum to help share best practice with suppliers through on-farm meetings and training.

OPPORTUNITIES FOR THE FUTURE

In the year ahead, we will strengthen our commitment to responsible sourcing by reviewing and updating our standards and targets to support long-term sustainability. We remain focused on tackling deforestation and conversion in our supply chains and will continue to report our progress transparently.

We are using our learnings and the challenges we've faced to evolve our approach, maximise impact and build resilience in sourcing landscapes. Collaboration remains essential and we will continue to actively engage in the industry groups highlighted in this report. Robust legislation is also critical to driving industry-wide change. We will keep advocating for strong, effective laws and use our expertise to help shape meaningful policy solutions.

We will continue supporting landscape-level programmes and investing in responsible production in our key sourcing regions. As we move forward, we will align our deforestation work with our broader ambition to protect nature and support resilient livelihoods throughout our supply chain.

FARMING & FISHERIES

We maintain strong relationships across the farming and fisheries sector through our longstanding commitment to the people who produce our food. From our 100% British fresh and frozen protein commitment, to investing in innovation and high animal welfare standards, we're committed to building resilient supply chains and driving positive change for people, animals and the planet.

SUPPORTING BRITISH FARMERS AND GROWERS

We're deepening our commitment to British growers by working closely with the sector to address some of the critical challenges facing British horticulture, including climate change, labour availability and the removal of certain pesticides. This year we hosted a Supplier Engagement Day, bringing farmers and growers together to share best practice and collaborate on sustainable solutions - reinforcing our commitment to fostering a resilient, innovative and thriving future for British fresh produce (read more [here](#)).

In 2025, in collaboration with the Soil Association Exchange (SAX), we supported UK wheat farmers in addressing these challenges. Wheat is a critical ingredient for our products and animal feed, making this initiative central to our farming, climate and sustainable sourcing objectives.

This four-year, co-funded¹ pilot provides a scalable model for carbon reduction and a valuable test case for measuring Scope 3 emissions.

We have also committed to source all our Co-op brand UK-grown fruit and vegetables from LEAF² Marque certified farms by January 2027. This is an important step in building more resilient fresh produce supply chains and supporting British growers.

THE CO-OP FARMING GROUPS AND INNOVATION

Our farming groups and sourcing policies enable direct engagement with hundreds of British producers and suppliers. As the industry evolves, we've expanded our approach to cover all fresh meat and dairy supply chains, improving supply chain data and offering deeper insights into animal welfare and environmental impact.

In 2025, we launched our [Sustainable Farming Support Fund](#) for beef, lamb and dairy farmers. The fund rewards farmers for reducing carbon emissions, supports projects that increase biodiversity, improves genetics and data collection, enhances soil health, and explores alternative protein sources. We also hosted our annual two-day in-person meeting with our beef and lamb farmers, focusing on regenerative farming practices. By the end of the year, we provided £760,000 of funding to British farmers in our supply chain.

DAIRY

This year, members of our Co-op Dairy Group farmers participated in the SAX project, collaborating with technicians and advisors to gain deeper insight into their soils and the habitats on their farms. Read more in our case study on the next page.



100% British

100% British for fresh and frozen meat, sausages, bacon, fresh milk, fresh cream, eggs and cheddar cheese.

¹ Co-funded by other retailers, Church Commissioners for England and Lloyds Bank.
² Linking Environment & Farming.

CASE STUDY



Soil Association Exchange

In January 2025, we launched our Sustainability Programme to support British farmers in their sustainable farming efforts. As part of this, we partnered with the Soil Association Exchange (SAX) to conduct whole-farm sustainability baselines, assessing soil health, biodiversity and water quality. Farmers from our Beef & Lamb Group and Co-op Dairy Group joined the initiative voluntarily and by the end of 2025, we'd provided £760,000 in funding.

Each assessment combines mapping tools, on-farm soil and biodiversity surveys by SAX

technicians, and one-to-one discussions with SAX advisors. This helps identify where farmers are already enhancing biodiversity and soil health, as well as areas for improvement. Read more [here](#).

Initial results are positive: over 70% of participating farms have dense, well-managed hedgerows that support wildlife and habitat connectivity, and red-list bird species recorded include linnets, skylarks and lapwings. After their baseline assessment, farmers can use the SAX platform to guide land management decisions and explore funding opportunities.

AQUACULTURE AND FISHERIES

We're committed to protecting ocean health and marine life, and responsible sourcing underpins our seafood strategy. We use risk assessments to ensure all own-label fish is responsibly sourced.



65%

65% Marine Stewardship Council certified wild-capture seafood in 2025

Collaboration is key to our approach. As proud members of the Sustainable Seafood Coalition (SSC), we help shape its codes of conduct and guidance, and our partnerships with the Sustainable Fisheries Partnership (SFP) and Global Tuna Alliance (GTA) provide science and industry insights to help us drive continuous improvement.

We publish all wild-capture and farmed seafood sources via the Ocean Disclosure Project and report annually to Crustacean Compassion, maintaining Tier 3 status since 2024. In 2025, Marine Stewardship Council (MSC) certified wild-capture seafood rose to 65%¹, and we launched our first Aquaculture Stewardship Council (ASC) certified farmed seabass. We will be 100% ASC certified across Fresh & Frozen farmed seafood by January 2027. We also banned eye stalk ablation in farmed prawns, achieving 100% compliance by 2024 and committing to maintaining it in 2025 and beyond.

Beyond certification, we engage with industry groups, and support Fisheries Improvement Projects (FIPs), including Nephrops and North Atlantic Pelagic Advocacy (NAPA). These initiatives are vital for responsible sourcing and progress towards certification.

¹ Up from 56% in 2024.

LIVESTOCK AND ANIMAL WELFARE

We are committed to delivering high animal welfare standards across our supply chain. All our Co-op branded fresh, frozen and prepared meat and poultry products meet Red Tractor Assurance Standards as a minimum, with RSPCA Assured certification used wherever possible.

We upheld our Compassion in World Farming (CIWF) commitment to be 100% confinement-free across our continental meats range, with the first confinement-free pigs expected in our supply chain by 2026, ahead of schedule.



Tier 3 since 2022

BBFAW - Annual reporting on how we publicly report about animal welfare in our supply chain - maintained Tier 3 since 2022

Our longstanding commitment to free-range eggs remains unchanged: since 2008 all shell eggs sold are free-range, and since 2010 all eggs used as ingredients in own-brand products have met this standard. We also maintain our 100% outdoor-bred pork policy¹, ensuring pigs have access to outdoor environments.

For poultry, our Space to Thrive initiative continues across fresh and added-value products, such as breaded chicken, giving birds 20% more space than industry standard. For more information, please see our webpage [here](#).

See [here](#) for more details on our farmers and read more about our animal welfare policies in our separate animal welfare report [here](#).

¹ Introduced in 2018.

ANTIBIOTICS

Antimicrobial resistance is a growing global challenge, and food retailers have a responsibility to act. Our antibiotic strategy follows the 3Rs framework, to Reduce, Replace and Refine the use of medicines across our livestock supply chains. Through membership of the Food Industry Initiative on Antimicrobials (FIIA) and Responsible Use of Medicines in Agriculture Alliance (RUMA), we support research into alternatives and share best practice across the industry.

CLIMATE CHANGE

Meat and dairy remain the largest contributors to our product-related emissions. Animal-based products typically have a higher carbon footprint than plant-based alternatives, and these categories represent a significant share of our convenience offer - particularly fresh milk.

We continue to source 100% of our meat, fresh milk, fresh cream, eggs and Cheddar cheese from British farmers, supporting local agriculture and high animal welfare standards.

Throughout 2025 we worked closely with farmers and suppliers to reduce the carbon intensity of animal products, focusing on practical, measurable solutions. This included expanding data-driven initiatives and regenerative farming practices, and strengthening partnerships across our supply chain.

To accelerate progress, we formed new strategic partnerships with key suppliers, aimed at scaling innovation in feed efficiency, soil health and emissions reduction.

ENGAGING OUR FARMERS AND PRODUCERS

We continued to strengthen farmer engagement through on-farm meetings and webinars. Our Farming & Fisheries "X" account, with nearly 5,000 followers, connects producers, suppliers, industry stakeholders and NGOs. It facilitates key industry events, such as Sustainable Seafood September and Back British Farming Day. As a key sponsor, we champion Open Farm Sunday, an annual event that enables our farmers to open their doors to the public, showcasing their remarkable contributions.

OPPORTUNITIES FOR THE FUTURE

Supplier engagement remains a priority, focusing on best practice and supporting farmers to reduce their emissions and adopt more sustainable farming techniques.

We will continue expanding ASC certified products across Fresh and Frozen ranges, progressing toward our goal of 100% ASC certification for farmed seafood by January 2027. For wild-capture fisheries, we aim to increase MSC coverage, so more products display the logo on pack.

In produce, we will assist growers in achieving LEAF certification and begin introducing the LEAF Marque logo on British fresh lines. To drive innovation, phase two of our [peat replacement trial](#) will assess how varying growth medium ratios and conditions impact mushroom yield and quality, strengthening collaboration across the supply chain.

RESPONSIBLE PROCUREMENT

At Co-op, we're committed to building a future where sustainability, social value and inclusion are at the heart of everything we do.

Through our Goods Not for Resale (GNFR) Responsible Sourcing Strategy, we aim to embed these principles across all procurement activities ensuring alignment with our member owner values.

CREATING A SUSTAINABLE FUTURE

We aim to support our Net Zero carbon targets through supplier engagement and responsible sourcing. By embedding sustainability into every stage of our procurement process, we work in partnership with suppliers to reduce emissions and drive innovation.

Alongside achieving Gold in our Co-op EcoVadis assessment, we continued onboarding our Strategic, Critical, and Operational suppliers to EcoVadis, strengthening our understanding of sustainability expectations. The platform also enables us to monitor suppliers' Science Based Targets initiative (SBTi) commitments.

Strategic suppliers with SBTi commitments	72%
Strategic suppliers with SBTi Net Zero commitments	47%
Strategic suppliers with Net Zero commitments of 2040 or earlier	29%



Gold medal
EcoVadis Gold Medal for sustainability performance, placing Co-op among the top 5% of companies assessed globally

WORKING TOGETHER TO DELIVER SOCIAL VALUE

We encourage our suppliers to support us in creating meaningful social value for our member owners. This year, we refreshed our Social Value Action Plan and Social Value Charter, and introduced one-page guides to make it easier for suppliers to get involved in issues that our member owners care about. See what our suppliers did in 2025 in the boxes on the right.

In the video below, hear from our supplier, HH Global, as they showcase how their Social Value SMART action plan is delivering impact in the areas our member owners care about.



1,900 hours
Contributed over 1,900 hours to education and skills development through our Academies, supporting mock interviews, career fairs and volunteering. They've also provided essential resources - from kitchen equipment and hygiene products to books and stationery.



£2.5m
Pledged over £2.54m to [Co-op Levy Share](#) helping transform the lives of young people from diverse backgrounds, by funding over 200 apprenticeships. See our [Co-op Levy Share Impact Report 2025](#) for more.



Raised £9,319
Raised £9,319 for Barnardo's through fundraising activities and supplier collaboration. Several suppliers supported our efforts, including HH Global, who took part in the Total Warrior challenge to raise funds. Buffaloalod also launched two new [partnership-branded trucks](#).

ETHICAL TRADE AND HUMAN RIGHTS

We take a proactive approach to ethical trade and human rights, enrolling suppliers identified as high ethical risk into our Ethical Trade Programme and monitoring their practices through platforms such as EcoVadis and Sedex. To strengthen awareness and accountability, we launched a Modern Slavery e-learning module for these suppliers in 2025, achieving a 97% completion rate. Internally, we keep colleagues informed through a quarterly Ethical Trade Newsletter and continue to deliver Modern Slavery Spotlight Sessions in partnership with Stronger Together and Unseen.

In 2025, responding to a clear call from members, we revised our sourcing policies including our [GNFR Supplier Guide to Ethical Trade](#), and [Sustainable Procurement and Supplier Policy](#).

SUPPLIER ENGAGEMENT

Our GNFR conference brought together key partners to drive responsible procurement. Exhibitors included MSDUK¹, Social Enterprise UK (SEUK), Unseen, Stronger Together and EcoVadis, and a panel on Driving Change Through Supplier Partnerships highlighted collaboration as the catalyst for progress.

The Co-op Difference Awards is a celebration of the outstanding contributions and achievements of our suppliers who have gone above and beyond to make a positive impact for our member owners. Discover more about our winners [here](#), and watch this short highlights video to find out more about the event [here](#).

You can also learn more about Buffaload, one of our logistics partners and proud recipient of Supplier of the Year at the Pioneer Awards 2025 [here](#).

INCLUSIVE BUYING

We remain committed to increasing diversity within our supply chain and are proud members of Social Enterprise UK's *Buy Social Corporate Challenge*, spending £7.4m in 2025 with Social Enterprises.

In addition, we partner with MSDUK to support ethnic minority businesses, continuing to grow our engagement and spend with these suppliers. In 2025, we spent £148,000 with MSDUK's Ethnic Minority Businesses.



¹ Minority Supplier Development UK.

Source responsibly and build resilient, inclusive supply chains

INCLUSIVE PARTNERSHIPS

Our suppliers play a vital role in helping us meet the needs of the communities we serve by offering a diverse and inclusive product range. Our endless inclusion hub (a collaborative space sharing resources, learning labs and networking opportunities) has seen increased levels of engagement with 95% of our GFR suppliers and over 50% of GNFR suppliers involved. We're proud to be recognised for our progress, including industry awards from [WiHTL](#)¹ and being named a Top 50 Inclusive Employer.

In 2025, we have further strengthened our strategy and defined three key Inclusion Catalysts that shape how we work with suppliers and deliver on our commitment:

- **Close the gender pay gap.** In 2026, we will publish Co-op's first supply chain gender pay gap report, holding ourselves and our suppliers accountable for driving change. To support this, we've partnered with WiHTL to co-create a toolkit featuring case studies from organisations making progress in this space.
- **Cater to diverse customer needs.** We're committed to inclusive product ranges and have deepened our understanding of customer needs through listening panels and demographic insights. We've enhanced tender processes with diversity and inclusion metrics and will roll out training on inclusive design principles for our colleagues.
- **Co-operate to provide equal access to opportunities.** We relaunched our Gift to Give scheme which supports eight purpose-led

suppliers via the Co-op Apiary scheme, giving them access to resources and expertise from well-established brands. To bring our Inclusion Catalysts to life, we co-hosted a National Inclusion Week event with KPMG, bringing together over 200 suppliers to explore practical actions and partnership opportunities. The programme showcased supplier-led examples of inclusive practice, such as Microsoft sharing their approach to inclusive product design and spotlighted the Endless Inclusion Hub, a free resource for suppliers to support progress beyond the event.

COMMUNITY BUYING

Our customers tell us that having access to products that are relevant to them is essential. Through our community buying approach, we strive to create ranges that reflect the diversity of the communities we serve.

Local sourcing

Our insights show that local products are important to communities. Customers associate local goods with exceptional quality, environmental benefits and support for the local economy. Our Local strategy places communities at the heart of our ranging decisions, fostering collaboration with local suppliers to showcase the products our customers expect and value.

World Foods

Our World Foods range is designed to meet the cultural needs of our diverse communities - from everyday staples to products for traditions

like Ramadan and Diwali. In 2025, we trialled a cross-category halal range across selected stores to provide more culturally appropriate options. The range meets halal certification requirements and adheres to our standard animal welfare practices, including pre-stunning.

The Apiary

Co-op's purpose-driven incubator programme champions small businesses that align with our vision and values. Now in its fifth year, The Apiary has supported over 37 businesses as they navigate the world of retail. At its core is a vibrant community of founders, complemented by a network of mentors and ambassadors who provide collaborative skill-sharing, masterclasses, insights and hands-on support. For the second year, we ran the "Gift to Give" Endless Inclusion scheme, where larger suppliers lend their support to purpose-led businesses, giving our founders access to workshops delivered by industry leaders.



¹ Diversity in Hospitality, Travel and Leisure.

HEALTHIER, MORE SUSTAINABLE DIETS

Supporting our member owners to move towards healthier, more sustainable diets is essential for the future of our food system.

OUR TARGET:

By 2030, 83% of our Co-op own-brand food and drink sales (tonnes) will come from non-HFSS¹ products (excluding alcohol and non-food).

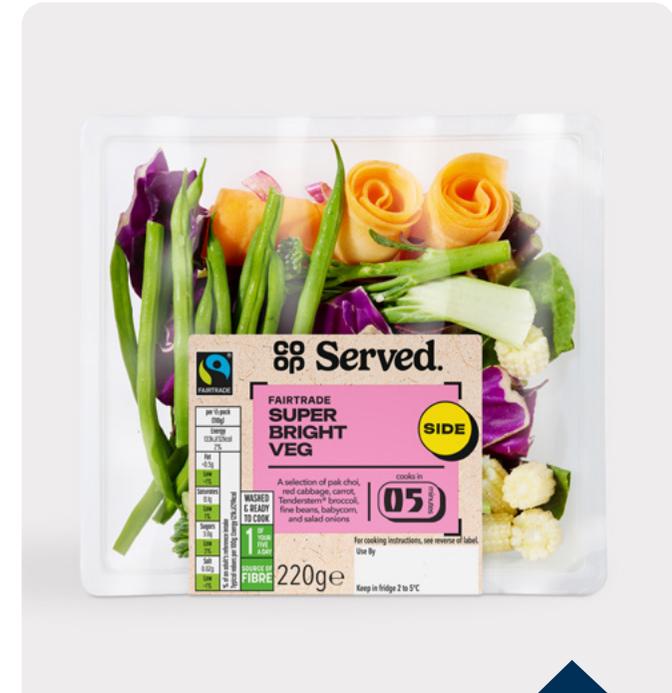
OUR PROGRESS:

In 2025, 75% of our Co-op own-brand food and drinks sales (tonnes) was from non-HFSS products. Because of the stocking issues associated with the cyber attack in 2025, our sales figures for healthier products have been affected. Our focus for 2026 is to stay on track to achieve our 2030 target.

We play an important role in helping our member owners, colleagues and customers lead healthier, more sustainable lives. Following the principles of the [Government Eatwell Guide](#) – eating more fruit and vegetables, a wider variety of protein sources and reducing less healthy products – could cut environmental impact by around 32%² and reduce mortality by 7%³.

Our healthier, more sustainable diets strategy aims to shift the balance towards healthier and more sustainable sales through three areas:

- Healthier, more sustainable products
- Accessibility
- Inspiring healthier, more sustainable behaviours



OWNED BY YOU

In response to our 2025 AGM motion calling for more options to assemble healthier, more sustainable home-cooked meals, we launched our “Served” range in September. This cuisine-themed promotion encourages assembly cooking, offering one main & two sides, with up to 330 possible combinations, refreshed every six weeks. There is always a vegetarian option and a variety of prepared vegetables to choose from.

¹ HFSS is a shortened term for food and beverage products which are high in fat, salt and sugar, as defined by the [OFCOM](#) nutrient profiling model 2004-5.

² Carbon Trust.

³ BMJ.

HEALTHIER, MORE SUSTAINABLE PRODUCTS

We are committed to developing healthier, more sustainable products for customers.

In 2025, 75% of our Co-op own-brand food and drink sales¹ came from non-HFSS² products. Our target is for 83% of our Co-op own-brand food and drink sales³ to come from non-HFSS products (excluding alcohol and non-food) by 2030. We will continue to improve data for branded products. We have restated our 2024 sales tonnage following data quality improvements, which decreased our 2024 reported percentage. We remain committed to our 2030 target to increase sales of non-HFSS food and drink.

We also work towards Government salt and calorie targets across multiple product categories (see our [data table](#)).

23% of our Co-op own-brand sales tonnage (excluding alcohol and non-food) came from fruit and vegetable sales⁴ in 2025.

We support the [WWF's ambition](#) to halve the environmental impact of UK shopping baskets by 2030 by reporting on our protein sales. In 2025, 41% of our Co-op own-brand sales tonnage (excluding alcohol and non-food) came from animal protein⁵ and 1% from plant protein⁶.

ACCESSIBILITY

Since 2024, our annual member survey has asked how we could better support healthier, more sustainable choices. In 2025, 59% of our members told us this matters to them, with lower prices on healthier products and more vegetarian and plant-based options identified as key ways we can help.

In March, we price-matched Aldi on over 80 everyday food essentials for members, 75% of which were non-HFSS. For more information on our Aldi price-match initiative, see our [website](#).

Our members can also choose two personalised offers on our app each week to save on their shop, with milk, vegetables & salad, fruit and meat & poultry among the most redeemed offers.

We remain committed to ensuring all our Co-op own-brand products which are "reduced" or "light" alternatives to a standard product will be no more expensive (based on price/kg).

Since March 2025 we've promoted the Healthy Start scheme on digital screens in our England and Wales stores and, since April, the Best Start scheme in our Scotland stores. We have long advocated for increased Healthy Start vouchers and welcomed the Government's 10 Year Health Plan for England to enhance this from 2026.



75%

In 2025 75% of our Co-op own-brand food and drink sales came from non-HFSS products.



¹ In tonnes.

² HFSS is a shortened term for food and beverage products which are high in fat, salt and sugar, as defined by the [OFCOM nutrient profiling model 2004-5](#).

³ In tonnes.

⁴ Fruit & vegetable definitions can be found in the basis of reporting document.

⁵ Animal protein definitions can be found in the basis of reporting document.

⁶ Plant protein definitions can be found in the basis of reporting document.

INSPIRING HEALTHIER, MORE SUSTAINABLE BEHAVIOURS

As a responsible retailer, we recognise the important role we play in promoting healthier, more sustainable diets. This year, we joined the [Food Foundation Beans campaign](#), committing to champion the benefits of beans and inspire our customers and members to add more into their baskets and diets.

In 2025, we sponsored Veg Power's Eat Them to Defeat Them campaign, helping to inspire healthier eating habits among UK children. The campaign reached 418,999 children across 1,503 schools, with over 80% of children eating more vegetables as a result.

Throughout 2025 we used our website and membership emails to share healthy recipe ideas and promote healthier offers such as our "Fresh 3" prices on fruit & vegetables.

Alcohol and tobacco

We sell e-cigarettes and smoking cessation products in most of our stores. In 2022, we adopted our new Responsible Sourcing Policy for E-Cigarettes (updated in 2025 to include nicotine pouch products), to ensure that our vaping products are targeted towards existing adult smokers as a cessation aid. In 2025, we continued to work with suppliers to ensure that our ongoing range was fully compliant ahead of the new legislation changes that came into effect from 1st June 2025. We will continue to work with our suppliers in 2026 to ensure we are compliant with any further legislation changes that come into effect from the Tobacco & Vape bill.

We're also committed to selling alcohol responsibly. We work in partnership with the Drinkaware Trust and provided £277,770 of funding to them in 2025.

OPPORTUNITIES FOR THE FUTURE

In 2025, we developed our new "YES" health icon, launching in January 2026 on around 160 of our Co-op own-brand products which meet strict nutrition criteria, with more products being added throughout 2026. The icon will help customers quickly identify healthier options, supported by campaigns and promotions to make YES products even more accessible.

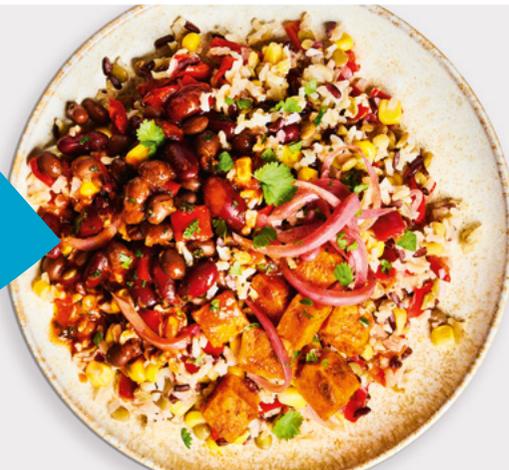


This work will help shift towards sales of more healthy, sustainable products, including non-HFSS products, and support progress towards our 2030 target.



We'll also continue our Keen Bean Promoter commitment, celebrating the benefits of eating more beans with our customers and members.

CASE STUDY



Inspiring customers to buy more fruit & vegetables

Throughout 2025, we've been exploring ways to promote fruit & vegetables through our website and member communications, to encourage healthier, more sustainable diets.

In January, we created a dedicated webpage for our "Fresh 3 prices for members" offer, signposting members to lower prices on three selected rotating fruit & vegetable products. We also featured seasonal produce-focused content on our homepage.

Our website hosts a regularly updated meal inspiration page and bank of healthier recipes to inspire our customers to use different vegetables in their meals.

Across the year, member emails & newsletters promoted fruit & vegetables through tailored offers, recipe ideas and reminders to add vegetable sides to meals. We'll keep exploring different themes we can use to further inspire our customers.

ACCESS TO PEACE OF MIND AND WELLBEING



MAKE COMMUNITIES SAFER, KINDER AND MORE INCLUSIVE



SUPPORT PEOPLE AT DIFFICULT TIMES



SUPPORT GLOBAL DEVELOPMENT, PEACE AND CO-OPERATION



BRING PEOPLE TOGETHER AND REDUCE DIVISIONS IN COMMUNITIES



SUPPORT EFFECTIVE ACTION TO TACKLE RETAIL CRIME AND ITS CAUSES



3M

3 million conversations around mental wellbeing through Time to Talk Day 2025

ETHICAL

Strengthened our sourcing policy to stop sourcing from countries where the international community has identified serious risks of human right abuses



£1.4M

£1.4m in funding to DEC¹ since 2020

¹ Disasters Emergency Committee.



↓21%

Crime in our stores has reduced by 21%² thanks in part to our safer colleagues safer communities Campaign

² vs 2024.

Make communities safer, kinder and more inclusive

BRINGING COMMUNITIES TOGETHER TO TALK ABOUT MENTAL WELLBEING

Our members have shared their concerns about rising international conflict and the growing divisions within communities across the UK. That's why we're supporting grassroots efforts that strengthen community safety, resilience, and cohesion—both here at home and around the world.

In 2025 we partnered for the fourth year with Mind, SAMH (Scottish Action for Mental Health) and Inspire on Time to Talk Day, the UK's largest conversation about mental health and wellbeing.

There were lots of ways people got involved, from sharing on social media using #TimeToTalk, to organising events in the community and supporting conversations between colleagues in the workplace. In 2025, we saw over 3 million conversations happen around mental wellbeing as a result of Time to Talk Day. The campaign also supported more conversations with ethnic minority communities

(440,000), young people (440,000) and people struggling financially (575,000). Our members had over 440,000 more conversations around mental wellbeing thanks to the campaign and 42,000 members got involved and shared their views through Join In throughout 2024 and 2025.



WARM WELCOME

We announced that Co-op is supporting the Warm Welcome Campaign pledges, to help build public awareness of Warm Welcome Spaces and grow the number of spaces available. We pledged to help our member owners find their local Warm Welcome Space, and to work with our community partners and local causes to help everyone in the UK have a Warm Welcome Space within a 30-minute walk of where they live. We've also supported thousands of Local Community Fund causes to sign up to provide a Warm Welcome Space in their community. The number of spaces had grown to 5,300 by the start of Warm Welcome Week 2025 (a 31% increase), including the Canalside Café at Co-op Live. 68% of the UK population is now within 30 minutes of a Warm Welcome Space, up from 62%.

Co-op pledges to help increase the number of spaces to 6,000 by the end of Warm Welcome Week 2026, as well as increase the opportunity for our members to participate in a Warm Welcome Space, from using services to volunteering. We will use our stores and digital space to drive awareness, as well as supporting our members to participate in a Co-op Cuppa campaign.



Make communities safer, kinder and more inclusive

TACKLING THE ROOT CAUSES OF YOUTH VIOLENCE

Over the last four years Co-op has supported the Peer Action Collective (PAC), along with Youth Endowment Fund and #iwill fund. PAC has impacted and transformed the lives of over 12,000 young people across England and Wales and provided paid employment for 250 young people.

Preventing youth violence and crime is something our members care about, and programmes that create opportunities and put young people in the lead are vital to building safer, fairer communities for everyone. The PAC model puts young people in the lead, giving them the skills and resources to conduct peer research, enabling thousands of young people to have a voice and take action on the issue of youth violence. Our Member Activators engaged with the local PAC partners, connecting our members with the peer research and social action taking place.

The programme culminated in a [national report](#) which identified key themes and made a set of recommendations on the systemic changes needed for all young people to live a life free from violence.



Positive impacts

12,000 young people positively impacted
and 250 young people employed since 2021



108

PEOPLE BENEFITTING
IN 2025



IMPACT:
TRANSFORM

Support people at difficult times

MOBILISING COMMUNITIES TO SUPPORT GRIEF

Our partnership with Cruse Bereavement Support aimed to help people talk about death and grief more openly, empowering people to provide everyday bereavement support to those who've experienced a loss. Our partnership, which came to an end over the summer of 2025, raised awareness about grief, helping to break down the taboos surrounding death and dying. Over the duration of the partnership, 9,000 people were engaged in community-led bereavement support, against a target of 5,000. Plus, 97% felt better able to support others because of the training; attendees of the training supported an average of 5 people within the first few months of attending.

Learn more about our enhanced policies supporting colleagues through challenges like neonatal care and pregnancy loss [here](#).

5,937 PEOPLE BENEFITTING IN 2025

IMPACT: IMPROVE



In partnership with

co op

mind

SAMH
Scottish Action for Mental Health

inspire
enabling, adults, recovery

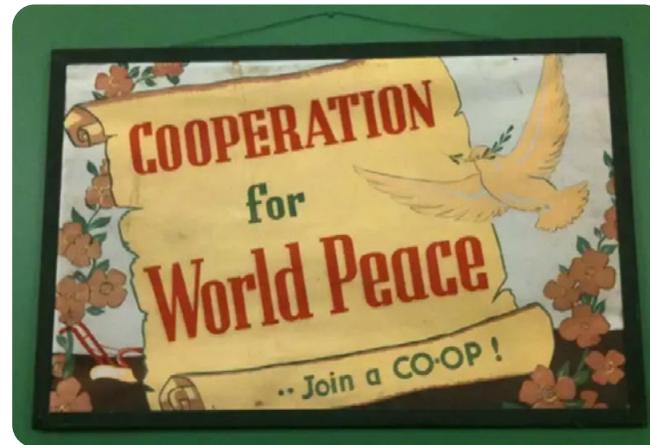
Rethink Mental Illness.

CAMPAIGN: PEACE AND CO-OPERATION

Co-operatives have been great advocates of peace for more than 100 years. We're showing how co-operatives rebuild lives after conflict by delivering practical solutions on the ground. We're using our trading power to create sustainable markets for co-operatives in conflict zones like Palestine.

In February 2025, we launched our Peace and Co-operation campaign to ensure co-operation becomes a core part of how communities affected by conflict and division, both overseas and in the UK, are supported. Thousands of members backed stronger action on peacebuilding and community cohesion, leading to a five-point plan:

- **Aid** - Supporting humanitarian responses through partners like the Disasters Emergency Committee (DEC)
- **Campaigning** - Campaigning with politicians, parliamentarians and policy makers to deliver the campaign outcomes through policy and legislative change. We are asking the Government to double the funding of co-operatives in the development budget
- **Trade** - Backing co-operatives in conflict-affected regions
- **Education** - Helping members understand conflict and champion dialogue
- **Development** - Investing in international co-operatives and UK initiatives.



In just nine months, we've been firmly established as a key voice on this issue, and are regularly approached by Government for engagement, alongside interest from a wide range of organisations. Key highlights include:

- **International Co-operative Development Fund:** The new member-led Fund launched in late 2024, and is now mobilising co-operative finance for crisis response, long-term development and co-op-to-co-op trade as UK aid budgets decline.
- **Petition for Co-operative Development:** Launched in May, the petition for stronger co-operative development in UK foreign policy gained nearly 6,000 signatures, 2,000 MP letters and 12,000 Join In interactions - clear evidence of strong member support.

- **Sun & Stone Lager:** In September we launched Sun & Stone Lager with Brewgooder and Taybeh Brewery. Proceeds support community projects across Palestine and the Middle East, while sparking wider member conversations about co-operation through food and drink.
- **Partnership with Wahat al-Salam - Neve Shalom:** Announced at our AGM, this partnership with a co-operative village where Israelis and Palestinians live and work together showcases how shared ownership can support co-existence and offers learning for UK communities. You can see the story of Wahat Al Salam Neve Shalom [here](#).
- **Policy Influence:** We submitted evidence to the International Development Committee's inquiry on the Future of UK Aid, highlighting the impact of the UK no longer meeting the 0.7% ODA target¹ and the role co-operatives play in building resilient, long-term development models. Despite the reduced UK Government commitment, Co-op continues to contribute over 0.7% of pre-tax profits to international development. We were also the only UK business invited to the Wilton Park international summit on Gaza reconstruction, with Department of Business and Trade (DBT) and Foreign, Commonwealth and Development Office (FCDO) continuing to engage with us since.



¹ The UN has a target for countries to spend 0.7% of their gross national income (GNI) on official development assistance (ODA). ODA is aid intended to promote the economic development and welfare of developing countries.

Support global development, peace and co-operation

- **Updated sourcing policy:** In June we strengthened our sourcing policy to stop sourcing from countries where the international community has identified serious risks of community-wide human rights abuses and violation of international law.
- **CM50 and ICA:** We have successfully influenced the global co-operative movement to prioritise the role of co-operatives in building resilient communities, with our CEO Shirine Khoury-Haq chairing the group and taking it forward globally.

Our 2026 goal is clear: to show that co-operation is a powerful tool for rebuilding trust, dignity and hope - whether tackling violence abroad or rising polarisation at home. We'll drive progress by bringing communities of different faiths together, creating opportunities for children from divided communities to connect, and engaging members on issues of conflict and co-operation.

PEACE AND CO-OPERATION CAMPAIGN: 2025



OWNED BY YOU

Members took action in support of our Peace & Co-operation campaign by asking the Government to focus on co-operatives when providing relief to countries rebuilding from conflict.

DISASTERS EMERGENCY COMMITTEE

Beyond our Peace and Co-operation campaign, we support in times of international humanitarian crises through our longstanding partnership with the [Disasters Emergency Committee](#) (DEC). The DEC brings together [15 leading UK aid charities](#) to raise funds quickly and efficiently at times of humanitarian crisis overseas, and the Co-op is part of their Rapid Response network. This means we launch an appeal to enable members and customers to donate in store or online, if they wish to, when a humanitarian crisis overseas meets the [DEC's strict criteria](#) for an appeal launch.

In 2025, we made a corporate donation of £100,000 to the Myanmar Earthquake Appeal, with members and customers donating a further £35,003. We also donated £50,000 to the Middle East Humanitarian Appeal after the ceasefire announcement in October, raising a further £7,181 from colleague, member and customers donations in 2025. This adds to the £67,672 fundraised and £100,000 corporate donation since the appeal began in 2024.



Bring people together and reduce divisions in communities

BIG LUNCH

Co-op partnered with The Big Lunch, an annual campaign run by the Eden Project, to encourage members across the UK to connect with their communities over food.

Our members have shared concerns about communities being divided and have generated over 30,000 ideas on tackling key challenges, including rising living costs, limited resources and growing social division. The Big Lunch helps address these issues by creating opportunities for people to come together with their neighbours to foster meaningful local connections.

In 2025, 10.5 million¹ people participated across Great Britain and Northern Ireland, including an estimated 1.07 million Co-op Members and 1.67 million first-time attendees.

Looking ahead to 2026, we'll continue to work with Big Lunch to increase Co-op member participation and further strengthen connection and wellbeing in UK communities. Participation enhances members' perception of Co-op's commitment to community, ethics and sustainability. Next year also brings new opportunities through our partnership with *The Big Help Out*, enabling members to explore volunteering locally. Additionally, The Big Lunch will continue to support fundraising for local causes and our charity partner, Barnardo's.



¹ Beneficiaries not included in headline beneficiaries target for 2025.

CAMPAIGN: SAFER COLLEAGUES, SAFER COMMUNITIES

Since 2018, Safer Colleagues, Safer Communities has been our campaign to protect colleagues from rising levels of violence and abuse – something no one should face at work. Throughout this campaign, which was championed by our National Members Council, we've invested heavily and worked tirelessly to secure police support and consistently lobbied for stronger legal protections for shopworkers.

Between 2022 and 2024, crime in our 2,400 Co-op stores rose by 44%, and physical attacks increased by 24%. However, 2025 shows a positive shift: compared to 2024, overall crime has fallen by 21%, and violent incidents are down by 31%.

We believe that this has been driven, in the main, by three factors – our ongoing investment, improved police response and partnerships.

Investment. Co-op invests nearly £40m annually – three times the sector average – on technology, store layouts and guarding. This sustained investment makes our stores harder targets, where risks for offenders often outweigh potential rewards.

One example is tackling kiosk breaches, where offenders force entry behind tills to steal high-value goods like spirits, cigarettes and vapes – often trapping and terrifying colleagues. In 2023, Co-op stores faced three breaches daily, totalling over 1,150 incidents. To address this, we invested £4m in hundreds of more secure kiosks, making them harder to breach. As a result, breaches fell by 13% in 2024 and a further 30% in 2025.

Improved Police Response. We've also seen improvements following a significant shift in police response, driven in part by the Retail Crime Action Plan, introduced in October 2023. The plan commits police to attend more frequently in cases involving violence, a detained offender, or where evidence needs to be collected.

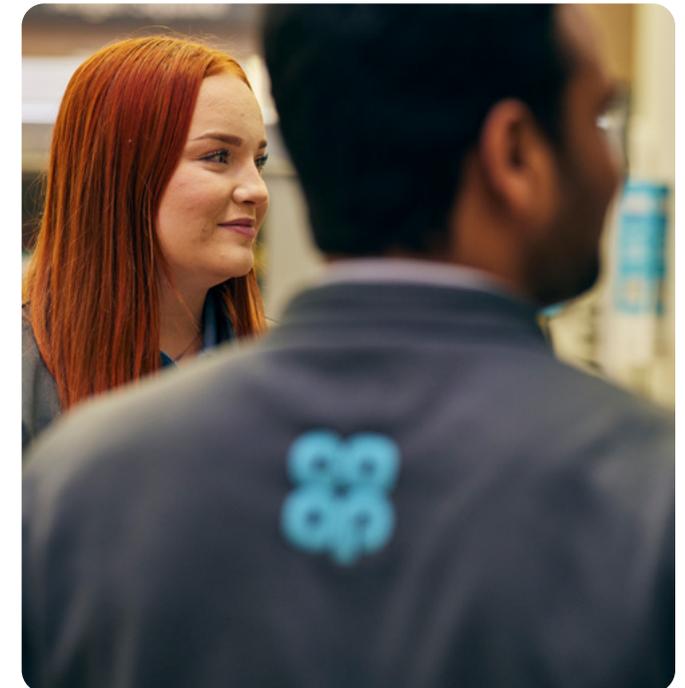
Partnerships. Beyond financial investment, we've invested time in building deep and meaningful partnerships with police forces in areas with high crime levels. We now have more than 20 such partnerships, and since 2023, the number of offenders managed through these partnerships has increased by 16%, while sentences have risen by 17%.

A key focus of our campaign is tackling the root causes of retail crime to prevent reoffending and keep colleagues safer in the long term. Many prolific offenders – responsible for over 70% of the crime we see – struggle with vulnerabilities, often linked to substance abuse. Encouragingly, rehabilitation orders through our partnerships have increased by 33% since 2023.

We've seen excellent examples of how addressing root causes prevents reoffending, such as the Offender to Recovery programme in the West Midlands.

We continue to engage with Government and Parliamentarians. Around 20 MPs visited stores during USDAW's Respect for Shopworkers Week in November 2025, including the Policing Minister. Co-op was the only UK retailer to give evidence to the House of Commons Public Bill Committee for the Policing and Crime Bill and has provided briefings to both the current and previous Policing Minister, most recently in October 2025.

You can see more about how we're supporting the health, safety and wellbeing of our colleagues [here](#).



FAIRER BUSINESS

-  OUR COLLEAGUES
-  FAIRER BUSINESS
-  ABOUT OUR CO-OP AND GOVERNANCE
-  OUR DATA
-  ASSURANCE STATEMENT



OUR COLLEAGUES

Being part of our Co-op as a colleague isn't like working anywhere else. We're part of something different, a movement that's over seven million strong. Our colleague member owners each own a piece of our Co-op and have a say in how we do things. Our colleague insights have helped shape our people plan; from wellbeing and development, to policies and benefits.

COLLEAGUE WELLBEING

As the world of work is changing rapidly, we know that employers need to play a greater role in supporting their colleagues' wellbeing. We're continuing to focus on ensuring that our approach to reward and wellbeing helps our colleagues to live healthy, happy lives and supports them when they need our help.

Supporting the physical, mental and financial wellbeing of our colleagues remains the main focus of our approach across our Co-op, and we continue to look for opportunities to further build on the support we provide to our colleagues and their loved ones.

We understand that the cost of living is one of the greatest pressures affecting our member owners and our colleagues. Our financial support programme supports our colleagues in a number of ways, from practical help - supporting colleagues to learn, save, spend and borrow through [Stream](#), to our Colleague Support Programme delivered by [Grocery Aid](#). The service brings together emotional, practical and financial support including a range of non-repayable grants, free mental health support for children and relationship counselling.

Our long-term strategic ambition is to support our colleagues to live healthier lives, whether that's

helping them to build healthier habits or providing more proactive support when colleagues need our help. Looking ahead to 2026, we're planning to improve access to our benefits and wellbeing offer to ensure that we continue to support our colleagues in the moments that matter. We hope to implement a new benefits and recognition platform that will improve accessibility, reach and engagement with our wellbeing benefits, giving colleagues access to discounts and cycles, as well as our existing services.

REWARD AND RECOGNITION

Our colleagues continued to work exceptionally hard, providing fantastic service to our member owners and customers. Once again, we aligned our pay rates to the Real Living Wage and all our Customer Team members in our stores had their pay increased by 5% during 2025.

We've continued offering a discount of 30% to all colleagues on own-brand products (excluding alcohol), which continues to be a major investment into supporting our colleagues.

Our pay ratios can be found in the Annual Report of Remuneration in our 2025 Annual Report and our Integrated [Pay Gap Report](#).

ENGAGEMENT AND CULTURE

Having engaged colleagues who feel connected to our Co-op is central to our Colleague Promise. We track engagement through Talkback¹ and our Colleague Voice network. Our latest Talkback survey shows engagement at 71%, down two points vs 2024. Colleague Voice feedback highlights operational pressures - including those linked to the cyber attack - as key contributors, while external benchmarks for engagement are static, indicating a tougher UK context overall. To better align with external benchmarks and respond to colleague feedback, we're adopting a new engagement index going forward, which scored 72% in 2025 (in a parallel run). Despite the decline in the historic engagement metric, there are plenty of positives including above benchmark performance on inclusion².

In 2025, we expanded colleague listening to better support teams and inform our approach: more topical omnibus surveys, in-person National Colleague Voice meetings and a pilot Colleague Action Group linking frontline colleagues with senior leaders. Feedback has led to targeted training and proactive planning - reducing complaints and improving facilities.

¹ Our engagement survey.

² Benchmark taken vs aggregated scores across retail clients for colleague engagement research specialists Ipsos Karian and Box.

SUPPORTING COLLEAGUES IN DIFFICULT MOMENTS

In 2025, we continued to support colleagues through difficult moments. We introduced a new neonatal care leave policy that goes beyond employment legislation by offering full pay for eligible colleagues whose babies require neonatal care. We also strengthened our pioneering pregnancy loss policy, doubling paid leave from five to ten days to better support colleagues through bereavement and grief. In parallel, we championed the Miscarriage Association's Leave for Every Loss campaign and, in October, co-hosted a Parliamentary event to mark forthcoming changes to the Employment Rights Bill relating to pregnancy loss.

We engaged actively with government consultations – submitting evidence to the Department for Business and Trade and the Department for Work and Pensions via the British Retail Consortium (BRC) – bringing colleagues' lived experiences to the review of the parental leave and pay system. We also signed the Armed Forces Covenant, reflecting our Co-op values and commitment to fair treatment for those who serve or have served, and their families.

Looking ahead, we will continue to advocate for our voice to be heard as the Employment Rights Act is implemented in 2026 and beyond.



COLLEAGUE GROWTH AND APPRENTICESHIPS

From mentoring and coaching to training and apprenticeships, our development offer provides our colleagues with the support they need to own their future and grab the opportunities that will shape their Co-op Career.



78%

78% of colleagues feel they have good access to learning and development resources (2024: 73%).

In 2025, we strengthened our learning offer through a new Managed Learning Service partnership, giving colleagues broader access to external training and enhancing their overall experience. The contract also delivers social value by providing workshops and training opportunities for our Academies.

Our apprenticeship offer continues to grow, with 60 standards (2024: 50), including the launch of our Women in Leadership programme in logistics, which welcomed 21 colleagues.





225

225 colleagues achieved apprenticeships in 2025 (2024: 155)

In January, we introduced a first-of-its-kind rotational apprenticeship pilot, giving early-career entrants the chance to gain experience across different parts of Co-op – building broad knowledge and skills for the future. We plan to roll this out further in 2026.

At the end of 2025, we had 613 apprentices on programme, and celebrated 225 achievers throughout the year, with 51% achieving a distinction.



We were proud to be recognised once again in the Top 100 Apprenticeship Employers in the UK, climbing from 64th place in 2024 to 42nd in 2025. This achievement reflects the positive feedback from colleagues about their experience as Co-op apprentices.



Top 100

Top 100 Apprenticeship Employers in the UK, climbing from 64th place in 2024 to 42nd in 2025.

COLLEAGUE SAFETY

We all share the responsibility of safeguarding the health, safety and wellbeing of our colleagues and customers. To achieve this, we follow a “Three Lines of Defence” approach. Each business area has dedicated teams managing day-to-day health and safety activities. These teams are supported by second-line health and safety specialists who provide expertise, oversight and guidance, as well as by Internal Audit through independent assurance. In addition, we benefit from well-established Primary Authority partnerships¹, which cover health and safety, food safety and fire safety matters.

The Board continues to actively sponsor a safety-first culture. Board meetings begin with a “Safety Moment” delivered by subject matter experts on topics such as driver safety in our Logistics fleet.

We encourage colleagues to report all crime incidents through our MySafety² platform, which now offers an improved user experience and enables data



sharing with law enforcement and industry partners, including through initiatives like Pegasus³ to combat organised crime. The MySafety platform proved resilient during the 2025 cyber-attack, maintaining stable incident reporting and uninterrupted access with consistent monitoring.

Lost Time Incident Rate (LTIR) is now our health and safety KPI, providing a consistent measure for performance monitoring and external benchmarking.

We are proud of the progress made over the past five years, achieving fewer than 200 RIDDORs⁴ for the second consecutive year. Building on this strong foundation, we strive to further embed our “**think safety first**” culture across the Co-op in 2026.

ENGAGEMENT WITH TRADE UNIONS

We have formal recognition agreements with trade unions Unite and Usdaw across all areas of our business. We actively encourage colleagues to become union members, but also respect the right of colleagues not to join a union. We communicate and consult with each union regularly to maintain positive and constructive relationships.

SPEAKING UP

To uphold our Values and Principles, we operate a confidential whistleblowing service, Speak Up, run by an independent provider and available via hotline and web. The policy sits in our Code of Business Conduct. In 2025, we received 359 reports (2024: 275) via Speak Up, plus 61 reports made directly to Co-op colleagues (2024: 44). All reports are recorded, investigated and summarised to the Risk and Audit Committee.

¹ The Primary Authority scheme enables a business to form a legal partnership with a local authority of its choosing.

The Primary Authority (i.e. its chosen local authority) then provides that business with assured advice on complying with various regulations that other local regulators must respect.

² Used for reporting crime, health and safety issues.

³ Pegasus is a UK-wide partnership between retailers and police, launched in 2023, to share intelligence and disrupt organised retail crime.

⁴ RIDDOR is the law that requires employers and other people in charge of work premises to report and keep records of work related injuries.

FAIRER BUSINESS

When we carry out our business operations, it's not just what we do that matters, but how we do it. From addressing the challenges we face through the use of technology and personal data, to the impacts of our investment and financing decisions, we aim to thread the concept of "fairer business" through everything we do.

RESPONSIBLE FINANCE AND INVESTMENTS

Sustainability-linked loan

Since 2019, we've maintained a sustainability-linked Revolving Credit Facility (RCF), which allows us to draw down amounts as needed to bridge timing differences between cash receipts from our sales and spending with our suppliers. The interest rate is tied to environmental, social and governance (ESG) KPIs. In November 2024, we extended the facility for five years and updated the ESG metrics. These now cover [Scope 3 supplier engagement target](#), [food waste reduction](#) and [diversity of our leaders](#). Failure to meet these targets increases borrowing costs. In 2025, we agreed a new five-year £350 million Term Loan with lenders that also aligns to these same ESG metrics. Our performance against these targets is tracked through this report.

Sustainable foreign exchange agreement

Co-op buys some of the goods it sells from overseas

suppliers and pays for them in foreign currency. We manage the risk of currency volatility through a hedging programme with a number of our banks. Since 2021, we've held a sustainability-linked foreign exchange agreement with one of our banks whereby any trade undertaken with them offers a sustainability-linked rebate if Co-op meets Scope 1 & 2 GHG emissions targets.

Fair Tax

We're open and transparent in our tax affairs and were awarded the Fair Tax Mark for the 11th consecutive year in 2025. The Fair Tax Mark sets a standard for responsible tax practice and reporting, and validates our openness and transparency about our tax affairs. We measure our "economic value added" (the financial benefits that commercial organisations deliver to stakeholders) as set out [here](#).

Pension funds

Our defined contribution pension scheme (Pace DC) is available to all colleagues from day one of joining the Co-op, including those not meeting automatic enrolment criteria. Our automatic enrolment offer exceeds the minimum required. In 2025, 40,000 colleagues were in the scheme, which is 75% of all colleagues. Our pension schemes (both defined benefit and defined contribution) are also responsible for the pensions of colleagues who have left the business. In 2025, this comprised 42,000 pensioners (2024: 42,000) and 78,000 deferred pensioners yet to retire (2024: 76,000).

In Pace DC, the default and lifestyle strategies

invest through the Pace Growth (Mixed) Fund and Pace Growth Shares (2021) Fund. These funds consider companies' ESG practices when deciding how much to invest. Pace DC also offers an ethical option: the Pace Growth (Ethical Shares) Fund. Pace remains a signatory of the UK Stewardship Code, demonstrating compliance with the reporting standards of the Financial Reporting Council, for the year ending 5 April 2025.

Further details on Pace's carbon reduction efforts and its responsible investment approach are available [here](#).

In 2025, we began reviewing our pension investment approach with the intention of directing more of our defined contribution fund towards UK companies and markets, supporting sustainable growth and responsible investment in the British economy.

Our two other defined benefit schemes, the Somerfield Pension Scheme and the United Norwest Co-operatives Employees' Pension Fund, remain committed to responsible, sustainable investing. Both have 2050 Net Zero targets and invest in corporate bond funds with decarbonisation goals. In 2025, the trustees explored how to engage managers on nature and biodiversity, and will update their responsible investment policies accordingly. Both schemes were ranked in the top 10% of comparable UK pension schemes when their approach to responsible investment was evaluated. For more details on United, see [here](#) and for Somerfield, see [here](#).

RESPONSIBLE TECHNOLOGY

Responsible technology is about making sure we do right by you when it comes to the choices we make around technology and data, both for current and future generations.

Supporting the next generation of colleagues in Digital Technology and Data

In Digital Technology and Data, we continue to inspire the next generation to choose careers in technology, investing in the creation of entry-level positions accessible to both Co-op colleagues and students.

Our partnership with [InnovateHER](#) continues to support students from our Belle Vue and Stoke Co-op Academies, contributing to a 114% increase in interest in technology careers and 79% rise in students considering technology-related GCSEs¹.

We are also piloting new entry-level routes into Software Development via Level 4 and Level 6 degree-equivalent apprenticeships with Manchester Metropolitan University and our training partner QA. These programmes, open to Co-op colleagues and Connell College students, require no prior industrial experience or formal Computer Science background, widening access to new development opportunities. Our aim is to develop this pilot into a sustainable recruitment and development model.

DATA & AI ETHICS

In 2025, we expanded the strategic use of Data & AI Ethics. We redesigned our eLearning to be interactive – encouraging voluntary colleague

participation and reinforcing best practices around the ethical use of AI as it becomes central to our operations.

The Data & AI Ethics Forum, established in 2024, grew with new representatives from Legal and Procurement and introduced processes to guide ethical decision-making, including the use of the 5x5 risk matrix to add accountability following a Data Ethics Canvas.

The Canvas tool explored topics such as AI-driven trend analysis, the use of diversity and inclusion data, and speech recognition. Looking ahead, 2026 will see the launch of an AI-specific version of the tool, to enhance protection and risk mitigation.

Beyond Co-op: 2,869 Year 9 students have access to our Data Ethics module via the Academies Trust Careers Portal, and our partnership with N:Lab continued to share data for good, supporting impactful research that benefits society.

In 2026, we aim to make Data & AI Ethics part of everyday decision-making across Co-op.

BUSINESS INTEGRITY AND RESPONSIBLE GOVERNANCE

Embedding Ethics in our Decision-Making

Embedding ethics in our decision-making ensures that we're living up to our Co-op Purpose and Values. Our Ethical Decision-Making Tool (EDMT) is used to support all material decisions requiring Board and Executive approval and helps us to balance social, environmental, and commercial issues and consider decisions from a member owner perspective. In

2025, all Board papers requiring a material decision were accompanied by a paper summarising the EDTM considerations.

Public Policy Engagement

As a responsible business, we continue to use our influence to campaign for a fairer and more sustainable world and are open about our lobbying and its outcomes. We detail our engagement with Government on sustainability and responsible business issues [here](#).

Anti-Corruption

Our commitment to comply with all relevant anti-corruption laws is outlined in our Financial Crime Policy and Anti-Bribery Policy. Our Code of Business Conduct details our Board and Management's commitment to the elimination of any fraud within the organisation and rigorous investigation of any such cases. We have an Anti-Fraud Policy and guidelines to support this commitment. Our Gifts and Hospitality Policy sets out our zero tolerance approach to bribery.

COMPLIANCE IN OUR FOOD BUSINESS

Food Safety and Quality Control

We work with our suppliers to simplify our supply chains and strengthen our risk management, traceability and quality assurance processes. Our Co-op own-label suppliers are audited against British Retail Consortium (BRC) Global Standards. Food safety, legality and product quality requirements are delivered by working with our suppliers to ensure all products are compliant with relevant legislation and our own Co-op standards.

¹ [InnovateHers-24-25-Social-Impact-Report](#)

Fairer business

Working with our suppliers and an independent testing laboratory, we've established a comprehensive testing programme which covers origin, production system, species, variety, composition and adulteration. This ensures our own-branded products deliver against all aspects of authenticity and protect our customers and the Co-op brand.

Groceries Supply Code of Practice

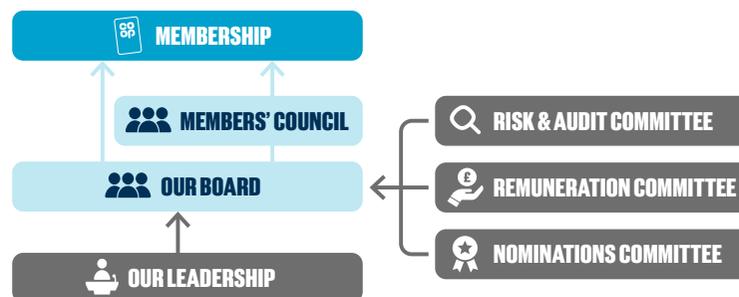
We want our suppliers to feel that they have effective, collaborative and fair relationships with us. Our food business' trading relationships with groceries suppliers are regulated by the Groceries Supply Code of Practice. Our Co-op is one of 14 designated retailers in the UK that the Code applies to. During 2025, we demonstrated consistent compliance with the Code. In the GCA Annual Survey 2025, we ranked 7th among all 14 designated retailers. Whilst our survey ranking dropped (1st in 2024), 95.94% of suppliers rated us as consistently code compliant (2024 98.2%). We were ranked 6th when suppliers were asked if the Retailers conducted trading relationships fairly, in good faith and without duress (4th in 2024).

ABOUT OUR CO-OP

Our Co-op is the UK's largest consumer co-operative, with over seven million active members and a presence in every postal area in the country. We're a major food retailer and our wholesale business serves 4,000 partners, including many with the Nisa brand. We also run a franchise operation and supply independent co-ops. We're the UK's leading funeral provider; a major provider of regulated consumer legal services, particularly probate and wills, and of life planning and insurance products which support our members and customers during life's most important moments. Our businesses are all UK-based and our main support centre is in Manchester.

OUR GOVERNANCE STRUCTURE

Our unique governance structure is carefully constructed and is based on member ownership. It is defined in our Rules, which set out a number of formal ways in which our Board, its committees and individual Directors keep in touch with our Members' Council, its committees and our member owners.



About Our-Co-op and Governance

 FOOD RETAIL	 47,000 colleagues
	 £7.25bn sales
	 2,348 stores
 WHOLESALE	 300+ colleagues
	 £1.4bn sales
	 4,143 stores serviced
 FUNERALCARE	 3,600+ colleagues
	 £309m sales
	 800+ funeral branches
 LEGAL SERVICES	 830+ colleagues
	 £83m sales
 INSURANCE	 40+ colleagues
	 £26m sales

Our [Annual Report](#) provides more detail.

About Our Co-op and Governance

Our Board determines the strategy for our Co-op, consistent with our Purpose, Values and Principles. Our Board is responsible for final approval of this Report. [Our ethical decision-making tool](#) is used to support decisions requiring Board and Executive approval.

Our Risk and Audit Committee (RAC) is a committee of the Board. Ethics, sustainability, colleagues and community are embedded in our risk framework, oversight of which sits with RAC. In addition, members of RAC review this Report; RAC considers our external sustainability report assurance feedback, as well as reviewing internal audit reports on aspects of our responsible business behaviour.

Our National Members' Council holds the Board to account on the strategic and operational decisions it makes. As part of this role, it's responsible for reviewing and commenting on drafts of this Report. Our Council committees work with our Board and senior leaders to hold to account and influence the decisions made on behalf of our member owners. The Council supports the Board in ensuring that the value we create for member owners – social, economic or as owners – is front and centre.

EMBEDDING SOCIAL VALUE AND SUSTAINABILITY

In 2025, we finalised and externally launched our Social Value Strategy, ensuring it reflects the social value issues our member owners have told us matter most to them and aligns with our wider Group strategy. Oversight of the Strategy sits with the Social Value Steering Committee, made up of Operating Board members responsible for all aspects of social value creation. These senior leaders and decision

makers work collaboratively to set the direction, ensure alignment and take the actions needed to deliver meaningful social value outcomes as part of the effective running of our business.

The development of detailed social value policies and programmes, along with the oversight and delivery of each area of activity, remains fully embedded within the business and is managed through forums such as

- Social Value Working Group which oversees issues relating to the delivery of our social value commitments
- Sustainability Governance Forum, which oversees issues such as Climate Change, Sustainable Sourcing and healthy & sustainable diets
- The People Leadership team, which oversees issues such as our diversity & inclusion and colleague wellbeing strategies

- We use a Balanced Scorecard as the basis for the Bonus Plan for Co-op colleagues. The elements of our Bonus Plan scorecard are linked to doing what matters most for our Co-op. As well as financial metrics, these include Membership (membership is core to who we are and the vehicle through which we both create and share value), Community (supporting local communities creates much of the social value that makes our Co-op a better way of doing business) and Colleagues (colleagues play a significant role in ensuring we continue to deliver to our members, customers and communities).

DISTRIBUTION OF ECONOMIC VALUE ADDED (£M)

'Economic value added' measures the financial benefits that commercial organisations deliver to stakeholders. Our reporting is based on the Global Reporting Initiative's indicator on 'direct economic value generated and distributed'.

(£m)	2022	2023	2024	2025
Colleague wages and pension benefits	1,354	1,369	1,421	1,416
Payments to Government (mainly business rates, employers' National Insurance and irrecoverable VAT)	206	192	210	248
Distribution to members ¹	20	25	92	0
Community investment	45	46	38	37
Payments to providers of capital (interest paid to bankers or bondholders for loans)	58	56	47	41
Payments to providers of capital (interest paid on leases)	78	70	66	66
Set aside for capital maintenance and future growth (i.e. after accounting for other payments, including payments to Government, members and community investment)	261	197	143	96
Total	2,022	1,956	2,017	1,904

¹ Distributions to members in 2023 related to Member rewards earned at 2% of member spend on selected Co-op products and services under our old Member reward scheme. Following a change to our membership proposition (including the introduction of exclusive member pricing deals) these rewards were no longer earned from 24 January 2024. The distribution figure noted in 2024 reflects the amount invested in member pricing during 2024 as disclosed in our Annual Report & Accounts (2024). Price investment activity has been expanded in 2025 to cover both member and non-member prices (for example our Aldi price match) and as such is not separated out in the table above as a specific distribution to members in 2025.

OUR DATA

MEMBERSHIP DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✔ Target Achieved
 = On Track
 ⬅ Behind Schedule
 ✗ Target not Achieved

ISSUE	2025 TARGET	PERFORMANCE AGAINST TARGET	2026 TARGET
	We aim to end 2025 with 7m active members	✔ We recruited over 1.6m new members in 2025, ending the year with over 7.2m active members ¹ .	We aim to end 2026 with 7.65m active members
	We will enable 2.9m member engagements in our Co-op	✔ We enabled over 3m member engagements in 2025 (includes Local Community Fund Cause selections by Co-op members, member participations in Join In opportunities and member engagements by Member Activators).	In 2026, 1.93m members will get involved in our Co-op; having a say in their business or making a difference to their community

ISSUE	KPIs	2022	2023	2024	2025	SDGs
Our Membership	Number of active members (million) (those who have traded with us in the last year in Co-op Food, Funeral and Life Planning, Insurance and Legal Services)	4.31	5.02	6.19	7.21 A	n/a
	Number of new members (m)	0.5	1.2	1.6	1.7	
	Number of active young members (age 25 and under)	211,176	362,333	591,117	681,919	
Member engagement	Members voting at our AGM and elections	33,188	31,128	43,061	52,646	n/a
	Local Community Fund Cause selections by Co-op Members	1,051,227	1,347,492	1,725,019	1,783,530 A	
	Member participations in Join In opportunities	774,067	1,012,207	1,070,641	1,240,627 A	
	Number of member engagements by Member Activators ²	-	-	-	338,450 A	

¹ An active member is a member that has traded with us in the last year in Co-op Food, Funeral and Life Planning, Insurance and Legal Services).

² This figure is calculated based on estimated ranges provided in Member Activators' monthly reports - total taking maximum of range: 338,450, total taking minimum range of: 164,000 - more detail is provided in our [Basis of Reporting](#).

MEMBERSHIP DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✓ Target Achieved
 ⊖ On Track
 ⬅ Behind Schedule
 ✗ Target not Achieved

ISSUE	KPIs	2022	2023	2024	2025	SDGs
Financial support for co-operatives	Financial support for representative and affiliated bodies of the co-operative movement (£m)	1.6	1.6	1.6	1.6	

Breakdown of financial support for the co-operative movement (£)

ORGANISATION	£	ORGANISATION	£
Co-operatives UK	£777,482.00	People's History Museum	£8,000.00
Co-operative Party	£598,600.00	Scottish Fair Trade Forum	£250.00
Co-op Press	£106,000.00	International Co-operative and Mutual Insurance Federation	£500.00
International Co-operative Alliance	£75,016.30	Plunkett Foundation	£13,225.00
Social Enterprise UK	£23,715.00	UK Society for Co-operative Studies (UKSCS)	£2,000.00
Woodcraft Folk	£25,000.00	Robert Owen Museum	£3,000.00
Co-operative Heritage Trust	£15,000.00	CWMPAS / Social Business Wales	£1,000.00
Co-operative College	£1,000.00	GRAND TOTAL	£1,649,788.30

COMMUNITY INVESTMENT DATA

ICON KEY

R Restatement **A** In-depth assurance Target Achieved On Track Behind Schedule Target not Achieved

ISSUE	2025 TARGET	PERFORMANCE AGAINST TARGET	2026 TARGET	SDGs
	Our activity will create value for 3.6m people in our members' communities, on issues member owners care about	We created value for almost 5m people in 2025	Our activity will create value for 1.9m ¹ people in our members' communities, on issues member owners care about	
	We'll raise £5m for Barnardo's by June 2025 to bring communities together to support 750,000 young people	£6.5m raised by the end of 2025	We'll raise £7m for Barnardo's by June 2026 to bring communities together to support 1m young people	

ISSUE	KPIs	2022	2023	2024	2025	SDGs
Community Investment	Total UK community investment (£m) Cash	18.7	14.2	13.4	11.1 A	
	Total UK community investment (£m) Colleague Time	14.7	16.6	13.7	12.6 A	
	Total UK community investment (£m) Gifts in Kind	0.2	0.1	0	0 A	
	Total UK Leverage (donations by members, customers, partners and suppliers)	6.1	12.3	8.1	9.3 A	
	Total investment in UK communities (£m) Cash + Colleague Time + Gifts in Kind + Leverage	39.7	43.2	35.2	33 A	
	Total investment in international communities (£m)	5.2	3.1	3.1	3.8	
	Total investment in UK and international communities (£m)	44.9	46.3	38.4	36.8 A	
	£ invested through the Local Community Fund (£m)	12.4	10.5	7.1	5.1	
£ contributed to Community Investment from Carrier Bag Levy (m)	2.6	2.1	2.2	3		

¹ Target lower than previous year as some long term programmes have now come to an end.

COMMUNITY INVESTMENT DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✓ Target Achieved
 ⊖ On Track
 ⏪ Behind Schedule
 ✗ Target not Achieved

ISSUE	KPIs	2022	2023	2024	2025	SDGs
Local Community Fund	Number of projects supported by The Local Community Fund	4,468	3,955	2,547	2,477	
People Supported in our member owner communities	Number of people supported by Community fridges and Local Pantries	-	-	382,359	409,930	  
	Number of conversations held through Time to Talk Day	-	-	2,522,500	3,140,000	
	Number of young people engaged and supported through Peer Action Collective (PAC)	-	-	1,568	5,940	
	Number of people engaged in community led bereavement support	-	-	-	5,937	
	Number of young people supported to improve their mental wellbeing and create opportunities for their future through our Barnardo's partnership	-	-	207,710	769,190	
	Total beneficiaries of projects supported by the Local Community Fund	994,985	1,094,656	1,013,495	634,249	
	Total Beneficiaries	-	-	4,127,632	4,965,246	
Colleagues involved in Community activity During work time	Number of colleagues involved in community activity	11,194	12,231	9,952	9,615	
	Number of days (hrs)	97,945 (734,587)	107,135 (803,513)	84,917 (636,879)	72,004 (540,027)	
	Value of colleague time (£m)	14.7	16.6	13.7	12.6	

SOCIAL MOBILITY, INCLUSION AND BELONGING DATA

ICON KEY

R Restatement **A** In-depth assurance Target Achieved On Track Behind Schedule Target not Achieved

ISSUE	2025 TARGET	PERFORMANCE AGAINST TARGET	2026 TARGET	SDGs
Social Mobility, Inclusion and Belonging	We will increase the proportion of ethnic minorities who are leaders to 10% by 2027 and 13% by 2030	The proportion of ethnic minorities who are leaders is 9%	We will increase the proportion of ethnic minorities who are leaders to 10% by 2027 and 13% by 2030	
	We will increase the proportion of women who are leaders to 45% by 2027 and 48% by 2030	The proportion of women who are leaders is 43%	We will increase the proportion of women who are leaders to 45% by 2027 and 48% by 2030	

ISSUE	KPIs	2022	2023	2024	2025	SDGs
Social Mobility, Inclusion and Belonging	% of colleagues who feel "Co-op is a place where people from diverse backgrounds can succeed"	84	82	84	85	
	% colleagues who feel that they have experienced bullying, harassment or discrimination	Internal (6%) External (8%)	Internal (6%) External (8%)	Internal (6%) External (9%)	Internal (7%) External (8%)	
	Gender balance of hires	53% men, 47% women	52% men 48% women	51% men 49% women	49% men 51% women	
	% of our leaders who identify as women	42	42	43	43 A	
	% of our leaders who are from an ethnic minority background	7	8	9	9 A	
	% colleagues identify as non-heterosexual	8	8	9	8	
	% colleagues identify as having a disability	25	19	22	22	
	% colleagues identify as belonging to an ethnic minority group	14	14	16	17	
	% colleagues have dependant or caring responsibilities	31	25	25	25	

CLIMATE CHANGE DATA

ICON KEY

R Restatement
 A In-depth assurance
  Target Achieved
  On Track
  Behind Schedule
  Target not Achieved

ISSUE	2025 TARGET	PERFORMANCE AGAINST TARGET	2026 TARGET	SDGs
Direct emissions (Scope 1 & 2)	<p>SBTi-approved science-based target</p> <p>Near-Term Target: The Co-operative Group commits to reduce absolute Scope 1 and 2 GHG emissions by 66% by 2030 from a 2016 base year.</p> <p>Net Zero Target: The Co-operative Group commits to reach Net Zero by 2035 for our own operations. In practice this means a 90% reduction in absolute Scope 1 and 2 GHG emissions by 2035.</p>	 <p>Between 2016 and 2025 we have reduced our absolute Scope 1 & 2 GHG emissions by 65%. We are close to meeting our near-term target of achieving a 66% reduction in Scope 1 & 2 GHG emissions by 2030.</p>	<p>SBTi-approved science-based target</p> <p>Near-Term Target: The Co-operative Group commits to reduce absolute Scope 1 and 2 GHG emissions by 66% by 2030 from a 2016 base year.</p> <p>Net Zero Target: The Co-operative Group commits to reach Net Zero by 2035 for our own operations. In practice this means a 90% reduction in absolute Scope 1 and 2 GHG emissions by 2035.</p>	  
Indirect emissions (Scope 3)	<p>SBTi-approved science-based targets</p> <p>Near-Term Target: Energy and industrial: The Co-operative Group commits to reduce absolute Scope 3 GHG emissions in the listed categories by 58.8% by 2030 from a 2016 base year.</p> <p>Forests, Land and Agriculture (FLAG): The Co-operative Group commits to reduce absolute Scope 3 FLAG GHG emissions by 42.4% by 2030 from a 2016 base year.</p> <p>Long-Term Target: Energy and industrial: The Co-operative Group commits to reduce absolute Scope 3 GHG emissions in the listed categories by 90% by 2040 from a 2016 base year.</p> <p>Forests, Land and Agriculture (FLAG): The Co-operative Group commits to reduce absolute Scope 3 FLAG GHG emissions by 72% by 2040 from a 2016 base year.</p> <p>Overall Net Zero Target: The Co-operative Group commits to reach Net Zero GHG emissions across the value chain by 2040.</p>	 <p>Between 2016 and 2025 we reduced our absolute Scope 3 GHG emissions from the categories included in our near-term science-based target by 27%.</p> <p>Our progress made on Scope 3 emissions reduction has been driven by multiple factors including changes in our trading and sales mix – particularly lower tonne volumes over the last decade – as well as sustained investment in supply chain emissions tracking and supporting British farmers to adopt more sustainable practices. The broader context remains challenging with food system progress not meeting the pace required to remain within science-based targets. This is reflected in our performance figures.</p>	<p>SBTi-approved science-based targets</p> <p>Near-Term Target: Energy and industrial: The Co-operative Group commits to reduce absolute Scope 3 GHG emissions in the listed categories by 58.8% by 2030 from a 2016 base year.</p> <p>Forests, Land and Agriculture (FLAG): The Co-operative Group commits to reduce absolute Scope 3 FLAG GHG emissions by 42.4% by 2030 from a 2016 base year.</p> <p>Long-Term Target: Energy and industrial: The Co-operative Group commits to reduce absolute Scope 3 GHG emissions in the listed categories by 90% by 2040 from a 2016 base year.</p> <p>Forests, Land and Agriculture (FLAG): The Co-operative Group commits to reduce absolute Scope 3 FLAG GHG emissions by 72% by 2040 from a 2016 base year.</p> <p>Overall Net Zero Target: The Co-operative Group commits to reach Net Zero GHG emissions across the value chain by 2040.</p>	 

CLIMATE CHANGE DATA

ICON KEY

R Restatement
 A In-depth assurance
  Target Achieved
  On Track
  Behind Schedule
  Target not Achieved

ISSUE	2025 TARGET	PERFORMANCE AGAINST TARGET	2026 TARGET	SDGs
Indirect emissions (Scope 3)	69% of suppliers in Category 1, Scope 3 GHG emissions covered by suppliers with validated science-based targets by 31/12/2025 & 79% of suppliers in Category 1 Scope 3 GHG emissions covered by suppliers with validated science-based targets by 31/12/2030	 As of the end of 2025, 72% of Category 1 Scope 3 GHG emissions were covered by suppliers with validated science-based targets.	77% of suppliers in Category 1, Scope 3 GHG emissions covered by suppliers with validated science-based targets by 31/12/2025 & 79% of suppliers in Category 1 Scope 3 GHG emissions covered by suppliers with validated science-based targets by 31/12/2030	 RESPONSIBLE CONSUMPTION AND PRODUCTION  CLIMATE ACTION

ISSUE	KPIs	BASELINE 2016 KtCO ₂ e	2022 KtCO ₂ e	2023 KtCO ₂ e	2024 KtCO ₂ e	2025 KtCO ₂ e	SDGs
Direct Emissions (Scope 1 & 2)	Scope 1 GHG emissions: Refrigeration (ktCO ₂ e)	181	66	50	49	47 A	 AFFORDABLE AND CLEAN ENERGY  RESPONSIBLE CONSUMPTION AND PRODUCTION  CLIMATE ACTION
	Scope 1 GHG emissions: Transport (ktCO ₂ e)	126	95	91	86	86 A	
	Scope 1 GHG emissions: Energy: Fuel (ktCO ₂ e)	31	19	17	17	15 A	
	Scope 2 GHG emissions: Energy: Electricity, Location-based accounting (ktCO ₂ e)	310	107	105	100	83 A	
	Total direct emissions from running our business location-based accounting: Scope 1 and 2 GHG emissions (ktCO ₂ e)	649	288	263	252	230 A	
	Building energy use (GWh)	921	660	602	578	549 A	
	Total energy use including transport fuel (GWh)	-	1060	992	938	899 A	
	% of electricity from renewable sources	99%	100%	0%	15%	15% ¹ A	
	Scope 2 GHG emissions accounting for renewables: Energy: Electricity, Market-based accounting (ktCO ₂ e)	-	1	190	191	190 A	
In line with the Greenhouse Gas Protocol and Government guidance, 'outside of scopes' emissions from the use of biofuels are not included within our reported Scope 1 & 2 emissions. In 2025, these 'outside of scopes' emissions from biofuel use were 4,630 tCO ₂ e. These emissions represent the carbon that plants absorb as they grow and which is released again when the plant-based material is used as a fuel.							

¹ You can read more about how we're generating and sourcing renewable energy [here](#).

CLIMATE CHANGE DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✓ Target Achieved
 ⊖ On Track
 ⬅ Behind Schedule
 ⊗ Target not Achieved

ISSUE	KPIs Scope 3 emissions categories included in near-term science-based targets	BASELINE 2016 KtCO ₂ e	2024 KtCO ₂ e	2025 KtCO ₂ e	SDGs
Indirect Emissions (Scope 3)	To ensure the accuracy of our GHG emissions reporting over time, we rebaseline our Scope 3 inventory as methods and data improve. For more details on our methodology, please read our Basis of Reporting document				
	Category 1 - Purchased Goods & Services - Goods for Resale - Ingredients ¹	2,864 R	2,253 R	2,162	
	Category 1 - Purchased Goods & Services - Goods for Resale - Land use change ²	465 R	322 R	273	
	Category 1 - Purchased Goods & Services - Goods for Resale - Ingredients transport	150 R	100 R	97	
	Category 1 - Purchased Goods & Services - Goods for Resale - Manufacturing	622 R	426 R	411	
	Category 1 - Purchased Goods & Services - Goods for Resale - Packaging	519 R	442 R	427	
	Category 1 - Purchased Goods & Services - Goods for Resale - Non-Food	269 R	191 R	196	
	Category 1 - Purchased Goods & Services - Cremation	12 R	12 R	12	
	Category 1 - Purchased Goods & Services - Goods and Services not for Resale	220 R	148 R	151	
	Category 3 - Fuel and Energy-Related Activities	75 R	47 R	44	
	Category 4 - Upstream transportation and distribution	165 R	117 R	117	
	Category 5 - Waste generated in operations	2 R	1 R	1	
	Category 6 - Business travel	5 R	3 R	2	
	Category 12 - End-of-life - Customer food waste disposal	35 R	24 R	23	
	Category 12 - End-of-life - Customer packaging waste disposal	6 R	7 R	7	
	Total Scope 3 emissions in near-term science-based target scope (ktCO₂e)	5,409 R	4,092 R	3,923	
	Scope 3 emissions categories also included in long-term science-based targets³				
Category 2 - Capital items	154 R	54 R	61		
Category 7 - Employee commuting	33 R	33 R	32		
Category 15 - Investments	62 R	64 R	67		



¹ Includes both FLAG and energy and industrial emissions because of current uncertainties in how these can be separately quantified. We have also only included GHG emissions in our inventory - NOT any form of carbon removals
² Best practice from SBTi is to set a GHG reduction target which covers the most significant categories of Scope 3 emissions over which we may exert influence, with a requirement to include a minimum of 67% emissions coverage in near-term targets and 90% emissions coverage in long-term targets. SBTi have also advised that some indirect emissions sources should not be included in our Scope 3 target boundary. This includes emissions from customer travel for shopping, and indirect product use (cooking and chilling). Our near-term and long-term targeted emissions cover 95% and 99% of the emissions included in our Scope 3 target boundary.
³ Best practice from SBTi is to set a GHG reduction target which covers the most significant categories of Scope 3 emissions over which we may exert influence, with a requirement to include a minimum of 67% emissions coverage in near-term targets and 90% emissions coverage in long-term targets. SBTi have also advised that some indirect emissions sources should not be included in our Scope 3 target boundary. This includes emissions from customer travel for shopping, and indirect product use (cooking and chilling). Our near-term and long-term targeted emissions cover 95% and 99% of the emissions included in our Scope 3 target boundary.

CLIMATE CHANGE DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✓ Target Achieved
 ⊖ On Track
 ⬅ Behind Schedule
 ⊗ Target not Achieved

ISSUE	KPIs Scope 3 emissions categories not included in science-based targets	BASELINE 2016 KtCO ₂ e	2024 KtCO ₂ e	2025 KtCO ₂ e	SDGs
Indirect Emissions (Scope 3)	Category 8 - Upstream leased assets	n/a R	n/a R	n/a	 
	Category 9 - Downstream transportation and distribution - Shopping	289 R	262 R	248	
	Category 9 - Downstream transportation and distribution - Funeral travel	8 R	8 R	8	
	Category 9 - Downstream transportation and distribution - Q-Comm	n/a R	18 R	19	
	Category 9 - Downstream transportation and distribution - Wholesale retail	44 R	20 R	19	
	Category 10 - Processing of sold products	n/a R	n/a R	n/a	
	Category 11 - Use of Sold Products - Cooking & chilling	622 R	564 R	535	
	Category 11 - Use of Sold Products - Electrical products	11 R	4 R	4	
	Category 13 - Downstream leased assets	5 R	4 R	5	
	Category 14 - Franchises	0.4 R	8 R	7	
	KPIs	BASELINE 2023	2024	2025	
	% of Category 1 Scope 3 emissions covered by suppliers with validated science-based targets ¹	36%	48%	72% A	

¹ We track the commitment status and progress of our top 200 suppliers by contribution to Category 1 Scope 3 emissions.

RESOURCE USE DATA

ICON KEY

R Restatement **A** In-depth assurance Target Achieved On Track Behind Schedule Target not Achieved

ISSUE	2025 TARGET	PERFORMANCE AGAINST TARGET	2026 TARGET	SDGs
Food waste	We will reduce food waste generated in our stores and depots by 50% by 2030 compared to 2022.	In 2025 although we saw an increase in our food waste, our reduction since 2022 sits at 20% and we are still on track to achieve our 2030 target.	We will reduce food waste generated in our stores and depots by 50% by 2030 compared to 2022.	
Plastics & Packaging	We will reduce our plastic footprint by 30% by the end of 2025, per 1% market share compared to a baseline year of 2018.	In absolute terms, at the end of 2025 our plastic reduction compared to 2018 was 37%. Against our target using the Kantar market share metric, our final figure was reduced to 27.5%.	Future target under review.	
Water use	We will reduce water consumption across our properties by 10% by 2025 compared to 2020.	Last year, we reported on our work to improve the accuracy of our water consumption data and outlined our plan to install automatic meters at key sites. These steps have strengthened our understanding of water use. However, overall consumption in 2025 increased slightly due to a small number of leaks across our estate. As a result, we did not achieve our 2025 target.	Future target under review.	

ISSUE	KPIs	BASELINE	2022	2023	2024	2025	SDGs
Food waste	Food waste - store and depot, tonnes	21,388 (2022)	21,388	15,151	14,726	17,159 A	
	Food surplus redistributed total (tonnes)	-	7,309	6,095	6,111	7,043 A	
	Food surplus redistributed through FareShare, TBBT, City Harvest and Company shop (tonnes)	-	911	899	812	591 A	
	Food surplus redistributed through Co-op Food Share (prior to 2022); and through Co-op Caboodle from 2022 (tonnes)	-	6,398	5,202	5,299	6,452 A	
	Store and depot food waste intensity (% products from store and depot that become food waste)	-	-	-	1	1.23 A	

RESOURCE USE DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✔ Target Achieved
 = On Track
 ⬅ Behind Schedule
 ✘ Target not Achieved

ISSUE	KPIs	BASELINE	2022	2023	2024	2025	SDGs
Plastics and packaging	% reduction in plastic packaging per 1% market share (from 2018)	-	Packaging: 16.7 Carrier bags: 7.5 Total: 24.2	Packaging: 18.3 Carrier bags: 7.4 Total: 25.7	Packaging: 12.9 Carrier bags: 7.9 Total: 20.8	Packaging: 20.3 Carrier bags: 7.2 Total: 27.5	
	% average recycled content in our own-brand plastic packaging	-	35	33 (PET 71%)	41 (PET 79%)	44	
Water use	Average water used per site (m3)	310 (in 2020)	344	406	283	302	
	% water reduction (y/y)	-	18 (increase)	30.2	1 (increase)	3.5 (increase)	
Operational waste	Total operational waste from running our business (kt)	-	73	59	59	59	
	% of total waste diverted from landfill (including energy-from-waste, anaerobic digestion, recycling or reuse)	-	99	99	99	99	

INTERNATIONAL DEVELOPMENT AND WATER SECURITY DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✔ Target Achieved
 = On Track
 ⬅ Behind Schedule
 ✗ Target not Achieved

ISSUE	KPIs	2022	2023	2024	2025	SDGs	
International development and clean water	£ raised for One Foundation (since 2007) (£m)	17.2	19.3	21.3	24	   	
	£ raised for Water Unite (since 2017) (£m)	3.1	3.7	4.3	5		
	£ raised for Disasters Emergency Committee (DEC)	1.2 m	161,000	120,000	192,000		
	Our £ raised for DEC has returned to levels consistent with 2021 after the 2022 peak driven by funds raised in response to the invasion of Ukraine.						
	Fairtrade & Sustainable Sourcing Projects	384,779	285,000	185,000	130,000		
	International community investment (£m) Cash	4.1	3.1	3.1	3.8		
	International community investment (£m) Leverage (donations by members, customers and suppliers)	1.1	61,000	32,500	0		
	£42,000 of funds were raised for the Disasters Emergency Committee in 2025, but not paid out until early 2026, these will be included in next year's report.						
	Total Co-op International investment (excluding leverage) (£m)	4.1	3.1	3.1	3.8		
	For years we've invested above and beyond 0.7% of our pre-tax profit in international development projects and are committed to for the years to come.						

ETHICAL TRADE AND HUMAN RIGHTS DATA

ICON KEY

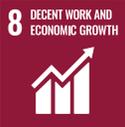
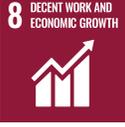
R Restatement **A** In-depth assurance Target Achieved On Track Behind Schedule Target not Achieved

ISSUE	2025 TARGET	PERFORMANCE AGAINST TARGET	2026 TARGET	SDGs
Supply Chain Transparency	We will develop a strategic approach to Enhanced Due Diligence with interventions in 10 high risk supply chains or recruitment corridors.	Beyond our core due diligence monitoring programme, we have engaged in a wide range of projects as part of enhanced due diligence approaches increase our understanding of issues in our global supply. We have continued to support platforms to gather insights and intelligence and hear directly from workers, supported joint investigation issues into issues in our supply chain and participated in sector and issue focused research and projects in the seafood and produce sectors. We also carried supported projects focused on embedding forced labour indicators in to our due diligence activities as well as supporting the development on a collaborative platform to understand the use of recruitment fees in key recruitment co-corridors.	We will implement enhanced due diligence approaches with interventions in high-risk supply chains and recruitment corridors.	
	We will champion the role of women and vulnerable people in our supply chains, and continue to roll out training to address issues of gender-based violence in the supply chain and support collaborative initiatives to address root causes.	The Inua Dada Endline report and learning paper was published in April 2025. In collaboration with ETI and other partners, we contributed to the delivery of four GBVH events and launched the principles for addressing gender-based violence and harassment. We launched a two-year project in Ghana to tackle living wages through collective bargaining. See our modern slavery statement for more details.	We will champion the role of women and vulnerable people in our supply chains by launching projects to implement the GAIA principles in two high-risk supply chains to address the root causes of gender-based violence and harassment (GBVH).	
	We will continue to work collaboratively to eliminate illegal and unfair recruitment fees in our global supply chain.	The Responsible Recruitment Practices and Employer Pays Principles (EPP) in the global tuna processing sector and EPP Feasibility Study for UK Seasonal Worker Scheme were launched. There were UK SWS Taskforce Employer Pays Principles roundtables and the creation of an independent, multilingual seasonal support line enabling workers to report concerns.	We will continue to work collaboratively to eliminate illegal and unfair recruitment fees in our global supply chain.	
Supplier Capacity Building	We will support our suppliers in improving human rights across our supply chains through the delivery of our global supplier engagement programme, reaching over 2,500 delegates in 50 events in 2025.	We reached 4,082 delegates in 150 events. Some of the events included the launch of accommodation guidance in Morocco, the ten-year anniversary of the Spain Ethical Trade Forum, 15-year anniversary of the Egyptian Ethical Trade Forum and the Stronger Together Modern Slavery Champions Event (see supplier engagement & collaboration tables above).	We will support our suppliers in improving human rights across our supply chains through the delivery of our global supplier engagement programme, working collaboratively to reach over 3,000 delegates in 80 events in 2026.	

ETHICAL TRADE AND HUMAN RIGHTS DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✔ Target Achieved
 = On Track
 ⬅ Behind Schedule
 ✗ Target not Achieved

ISSUE	KPIs	2022	2023	2024	2025	SDGs
Supply chain transparency	Number of supplier sites globally (Tier 1 and Tier 2)	2,838 (734 Tier 1, 2,104 Tier 2)	3,212 (682 Tier 1, 2,530 Tier 2)	3,035 (665 Tier 1, 2,370 Tier 2)	2,988 (676 Tier 1, 2,312 Tier 2)	 
	% high-risk Tier 1 suppliers completing self assessment in Sedex	100	100	100	100	
	% high-risk Tier 1 sites audited	100	100	100	100	
Supplier Capacity Building	Number of supplier engagement events	91	121	126	155	 
	Number of individuals engaged via supplier engagement events	6,557	6,452	3,135	3,717	
	Hours of engagement at supplier engagement events	6,551	10,044	13,537	15,626	
	Number of sites reached through supplier engagement events	1,106	1,513	1,772	2,341	
		In 2022, we launched a two-year diversity and inclusion programme 'Inua Dada' in Kenya to economically empower and to increase the confidence and visibility of horticultural female workers, both at the workplace and in the community. The two-year programme ended in 2023 which has resulted in a decrease of the number of individuals trained through our supplier engagement events throughout 2024.				

ETHICAL TRADE AND HUMAN RIGHTS DATA

ICON KEY

R Restatement **A** In-depth assurance  Target Achieved  On Track  Behind Schedule  Target not Achieved

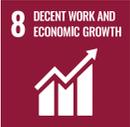
NUMBER OF SITES AND WORKERS ON SEDEX AND LOCATION OF AUDITS IN 2024/25	SITES	WORKERS	AUDITS	ISSUES
Africa	876 (T1:683, T2:2,308)	291,970	583	3,177
Asia	212 (T1:28, T2:18)	22,698	71	290
Europe	1,488 (T1:597, T2:891)	284,593	31	203
North & Central America	47 (T1:6, T2:41)	16,556	31	203
Oceania	19 (T1:0, T2:19)	1,870	191	16
South America	346 (T1:28, T2:318)	166,970	1	1,038
Total	2,988 (T1:676, T2:2,312)	784,657	1,506	7,072

STATUS OF IMPROVEMENT ACTIONS IDENTIFIED IN VALID AUDITS IN 2024/25	Total issues raised			Improvement actions completed and verified		Improvement actions completed by supplier; verification due in 2026		Improvement actions due for completion in 2026		Overdue improvement actions		Collaborative Action Required (CAR)	
	Business Critical / Critical/Major	Minor	CAR	Business Critical / Critical/Major	Minor	Business Critical / Critical/Major	Minor	Business Critical / Critical/Major	Minor	Business Critical / Critical/Major	Minor	With action plan	Without action plan
Exploitation of labour	37	28	0	23	25	9	1	5	2	0	0	0	0
Freedom of association	60	130	n/a	46	120	9	3	5	7	0	0	n/a	n/a
A safe and hygienic working environment	2,397	1,060	n/a	1,878	872	297	84	216	104	6	0	n/a	n/a
Child labour	83	11	3	58	11	10	0	15	0	0	0	1	2
Living wages to be paid	299	192	558	233	167	38	12	28	12	0	1	181	377
Working hours are not excessive	424	210	n/a	287	169	66	15	63	26	8	0	n/a	n/a
No discrimination	44	33	44	35	25	6	4	3	4	0	0	19	25
Regular employment	202	30	n/a	156	21	15	7	31	2	0	0	n/a	n/a
No harsh or inhumane treatment	500	156	n/a	342	125	73	16	82	13	0	0	n/a	n/a
Other issue types	378	80	113	331	74	23	5	24	1	3	2	49	64
Sub Total	4,424	1,930	718	3,389	1,609	546	147	472	171	17	3	250	468
Total	7,072			4,998		693		643		20		718	

FAIRTRADE DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✔ Target Achieved
 = On Track
 ⬅ Behind Schedule
 ✘ Target not Achieved

ISSUE	KPIs	2022	2023	2024	2025	SDGs
Fairtrade	Number of core commodities and categories with a Fairtrade Commitment	7	7	7	7	 
	Our commitment to Fairtrade continues across seven core categories - 100% of our tea, coffee, bananas, cocoa, bagged sugar, South African wine and roses are Fairtrade, and we are the biggest retailer of Fairtrade wine in the world					
	Amount of Fairtrade ingredients we sell via our Fairtrade products (volume measured in tonnes/litres/stems)	48,967 Mt 16.1 million litres 52.4 million stems	43,126 Mt 14.7 million litres 71.3 million stems	40,751 Mt 15.95 million litres 64.8 million stems	41,672 Mt 15.3 million litres 112.57 million stems	
	Demonstrates material impact to Fairtrade producers. They benefit from Fairtrade Standards, Minimum Price and Premium with every Fairtrade purchase					
The number of KPI's being reported has been reduced this year following a review to improve alignment with our material priorities and reporting approach. In 2026, we will review our KPI framework, with further updates to be reflected in the 2026 Report						

SUSTAINABLE SOURCING DATA

ISSUE	2025 TARGET	PERFORMANCE AGAINST TARGET	2026 TARGET	SDGs
Soy	100% of soy in our Co-op products, including that embedded in animal feed, will be deforestation free and responsibly sourced by 2025.	✘ <p>8% soy footprint verified deforestation and conversion free in 2025. Achieving verified deforestation-free and conversion-free (vDCF) soy is an industry-wide challenge and, despite progress, we have not been able to meet our commitment of 100% vDCF soy by the end of 2025. A full statement on the progress the industry has made and the challenges and limits of voluntary action that have restricted our progress is available here.</p>	Future target under review.	 

SUSTAINABLE SOURCING DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✔ Target Achieved
 = On Track
 ⬅ Behind Schedule
 ✗ Target not Achieved

ISSUE	KPIs	2022	2023	2024	2025	SDGs
Soy	Soy used in our food products (directly and indirectly through animal feed) (tonnes)	51,862	60,126	52,119	57,322	 
	% Soy linked to an origin	51	55	64	65	
	% Soy linked to an importer	50	51	63	65	
	% soy footprint verified deforestation and conversion free (Segregated Certified or vDCF sourcing - excludes mass balance)	0.4	16	10	8	
	Certified soy (under schemes benchmarked to FEFAC Soy Sourcing guidelines)	RTRS Credits 72.7% Area Mass Balance 10.4% Mass Balance 16.8% Segregated 0.1%	RTRS Credits 7% Regional RTRS credits/ Area Mass Balance 50% Mass balance 27% Segregated 1.1%	RTRS Credits 2% Regional RTRS credits/ Area Mass Balance 57% Mass balance 26% Segregated 2%	RTRS Credits 5% Regional RTRS credits/ Area Mass Balance 32% Mass balance 50% Segregated 1%	
	% Soy footprint covered by UK Soy Manifesto signatories	83% volume of soy footprint 42% of suppliers using soy	77	90	85	
	Soy footprint breakdown	See table				
Palm Oil	% Palm oil in food and non-food products certified by the Roundtable on Sustainable Palm Oil	100	100	100	100	
	Palm oil used in Co-op branded food and non-food products (tonnes)	5,632	6,148	4,699	5,569	
	% Segregated and Identity Preserved	93	92	94	96	
	% Mass Balance	7	8	6	4	
	% GreenPalm/ RSPO credits	0	0	0	0	
	Palm Oil Importer	See table				

OWN BRAND SOURCING STANDARDS

INGREDIENT	SOURCING STANDARD
Forest and Peatlands	
Cocoa	100% Fairtrade, including where used as an ingredient within our Fairtrade Sourcing Ingredient (FSI) programme.
Coffee	100% Fairtrade. Where used as an ingredient Fairtrade producers benefit.
Sugar	100% Fairtrade in bagged sugar.
Wood, paper & pulp	FSC or recycled content (by exception PEFC accepted).
Palm oil	Certified as sustainable under one of the Roundtable for Sustainable Palm Oil certification schemes.
Soy	The majority of our footprint (direct and indirect) is covered by RTRS Credits.
Peat	All bagged growing medium sold in our stores is peat free.
Fields and Orchards	
Tea	100% Fairtrade. Where used as an ingredient Fairtrade producers benefit.
Bananas	100% Fairtrade. Where used as an ingredient Fairtrade producers benefit. GLOBALG.A.P.
Grapes & wine	Entry level South African wines are Fairtrade. Grapes - GLOBALG.A.P.
Flowers	100% Fairtrade African rose bouquets and African single stem roses.
Lettuce	UK - Red Tractor.
	Other - GLOBALG.A.P.
Carrots	Red Tractor.
Tomatoes	UK - Red Tractor.
	Other - GLOBALG.A.P.
Citrus	GLOBALG.A.P.
Potatoes	Red Tractor.
Berries	UK - Red Tractor.
	Other - GLOBALG.A.P.

PALM OIL IMPORTERS

PALM OIL IMPORTER	% OF 2024 SUPPLY	LINK IMPORTER MILL LISTS
SD Guthrie	29	www.smart.sdguthrie.com/gisportal
AAK	13	www.aak.com/sustainability/better-sourcing/palm/mill-list
Multiple Top 10	19	
Olenex	8	olenex.com/sustainability/palm-oil-policy-traceability
Other	10	
Not attributable	21	

SOY FOOTPRINT

SOY FOOTPRINT BY PROTEIN TYPE	%
Beef	3
Dairy	17
Eggs	11
Lamb	0
Pork	27
Poultry	39
Seafood	2
Direct Soy	0
Other	1

SOY IMPORTER	% FOOTPRINT
Cargill	25
Cefetra	13
Others	11
Multiple	16
Not yet attributable	35

SOY SOURCING REGION	% FOOTPRINT
Asia	0
Europe	0
North America	11
South America	52
Multi-region	2
Not yet attributable	35

SUSTAINABLE SOURCING DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✓ Target Achieved
 ⊖ On Track
 ⬅ Behind Schedule
 ⊗ Target not Achieved

ISSUE	KPIs	2022	2023	2024	2025	SDGs	
Wood & Paper	Wood and paper products purchased by Co-op Food (m3)	41,762	31,514	31,415	26,127		
	Co-op Food: sourcing of wood and paper, by origin						
	% Known legal source virgin material such as PEFC	0.5	2	0.9	1.5		
	% Wood and paper purchased for Co-op Food that was (FSC certified) or recycled	98	98	99	99		
	% Wood and paper used in products for Co-op Food is of known origin	100	100	100	100		
	% Coffins manufactured by our funeral business made from FSC®-certified ¹ wood	97	98	97	97		
Data follows financial year, rather than calendar year							
Crop Protection	Number of product samples tested	363	372	360	353		
	Sample with zero residues	152 (42%)	153 (41%)	143 (40%)	112 (32%)		
	Samples with 1 residue below Maximum Residue Limit - European Food Safety Authority (MRL)	70 (19%)	66 (18%)	67 (19%)	54 (15%)		
	Samples with multiple residues all below MRL	132	143 (38%)	135 (38%)	177 (50%)		
	Samples with at least 1 MRL exceedance	9 (3%)	10 (3%)	15 (4%)	10 (3%)		
	Number of pesticide actives detected	640	665	624	632		
	Average detections per sample	1.8	1.79	1.73	1.79		
	Number of these classified by the World Health Organization Recommended Classification of Pesticides by Hazard (Categories 1A and 1B)	0 (1A); 0 (1B)	1 (1A); 0 (1B)	0 (1A); 0 (1B)	0 (1A); 1 (1B)		
	Number of these classified on PAN International List of Highly Hazardous Pesticides	138	211	176 (35)	262 (42)		
Please note, PAN-UK updated the HHP list in 2024 with additional actives declared as HHPs in the revision.							

FARMING AND FISHERIES DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✔ Target Achieved
 = On Track
 ⬅ Behind Schedule
 ✗ Target not Achieved

ISSUE	KPIs	2022	2023	2024	2025	SDGs	
Aquaculture and fisheries	% fish used in Co-op branded food products from farmed sources	32	51	57	44		
	% fish used in Co-op branded food products wild caught	68	49	43	56		
	Number of Marine Stewardship Council (MSC)-certified Co-op branded food products	62	45	39	40		
	Number of Aquaculture Stewardship Council (MSC)-certified Co-op branded food products	0	0	0	1		
	% wild-captured seafood sourced from MSC fisheries (by volume)	65	77	67	66		
	% of wild captured seafood sourced from FIP (Fisheries Improvement Project) Fisheries (by volume)	35	23	33	34		
We have aligned to ASC in 2025 with a goal of adding the ASC label to all fresh & frozen fish by January 2027							
Livestock	Higher welfare sales (£m)	173	183	263	206		
	2024 higher welfare sales included Space To Thrive which is now not classed as higher welfare. 2024 did not include Organic as higher welfare but we have included this in our 2025 figures						
	% Co-op branded fresh, frozen and prepared meat and poultry products produced to Red Tractor Farm Assurance Scheme standards or higher	100	100	100	100		
	% Co-op branded shell-egg sales RSPCA Assured	96	97	96	96		
	The remainder are classified as organic						
	% Co-op milk Red Tractor Dairy Scheme assured	93	93	93	93		
	The remainder are classified as organic						
2021 % fresh protein sales, by welfare standard	See table						
Supporting British Farmers	% Co-op branded fresh and frozen meat is British	100	100	100	100		
	% Co-op branded eggs, milk and cream is British	100	100	100	100		

OWN BRAND SOURCING STANDARDS

INGREDIENT	SOURCING STANDARD
Oceans and aquaculture	
Wild fish	Preferred standard - MSC.
Farmed fish	Preferred standards - Global Aquaculture Alliance Best Aquaculture Practice (GAA/BAP) 4*, GLOBALG.A.P. Aquaculture Standard, Aquaculture Stewardship Council Standards, Marine Stewardship Council certification.
Salmon	All Co-op 'Irresistible' own brand farmed, fresh and smoked Atlantic Salmon sourced from Scottish farms accredited to RSPCA Assured higher welfare standards. This does not include salmon used as an ingredient. Co-op own brand standard tier farmed Atlantic Salmon fresh, smoked and used as an ingredient in Co-op food products may be sourced from either Scottish farms or Norwegian farms (excluding Rogaland and Hordaland).
Prawns	Cold Water prawns - MSC. Warm Water prawns - either ASC certified or GAA BAP4*.
Tuna	Skipjack tuna, including as an ingredient, sourced from fisheries employing pole and line or hand fishing method which are either MSC certified or in a credible or comprehensive Fishery Improvement Project which is demonstrating measurable progress towards MSC certification.
Livestock	
Chicken & poultry	Red Tractor or equivalent (Irresistible range RSPCA Assured) British (Fresh, frozen and ready meals).
Beef	Red Tractor or equivalent, British. Only European corned beef.
Milk & dairy	Red Tractor, British.
Lamb	Red Tractor, British.
Pork	RSPCA Assured, Outdoor bred, British. Red Tractor for Bacon, Gammon and Ham in Co-op Honest Value products. As an ingredient - Red Tractor.
Eggs	100% free range, British, shell-eggs RSPCA Assured.

% OF FRESH PROTEIN SALES BY WELFARE STANDARD

OWN LABEL	RED TRACTOR	HIGHER WELFARE ASSURANCE SCHEME	COMMENTARY
Turkey	100%	0%	
Chicken	100%	2%	
Beef	100%	0%	
Lamb	100%	0%	
Bacon	100%	100%	These products are duo logo for both Red Tractor and RSPCA assured
Pork	100%	100%	These products are duo logo for both Red Tractor and RSPCA assured
Ham	100%	100%	These products are duo logo for both Red Tractor and RSPCA assured
Sausage	100%	100%	These products are duo logo for both Red Tractor and RSPCA assured
Eggs	n/a	100%	4.5% is Organic, 95.5% RSPCA Free Range
Milk	100%	7%	7% is Organic
Salmon	n/a	11%	11% RSPCA; during 2026, we will be rolling out ASC assurance for non-RSPCA salmon
Cooked Meats	100%	0%	
Continental Meats	100%	0%	All EU lines certified to equivalent Red Tractor standard
Cheese	100%	0%	We have a UK & EU split in products but all EU lines certified to equivalent Red Tractor standard
Cream	100%	0%	All EU lines certified to equivalent Red Tractor standard
Butters and Fats	100%	0%	All EU lines certified to equivalent Red Tractor standard
Ready To Cook	96%	31%	31% RSPCA pork and 4% fish

PROPORTION OF FRESH PROTEIN SALES, BY PROTEIN TYPE

Turkey	0.16%	Ham	6.05%	Cooked Meats	9.26%
Chicken	12.18%	Sausage	3.57%	Continental Meats	2.42%
Beef	9.97%	Eggs	6.26%	Cheese	11.20%
Lamb	0.61%	Milk	22.77%	Cream	1.72%
Bacon	4.90%	Salmon	3.33%	Butters & Fats	0.47%
Pork	1.73%	Fish	3.40%	Ready To Cook	1.27%
TOTAL 100%					

HEALTHIER, MORE SUSTAINABLE DIETS DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✓ Target Achieved
 = On Track
 ◀ Behind Schedule
 ✗ Target not Achieved

ISSUE	2025 TARGET	PERFORMANCE AGAINST TARGET	2026 TARGET	SDGs	
Healthier, more sustainable diets	We will continue to report on the percentage of Co-op own-brand products which are non-HFSS.	✓	We will continue to report on the percentage of Co-op own-brand products which are non-HFSS.	<div style="background-color: #2E8B57; color: white; padding: 5px; display: inline-block;"> 3 GOOD HEALTH AND WELLBEING  </div>	
	By 2030, 83% of our Co-op own brand food and drink sales (tonnes) will come from non-HFSS products, excluding non-food and alcohol.	=	In 2025, 75% of our Co-op own-brand food and drinks sales (tonnes) was from non-HFSS products. Our 2025 figures were affected by the cyber-attack, which required us to prioritise keeping products available in stores. Our focus for 2026 is to remain on track to achieve our 2030 target.		By 2030, 83% of our Co-op own brand food and drink sales (tonnes) will come from non-HFSS products, excluding non-food and alcohol.
	Co-op own-brand products which are 'reduced' or 'light' alternatives to a standard line will continue to be no more expensive, based on price per kg.	✓	All products that are 'reduced' or 'light' alternatives to a standard line are no more expensive (based on price per kg) in 2025.		Co-op own-brand products which are 'reduced' or 'light' alternatives to a standard line will continue to be no more expensive, based on price per kg.
	We will continue to report on the percentage of total Co-op sales tonnage (excluding alcohol and non-food) which came from Co-op fruit & vegetable sales.	✓			We will continue to report on the percentage of total Co-op sales tonnage (excluding alcohol and nonfood) which come from Co-op fruit & vegetable sales.
	We will continue to report on the percentage of total Co-op sales tonnage (excluding alcohol and non-food) which came from animal protein and plant protein.	✓			We will continue to report on the percentage of total Co-op sales tonnage (excluding alcohol and nonfood) which come from animal protein and plant protein.

HEALTHIER, MORE SUSTAINABLE DIETS DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✔ Target Achieved
 = On Track
 ⬅ Behind Schedule
 ✘ Target not Achieved

ISSUE	KPIs	2021	2022	2023	2024	2025	SDGs
Healthier, more sustainable diets	% of Co-op own brand food and drink sales tonnage (excluding alcohol and non-food) which are from non-HFSS products	-	-	-	75 R	75	
	% Co-op own brand products that meet their calorie reduction target, which are in line with or lower than the Office for Health Improvement and Disparities' reformulation programme	-	95	95	n/a R	95	
	% Co-op own brand products that meet their Public Health England 2024 maximum salt target	94	95	96	n/a R	97	
	Number of Co-op own brand products that are 'reduced' or 'light' alternatives to a standard line that do not meet our commitment to be no more expensive (based on price per g/ml)	1	0	0	n/a R	0	
	% of total Co-op sales tonnage (excluding alcohol and non-food) which came from Co-op fruit & veg sales	-	-	-	23 R	23	
	% of total Co-op sales tonnage (excluding alcohol and non-food) which came from animal protein	-	-	-	41 R	41	
	% of total Co-op sales tonnage (excluding alcohol and non-food) which came from plant protein	-	-	-	0.81 R	0.87	
We have restated our 2024 sales tonnage following data quality improvements. We remain committed to our 2030 target to increase sales of non-HFSS food and drink.							

RESPONSIBLE PROCUREMENT DATA

ICON KEY

R Restatement
 A In-depth assurance
 ✓ Target Achieved
 ⊖ On Track
 ⬅ Behind Schedule
 ✗ Target not Achieved

ISSUE	2025 TARGET	PERFORMANCE AGAINST TARGET	2026 TARGET	SDGs
	Support suppliers to contribute 500+ hours of social value activity to Co-op Academies.	✓ Suppliers have contributed 1,900 hours of social value activity to Co-op Academies.	Assign high-priority labour and human rights corrective actions in EcoVadis for relevant Strategic, Critical, and High Ethical Risk suppliers to drive improvements in our supply chain.	
	Obtain product carbon data where available & agree a plan to support our Co-op Net Zero goal (for the top 80% of GHG emissions impacting suppliers).	R After review, we refined this to focus on the top 60% of GHG-emitting suppliers, updated Defra categories for the top 20 suppliers, and obtained Scope 1, 2, and 3 emission data from EcoVadis or supplier sustainability reports, which has been shared with our Sustainability Team.	Publish the first Co-op Supplier Gender Pay Gap Report in June 2026.	

ISSUE	KPIs	2022	2023	2024	2025	SDGs
Responsible Procurement	Number of suppliers with valid EcoVadis Scorecards	-	-	146	206	
	Spend with Social Enterprises across GFR and GNFR (£m)	-	4.9	11.1	7.4	
	Spend with Ethnic Minority Businesses (MSDUK suppliers) (£)	-	45,000	170,000	148,000	
	£ pledged to Levy Share by Co-op Suppliers for Levy Share (£m)	-	1.3	2.2	2.5	
	Number of apprenticeships supported by suppliers through Levy Share	-	100	200	200	
	Number of hours committed by suppliers supporting Social Value initiatives	-	500	1,000	1,900	

OUR PEOPLE DATA

ICON KEY

R Restatement **A** In-depth assurance Target Achieved On Track Behind Schedule Target not Achieved

ISSUE	2025 TARGET	PERFORMANCE AGAINST TARGET	2026 TARGET	SDGs
	We aim to achieve a colleague engagement index score of 74%, as measured through our colleague survey.	Talkback survey shows engagement at 71%. To better align with external benchmarks and respond to colleague feedback, we're adopting a new engagement index going forward, which scored 72% in 2025.		

ISSUE	KPIs	2022	2023	2024	2025	SDGs
Our Colleagues	Total colleague headcount at year end	57,219	56,071	53,785	52,722	
	Total voluntary turnover (%)	30	25	20	19.8	
	Overall engagement score (%)	68	72	73	71	
Colleague Wellbeing	I know how to access Co-op's wellbeing support if needed (%)	70	82	81	81	
	Absence rate (%)	4.9	4.5	4.6	4.7	
	Financial support given to colleagues via Stream (£m)	12.37	19.6	20	22	
	Number of colleagues saving with Stream	4,227	5,020	4,772	4,809	
Apprenticeships	Apprentice starts	320	325	469	412	
	Total apprentices on programme (at end of year)	473	426	614	613	
	Total achievers	-	181	155	225	
	% apprentices male and female	43% male 57% female	42% male 58% female	43% male 57% female	43% male 57% female	
Health and Safety	Reportable accidents (colleagues total)	203	210	176	159	
	Reportable accidents (per 100,000 colleagues)	355	375	324	299	



WHEN TRUST MATTERS

Independent Limited Assurance Report

The Co-operative Group Limited (“Co-op”) commissioned DNV Business Assurance Services UK Limited (“DNV”, “we”, or “us”) to conduct a limited assurance engagement of the Co-op Social Value and Sustainability Report 2025 (the “Report”) for the reporting year ended 31st December 2025.



Our Opinion:

- On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe the Co-op’s adherence to the Principles described below.
- In terms of the quality of the Selected Information, nothing came to our attention to suggest that the data were not properly collated from information reported at operational level, nor that the assumptions used were inappropriate.

Our observations and areas for improvement will be raised in a separate report to the Co-op’s Management. Selected observations are provided below. These observations do not affect our conclusion set out above.

Materiality

The Report continued to cover a comprehensive range of material sustainability topics and demonstrated a constant dialogue with stakeholders in defining what mattered most for Co-op and its members. In 2024, Co-op engaged with its stakeholders to develop its new Social Value Strategy, focusing on material social and environmental topics informed by inputs from its member-owners. In 2025, Co-op validated these findings through the annual “Big Survey” to determine which material topics its members are more concerned about and aligned its actions and reporting with their needs and expectations.

We recommend that Co-op evolve its materiality assessment ahead of next year’s Report, documenting the materiality determination process and stakeholder involvement.

Completeness

The Report was comprehensive, presenting an overview of the topics relevant to Co-op’s stakeholders and the impacts the business has on sustainability issues. Additionally, the Report presented numerous key performance indicators (KPIs) and tracked their performance across multiple years. However, we noted that while the Report explained the positive and negative impacts the Co-op has on its stakeholders and the environment in which it operates, it presents a limited discussion of the economic and financial implications (positive or negative) of the sustainability initiatives on the business. While we recognise that Co-op already reports on climate-related financial disclosures in line with the TCFD recommendations, we recommend that Co-op consider reporting on how broader sustainability factors and risks can impact Co-op’s economic value and business performance, in line with the outcome of a double materiality assessment.

Stakeholder Inclusiveness

The report demonstrated a clear identification of member owners, colleagues, suppliers, and communities as key stakeholders and examples of engagement with stakeholders were demonstrated throughout the

Report. However, for transparency, we recommend that Co-op consider re-introducing a stakeholder engagement matrix showing how different stakeholder groups influence material topic selection.

Quality

As much as possible, the data underlying the Selected Information in scope, employed automated processes, but manual operations were still required for final consolidation. Where it is not practical to automate such operations, we recommend that the process and controls be thoroughly documented to ensure quality and repeatability.

For the Number of engagements by Member Activators KPI, the reported data was based on estimates and could not be traced back to the source. We recommend that Co-op develop a system to collect and report actual data in the future.

We also recommend that Co-op continue to review its data collection and reporting methodologies for all the reported data sets to ensure data accuracy, completeness and comparability year-on-year, with a particular focus on newly established KPIs.

Sustainability Context

The Report presented a fair overview of Co-op’s performance, articulating its impacts and contributions on a global and local level. It highlighted the importance of partnership and collaboration to respond to global sustainability issues and create value for its members (e.g. industry-wide collaboration to track Scope 3 greenhouse gas (GHG) emissions). In particular, in 2025, Co-op’s performance was affected by cybercrime, which compromised Co-op’s ability to achieve some of its targets. Despite the challenges, Co-op maintained its investment in communities and launched a partnership dedicated to cybercrime prevention and supporting ethical digital careers, in line with its Social Value Strategy.



Selected Information

The scope of our work covers the Key Performance Indicators (KPIs) (the “Selected Information”) included within the Report for the reporting year ended 31st December 2025, detailed in the Appendix.

We evaluated the Selected Information using the Verisustain™ Reporting Principles for defining report quality, together with [the Co-op’s basis of reporting](#) that describes how the data are measured, recorded and reported (together forming the “Criteria”). This year we continued to rotate some data in scope and to review key claims throughout the Report, including the outputs of data systems outside the Selected Information but did not test these data systems in depth. The review of any data from prior years is not within the scope of our work (this includes any data in scope in previous years that has been re-stated).

Standard and level of assurance

We performed a **limited** assurance engagement based on applicable principles, plus specified data and information using the ‘Greenhouse Protocol – A Corporate Accounting and Reporting Standard’ (revised 2015) and DNV’s assurance methodology Verisustain™, which is based on our professional experience and international assurance best practices including the International Standard on Assurance Engagements (ISAE) 3000 – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised) issued by the International Auditing and Assurance Standards Board. This methodology ensures compliance with ethical requirements and mandates planning and execution of the assurance engagement to obtain the desired level of assurance.

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and are shorter in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed.

Disclaimers

The assurance provided by DNV is limited to the selected indicators and information specified in the scope of the engagement. The assurance provided by DNV is based on the selected indicators and information made available to us at the time of the engagement. DNV assumes no responsibility for any changes or updates made to the indicators or information after the completion of the assurance engagement.

WHEN TRUST MATTERS

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals DNV did not provide any services to the Co-Op in the reporting period that could compromise the independence or impartiality of our work. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Responsibilities of the Directors of the Co-op and DNV

The Directors of the Co-op have sole responsibility for:

- Preparing and presenting the Selected Information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to the Co-op in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. Our Independent Limited Assurance Report represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Limited Assurance Report.



Basis of our opinion

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work at head office level. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Co-op and its key stakeholders. Our limited assurance procedures included, but were not limited to, the following activities:

- Conducting interviews with the Co-op's Management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Review of the current responsible business issues that could affect the Co-op and that are of interest to stakeholders;
- Review of the Co-op's approach to stakeholder engagement and recent outputs;
- Interviews with selected Board members, Directors and senior managers responsible for the management of responsible business issues and a review of selected evidence to support issues discussed. We were free to choose interviewees and functions;
- Review of supporting evidence for selected claims in the Report. Selected claims were chosen based on their perceived importance and the materiality of issues at a consolidated group level;
- Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation. Given most reported data are calculated at group level, we undertook our testing remotely at the head office level;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated, and reported;
- Reviewing that the evidence, measurements, and their scope provided to us by the Co-op for the Selected Information is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information; and
- Reading the Report and narrative accompanying the Selected Information within it with regard to the Criteria.

In performing these activities, we came across the following limitations to the scope of the agreed assurance engagement:

- a. The Category 1 Scope 3 GHG emissions used to determine the percentage of suppliers covered by validated **science-based targets** (SBTs), was calculated by Co-op through an industry-wide shared platform (Mondra). The Category 1 Scope 3 GHG emissions and the platform used to calculate the GHG emissions were not in scope for this engagement.
- b. The number of engagements by Member Activator KPIs is calculated based on estimated ranges provided in the Member Activators' monthly reports. Thus, DNV did not conduct analytical testing on this KPI nor reviewed the underlying evidence supporting the estimations recorded in the monthly reports. The data represent 11% of the total Co-op engagements in 2025.

We found a limited number of non-material errors in the data set submitted for assurance that were corrected before the publication of the Report.

For and on behalf of DNV Business Assurance Services UK Limited

London, UK
26th March 2026

Digitally signed by
Antonella Papapicco

Antonella Papapicco
Lead Verifier

Digitally signed by
Paul O'Hanlon

Paul O'Hanlon
Technical Reviewer

WHEN TRUST MATTERS

Inherent limitations

DNV's assurance engagements are based on the assumption that the data and information provided by the Co-op to us as part of our review have been provided in good faith, are true, and are free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. The engagement excludes the sustainability management, performance, and reporting practices of the Co-op's suppliers, contractors, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement. We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement.

The assessment is limited to data and information in scope within the defined reporting period. Any data outside this period is not considered within the scope of assurance. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.

DNV Business Assurance Services UK Limited

DNV Business Assurance Services UK Limited is part of DNV Group AS. DNV is an independent assurance and risk management provider, operating in more than 100 countries. Through its broad experience and deep expertise, DNV advances safety and sustainable performance, sets industry standards, and inspires and invents solutions.

DNV-2026-ASN C830669



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