



Co-operate: It's what we do

Our Sustainability Report 2021



Co-operate: It's what we do

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Strategy and Highlights

About us

Our Co-op is the UK's largest consumer co-operative, with more than four million active members and a presence in every postal area in the UK. We're a major food retailer and wholesaler, the largest funeral provider in the UK, a significant provider of regulated consumer legal services and the UK's largest provider of probate services. We're also a substantial provider of life planning and insurance products and operate Co-op Power - the UK's biggest energy buying co-operative.

Our businesses are all UK-based and our main support centre is in Manchester. Since 1844 the co-operative movement has promoted organisations with a clear social purpose and our Co-op continues that tradition.

We're here to create value for our members and the communities in which we operate and can only do this by running a successful business. How we run our business is important to us. We set ourselves high standards for responsible retailing and service. We have a responsibility to be a campaigning business, speaking out on the issues that matter to our members.

By offering great products and services we grow our customers, our membership, and together we "Co-operate for a Fairer World".

Our Vision is "***Co-operating for a Fairer World.***"

Our purpose is **championing a better way of doing business for you and your community** by offering a range of products and services which create value for our members and their communities.

	Colleagues	Sales (£m)	
Food retail	Over 56,500	7,671	2,572 stores
Wholesale		1,386	14 depots
Funeralcare	Over 3,600	264	829 funeral branches
Legal Services	Over 550	39	

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

Our Values and Principles

We're founded on the co-operative values of: self-help, self-responsibility, democracy, equality, equity and solidarity. Our members believe in the ethical values of honesty, openness, social responsibility and caring for others.

We use these values to guide us in fulfilling our purpose. The co-operative principles are guidelines by which we put our values into practice:

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.



2021 Highlights



Launched Co-op Levy Share, working with employers to bring together over **£7 million** to support hundreds of apprenticeships for individuals from under-represented groups



As a result of our Safer Colleagues, Safer Communities campaign, **Scottish Parliament** passed legislation making it an offence to assault, threaten or abuse a retail worker



We aligned our pay rates with the Real Living Wage – giving Customer Team Members a **5.6% pay increase**



Over **7 billion** calories removed from our own brand products in 2021



Over **16,000 members** have helped us shape our community missions through participating in Join In activity



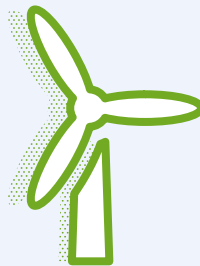
Together, we've **raised £100 million** for local communities since 2016, supporting over 25,000 causes across the UK



Thanks to over **£7 million¹** raised for Mind, SAMH² and Inspire, 50 new UK-wide services are building resilience to support mental wellbeing in communities



Launched our partnership with Hubbub, helping to double the size of the UK's Community Fridge Network from 100 to **200 locations**



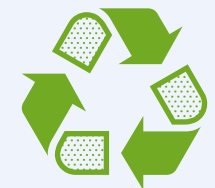
Launched our **10-Point Climate Plan** and climate justice campaign



We've **halved the carbon emissions** from running our business since 2016, **hitting our target three years early**



We're supporting WWF to **halve the environmental impact of UK shopping baskets** by 2030



100% of our own brand food packaging is easy to recycle via kerbside collection or our own closed loop system

¹ Since 2019 ² (Scottish Association for Mental Health)

CEO statement

If 2020 illustrated the power of co-operation in helping face into the immediate problems created by the Covid-19 crisis, then 2021 highlighted the need for co-operation to help address the acute challenges we face in a post-Covid world.

Before discussing these issues further, I want to acknowledge the continued efforts of our 60,000 Co-op colleagues, especially those on the frontline in our food stores, depots, funeral homes and contact centres who've continued to help feed and care for the nation during these unprecedented times. Their incredible efforts have strengthened my own personal resolve to ensure that our Co-op continues to thrive for the benefit of our members and their communities into the future.

The past year has reinforced my view that our Vision of *"Co-operating for a Fairer World"* could not be more appropriate for this decade. We live in a world where individuals feel they aren't listened to or respected, where institutions and leaders aren't trusted, where too many communities feel disconnected and vulnerable and where corporate actions, at times, remain at odds with the sustainability of our planet. We've seen, and will no doubt continue to see, these challenges exacerbated in 2022, by developments in Eastern Europe. Against this backdrop, our Co-op, given our purpose and unique approach to doing business, must shine brightly in making things better – not just for a privileged few but for the many in our society who need our support the most.

This Report outlines the progressive actions we are taking to deliver against our Vision. It is a critical and transparent account of our commitment to being an ethical, responsible, and above all else, co-operative business. It enables our members to hold us to account on our commitments and, I hope, inspires others into action. We support the UN Global Compact corporate sustainability initiative and are committed to its ten principles; further detail on this is set out over the following pages.

Our Vision plan and commitments are bold and ambitious and they need to be if we are to make the telling impact required to make things fairer for our colleagues, members, communities, and the planet. It so follows that, as one of the world's largest consumer co-operatives, we remain commercially and financially strong to deliver upon our goals – and this is something we can't and won't take for granted.

Throughout 2021, the continued impact of Covid-19 did apply pressure alongside other ongoing challenges in the market, especially in our Food business, within our supply chain and logistics operations. We are also entering into a period in which rising costs and inflation are once again a regular feature on the lips of all economic commentators. Against this backdrop it is imperative that we act decisively, so that the business momentum we have established in recent years can continue, rather than fade and stall.

We are in the right markets where our Co-op difference can be felt. In Food, Funeralcare, Insurance, Legal Services and Power we have the experience and capability to not only meet the needs of our members but to offer products and services which deliver a net-positive benefit back into the heart of our communities.

“The past year has reinforced my view that our Vision of *"Co-operating for a Fairer World"* could not be more appropriate for this decade”



Steve Murrells

In order to power our Vision, we need, in the next couple of years, to reset our financial model and to prioritise those activities that will make us operate more efficiently and effectively.

In a world where the need for a “business with purpose” has entered a post-covid narrative, this Report serves to illustrate that our Co-op remains fully equipped and committed to helping our nation build back better and different. We have a clear Vision and strategy which we will achieve without diluting those aspects of our business which make our Co-op so special and distinctive. In 2021 through our community and campaigning activities, which are showcased within this Report, we clearly evidenced what it means to be Co-op and to equally act in a co-operative way. The Values and Principles which inspired the founding Pioneers back in 1844 continue to shine as brightly within our business today as they have ever done. They remain our ‘North Star’ which guides our decision making and helps us to navigate the present and plan for our future.

In March 2022, I announced my decision to step down as CEO after ten wonderful years at the Co-op. I’m very proud of all that we have achieved and how we’ve shown that a purpose-led organisation, focused on a strong vision of fairness and values can make such a difference. Shirine Khoury-Haq has been appointed interim CEO. Shirine is an excellent and well respected leader, and I wish her all the best in her new position. I know she’ll continue the focus on impact through delivering on our Vision.



Steve Murrells
Co-op CEO



Our approach

Vision

Our Vision is "*Co-operating for a Fairer World*" and is made up of three pillars: 'Fairer for our Colleagues'; 'Fairer for our Members and Communities' and 'Fairer for our Planet.'

Our long-term commitment to our Co-operative Values and Principles, as well as our insights into the changing needs of our people, communities and world, have helped us to shape the commitments that will in turn help deliver our Vision.

- We're making things fairer for our colleagues – making sure they get a fair deal and ensuring they can fulfil their potential.
- We're making life fairer for our members and communities – focusing on providing fair access to food, to mental wellbeing support and to education and employment for young people.
- And we're being fairer for our planet – focusing on addressing the challenges and opportunities in tackling carbon reduction and sustainable sourcing.

All of this is underpinned by our cross-cutting commitment to delivering an inclusive culture throughout everything that we do. We also recognise the important role our partners and suppliers play, so our approach ensures we're making things fairer for them too.

How we are delivering our Vision and Purpose

In 2021, we delivered our Vision and Purpose through a number of key strategies, including our 10-Point Climate Plan, Future of Food strategy, Community Strategy, and Commitments to Diversity and Inclusion. You can see an overview of progress against our key strategies and campaigns in our [2021 Vision Summary](#).

Co-operation

A co-op is a business or organisation that's owned and controlled by its members, to meet their shared needs. We share a common set of Values and Principles with co-ops across the world, and are working to build partnerships that progress the principles of co-operation with the ambition to be at the forefront of the co-operative movement.

Co-operation - within the UK and with our overseas partners - remains as powerful and as important as ever and is embedded in our Vision of "*Co-operating for a Fairer World*". It's in our DNA and provides a guiding principle in everything we do - from engaging our members, communities and customers on the issues we address through our campaigning and community strategies, to sharing our expertise with our supply chain partners and other co-operatives and businesses to reduce costs and cut carbon emissions. More detail on our co-operative way of working is included throughout this Report.

Campaigning and Public Policy

We were founded to address social injustice and continue to use our influence to campaign on those issues that matter most to our members and their communities.

We engaged with the development of public policy across a breadth of issues in 2021 with the UK Government and the Devolved Administrations and continued to engage with elected representatives across the UK and across all political parties.

Our advocacy campaign priorities are aligned with our Vision pillars. We're making things fairer for our colleagues through our established [Safer Colleagues, Safer Communities campaign](#). In May, our National Members' Council endorsed two new campaigns: our [Climate Justice campaign](#) aligning to 'Fairer for our Planet' and our [Social Mobility campaign](#) aligning to 'Fairer for our Communities'. We'll be looking to build on the progress we've made throughout 2022.

In March 2021 the University of Nottingham 'Rights Lab' reviewed our [2017-2020 Modern Slavery campaign](#) and commended the 'asset-based approach' to campaigning. This approach informs the strategy for current campaigns. We will continue to use all our assets to campaign for social change on the issues our members have told us matter most to them.

2021 Summary: Fairer for our People

Co-operation by its very nature relies on people working together to get things done. Whether that's our colleagues, our suppliers, our producers, or partners; treating our people fairly and creating the right environment for them to thrive is essential for us to achieve our Vision of *"Co-operating for a Fairer World"*.



🎯 Headline KPIs

6% of our leaders are from an ethnic minority background¹.

.....
We've made mental health training available to all managers. **Over 1,500 have now voluntarily chosen to take-up the training.**

.....
Seven of our core commodities and categories have a Fairtrade Commitment (tea, coffee, bananas, chocolate, bagged sugar, African roses and wine).

¹ Leaders are work level 1-5

🎯 Headline targets

We will increase our Minority Ethnic leadership representation from 3% to **6% by 2022 and 10% by 2025.**

.....
By the end of 2022, we aim to double the number of managers who have received mental health training from 1,500 to **3,000.**

Equality and equity are founding values of our Co-op, upheld for over 175 years, so celebrating diversity and being inclusive are fundamental to how we do business. Our inclusion strategy aims to create an equal colleague experience and diverse workforce creating an environment in which diversity thrives.

[Our commitments to address racial equality](#) look at harnessing all our assets, from our people policies, through to our procurement; from our community plan and campaigning voice, to our products and services to achieving a fairer world.

2021 has seen us supporting our Vision by continuing to focus on what diversity and inclusion really means for all our colleagues. We've maintained our focus on leadership and using colleague data to understand how we can drive better decisions. Our focus on development and learning has delivered over 3,000 inclusion learning opportunities including our Advancing Diverse Talent programme.

The wellbeing of our colleagues has long been a priority for us. Our colleague wellbeing strategy is led by what colleagues tell us matters most, using our Talkback survey to understand their challenges, and then working with them to shape future solutions. These insights have helped us to create the right environment and tools that empower teams to support each other and encourage colleagues to look after their own wellbeing.

As the physical, mental and financial impacts of the pandemic continue to challenge us, we've continued to evolve what we do to support colleagues throughout 2021.

We've made mental health training available to all people managers, launched Wagestream to support colleagues with access to their earned pay between pay days and piloted a healthy behaviours incentive scheme.

In the context of the climate crisis, Covid-19 pandemic and impacts of Brexit, the fragility of our global supply chains has been exacerbated, and vast inequalities exposed.

In 2021 we launched our [10-Point Climate Plan](#), which recognises that global producers and farmers in our supply chains are some of the most vulnerable to the shocks of extreme weather and disease outbreaks but are without the resources to protect themselves and their livelihoods.



Our Global Wellbeing Charter allocated close to £1m funding in 2020 to support global projects and people in our supply chains through the Covid pandemic. During 2020 and 2021, the funding has been used to provide support in the following areas. Case studies can be found throughout this Report:

1. Protecting [Fairtrade producers](#) and workers during extreme hardship.
2. Ensuring the world's most vulnerable communities have access to [safe drinking water](#).
3. Protecting [human and workers' rights](#) in global labour markets.
4. Taking action against [climate change](#).
5. Increasing visibility of [Fairtrade products](#).

We've been leading on Fairtrade for over 25 years. We were the first supermarket in the UK to start selling Fairtrade products in every store back in 1998, we're the world's largest seller of Fairtrade wine and our objective is to become the UK's biggest supporter of Fairtrade.

You can read more about how we are making things fairer for our people, suppliers and partners, including through our [apprenticeships scheme](#), [responsible procurement strategy](#) and approach to [ethical trade](#) and [Fairtrade](#).



Campaign - Safer Colleagues, Safer Communities

For the last three years, Jo Whitfield, our Chief Executive, Food, has led the Co-op's Safer Colleagues, Safer Communities campaign.

This campaign has demonstrated a powerful and co-operative contribution to public life, with the focus upon addressing violence and abuse directed at our colleagues in stores as well as the communities in which they live.

Alongside the significant investment that we've made in keeping our colleagues safe, we have campaigned tirelessly over the past year. From giving evidence to the Home Affairs Select Committee to supporting research, such as Dr Emmeline Taylor's ['Breaking the Cycle: Gaining the views of criminal justice practitioners and retail offenders on effective sentencing' report](#), we have continued to bang the drum with policy makers and politicians about the urgent need for legislative change.

As a result of these efforts alongside USDAW, other retailers and independent co-operative societies, we were delighted to see real legislative change as we have campaigned for.

Earlier this year, legislation was passed in the Scottish Parliament which has made it a specific offence to assault, threaten or abuse a retail worker. At the end of the year, the UK Government brought forward amendments to the Police, Crime, Sentencing and Courts Bill which will make it an aggravated offence to assault those performing a public duty or providing a service to the public, including shopworkers.

As we supported USDAW's Respect for Shopworkers Week this November, we had the highest number of Members of Parliament visiting our Food stores to hear first-hand from colleagues, with over 70 visits over the course of the week.

Thank you to all our colleagues, members and customers who have continued to engage with their local politicians on this vitally important campaign. Thanks to our collective efforts over the past three years, we're now confident that our work has helped to ensure that the UK Government will provide more stringent protections for retail workers in 2022.



2021 Summary: Fairer for our Members and Communities

At the Co-op, our members are at the heart of our business and the decisions we make. As a co-operative, we're owned by our members, who have a say in how the business is run, as well as on the issues we champion, the causes we highlight, the injustices we tackle and where we use our voice to help make a difference. So making life *Fairer for our Members and Communities* is a key part of delivering our Vision.



🎯 Headline KPIs

1 million members selected a Local Community Fund cause to support in the last round of funding.

£7 million raised for Mind, SAMH and Inspire, providing 50 new services supporting mental health wellbeing across UK communities.

Doubled the size of the UK's Community Fridge Network from 100 to 200 locations.

£1.6 million pledged in our unique partnership with the Youth Endowment Fund (YEF) and the #iwill Fund helping **6,400 young people** to make their communities safer, fairer places to live.

🎯 Headline targets

In 2022 more than **£20m** will be raised to support local communities through members choosing Co-op.

By the end of 2022 we will

- signpost **over a million people** to mental wellbeing support including information, services and community activity
- support 15,000 people to improve their resilience and mental wellbeing through our charity partnership services.

By the end of 2022 we will have identified **350 Community Fridge locations** and piloted a Community Food Hub, with a total of 25 more Community Food Hubs identified.

By the end of 2022 we will have enabled **6,400 young people to develop skills** which improve their own futures and make a difference to their communities, as well as having **enabled 3,500 diverse young people to access work experience or employment opportunities** at the Co-op, Co-op Academies and through our partners.

Co-op membership is about much more than just deals and rewards. Membership is a share in the business. This means members can have a say in how it's run, from the products we sell to the causes we support.

In 2021, 53,863 members voted in our AGM, supporting the development of our ambitious actions on carbon reduction as well as helping to shape our action and campaigning on access to food and social mobility.

Members also get involved in 'everyday' participation opportunities; participating a total of 662,000 times during 2021 in everything from co-creating new food products to helping develop our strategy for the Community Partnership Fund and championing our plastics recycling campaign.

Our community strategy is informed by insights from our Community Wellbeing Index and focuses on the interrelated issues of Fair Access to Food, Fair Access to Mental Wellbeing Support and Fair Access to Education & Employment for young people. Through the support of our members, we provide hyper-local, sustainable solutions to build stronger, more resilient and adaptable communities, demonstrating the power of our Co-operative Values.

But we know we can't achieve our plan alone and co-operation is key. That's why we're partnering with others, such as community organisations, local causes, charities and academies, to create lasting impact.

In 2021, over 1 million members selected a Local Community Fund cause to support in the last round of funding, up 35% on the previous year.

Thanks to over £7 million raised for Mind, SAMH (Scottish Association for Mental Health) and Inspire, 50 new services are running across the UK designed to build resilience in supporting mental wellbeing in the community.

In March, we announced a unique partnership with the [Youth Endowment Fund \(YEF\)](#) and the [#iwill Fund](#) (pledging £1.6 million) to give 6,400 young people the chance to make their communities safer, fairer places to live.

We launched our Hubbub partnership in May, helping to double the size of the UK's Community Fridge Network from 100 to 200 locations. In December we announced a commitment to add 350 new Fridge locations, as well as support for Hubbub to develop the national Community Fridge Network and redistribute millions more meals by the end of 2023.

Our Local Community Fund has shared over £84m to help local causes deliver 25,000 community projects across the UK since 2016 (£13m in 2021). We also invested or committed £8.2m in 2021 to support partnerships – including Hubbub, Peer Action Collective and Cruse – to create lasting change on some of the big issues facing communities.

You can read more about the ways we've been supporting communities this year through our Member Pioneers, Co-op Academies, Co-operate Platform and our charity The Co-op Foundation in our [Communities](#) section.



Campaign - Social Mobility

At our [AGM in 2021](#) members called on us to 'campaign and advocate for change, to tackle the inequality we see today and challenge the Government to address these issues and their root causes to enable social mobility and equal opportunity throughout our society'.

We believe that social mobility means, quite simply, fairness. A fair chance for every individual - that means wherever you start should not determine where you end up.

Putting this right is everyone's responsibility. Whilst the Government has a leading part to play, we must all - employers, schools, universities, communities and individuals - step up to the challenge.

The Social Mobility Commission (SMC), the lead Government agency that seeks to promote social mobility, suggests that employers need to understand the socio-economic background of their colleagues in order to understand what future steps to take to make sure opportunities are open to all. That's why in 2021, we included SMC recommended questions in our colleague diversity data process. We'll report what we found and what steps we believe we need to take in the future in 2022.



We continue to sponsor the Co-op Academies Trust which runs 27 schools across the North of England and have ambitions to grow the trust in the future so we can support even more young people to get the education they need to prosper.

Through initiatives like our pilot Virtual Work Experience in our Academies, we've raised aspirations for more than 1,500 young people - working in partnership with suppliers such as ITV, Microsoft and Kellogg's.

We're playing our part to create opportunities by championing [apprenticeships](#), delivering hundreds of opportunities within our own business and supporting other employers to do the same through the Co-op Apprenticeship Levy Share scheme.

Since its launch in April 2021, our levy share scheme has brought together a fund of £7.2m from 30 employers and matched 442 apprenticeship opportunities for individuals from previously under-represented groups.

During 2021, we called on the Government to reform policy on apprenticeships so progressive employers can do more to support the delivery of apprenticeships for groups who would most benefit.

We know that in order to thrive, children need access to nutritious food, that's why we have worked in partnership with Marcus Rashford and the Food Foundation to lobby the Government to extend eligibility for Free School Meals and Healthy Start Vouchers to more children - and have supported members in getting involved as well.

2021 Summary: Fairer for our Planet

In the 12 months since our last report was published, climate change has been a permanent fixture in the news. We have witnessed first-hand how climate change is now widespread, rapid and intensifying. At the end of October, the world's political leaders met in Glasgow to agree faster efforts to mitigate greenhouse gas emissions at COP26.



🎯 Headline KPIs

51% reduction in direct GHG emissions since 2016.

8% reduction in indirect GHG emissions since 2016.

19% reduction in our plastic footprint per 1% market share since 2018.

100% of our Co-op branded food packaging is easy to recycle - via kerbside collection or through our own in-house closed-loop system.

🎯 Headline targets

We have reached our 2025 target for direct emissions three years early and will refresh our science-based target pathway in 2022.

Approved science-based target:

We will reduce product-related absolute GHG emissions by 11% by 2025, compared to 2016, in line with ambitious best practice as defined by the Science Based Targets Initiative (SBTi) coalition.

Long-term goal: We will reach net zero GHG emissions from both operations and products by 2040 at the latest.



As the latest IPCC report lays bare, climate change is happening, it's being caused by humankind, and there is a narrow window of hope in which we all need to act urgently to align with the 1.5 degree pathway to avoid catastrophic outcomes for people and planet.

For the last two decades, we've been addressing our own Greenhouse Gas (GHG) emissions and campaigning for systemic change, recognising the scale of the climate crisis. Now is the time to ramp up that action. Our [10-Point Climate Plan](#), published in May, sets out our pathway to achieving net zero by 2040, 10 years ahead of international agreements. From products and packaging to power and pension fund investments, the plan details how we will reduce the impact of operations and products across our business.

We've halved the carbon emissions from running our business since 2016, hitting our target three years early. The indirect share of our carbon footprint, from the products we sell, is over ten times greater than the direct emissions from running our business and is far more challenging to address.

Tackling this goes far beyond our own business and requires co-operation across the retail sector and wider society.

Climate justice means finding solutions to the climate crisis in a way that not only reduces emissions and protects the natural world, but does so in a way that creates a fairer, more just and equal world. In August, we launched our [Climate Justice for People and Planet report](#) - endorsed by Fairtrade Foundation, it calls on businesses and governments to protect and invest in climate resilience and a just transition.

Back in 2020, we funded and steered the development of the BRC Climate Action Roadmap alongside 19 founding retailers. Over the course of 2021, this group has expanded and we now work with over 80 other retailers to develop climate solutions. Our CEO, Steve Murrells, was identified as the first Chair for the Roadmap Steering Group to lead this work for its first two years.



Our Future of Food ambition was launched in September 2018, setting out our ethical and sustainability commitments to 2030 for our Food business. It inspires our colleagues, customers, members and suppliers to take action together towards securing a healthy and sustainable future, for people and the planet. Progress against commitments can be found throughout this Report.

During 2021, we began a consultation to update our Future of Food commitments and we'll continue this work into 2022.

In November 2021 we joined others to back the [WWF Sustainable Basket Metric](#). This independently assessed cross-industry initiative aims to halve the impact of the average UK shopping basket.

Campaign - Climate Justice

At our [AGM in 2021](#), our members called on us to 'become a leading voice on tackling climate change by campaigning and engaging government, leaders, the wider co-operative movement, other organisations and members to act collectively and co-operatively to make the systemic changes needed to build a sustainable future.'

When we launched our 10-Point Climate Plan, we made campaigning for climate action a major priority. We need Government to ensure that its entire policy agenda, domestically and internationally, aligns with the net zero target enshrined in law. During 2021, we've focused on business transparency, deforestation and climate finance.

We're clear that this is a journey that we're on to achieve net zero, but it's a journey that we passionately believe every business, every industry, every family, every community, every country, every government must join us on, because to successfully tackle the climate crisis at a global level will require structural and systemic change.

When the Government called a snap vote on international aid in July, we engaged every Member of Parliament, sharing our Climate Justice for People and Planet report with them,

encouraging them to vote to support an immediate return to spending 0.7% of gross national income on international aid and development. As momentum started to build in the run-up to COP26, we joined our fellow Climate Coalition members in supporting the Great Big Green Week, encouraging our members to sign a declaration calling on the Prime Minister to create a clean energy revolution, protect our nature and to support those most vulnerable to the impacts of climate change.

As world leaders gathered in Glasgow, we partnered with [Count Us In](#), [rebranding our stores](#) and encouraging all our members and customers to pledge to take climate action. We equipped our members and customers to write to their elected representatives to underline how important they feel that action on climate change is. Group CEO Steve Murrells and Food CEO Jo Whitfield both took the opportunity to speak at COP26 events, getting across the important message that businesses like ours are ready to play our part - but we are waiting to see regulatory change to ensure that all businesses begin to take action.

Whilst there was some progress made at COP26, there is a long road ahead.



Our reporting

For over 15 years, our reporting has set out our performance and progress on sustainability, ethics and community. The process of accounting, assurance and reporting is important to drive performance against our Vision of *"Co-operating for a Fairer World"*, as well as providing crucial information to our stakeholders.

Openness and honesty

We're committed to reporting transparently on our performance, be it ahead of or behind expectations. We include performance benchmarks throughout this Report, showing where we can improve as well as where we lead, to show how we compare to peers. And, where possible, we include four years of performance data to give year-on-year comparisons.

Targets

We set ourselves 43 targets for 2021, 26 of which have been achieved or are 'on track'.

We've set out [35 targets for 2022](#) and beyond, including 9 headline targets around our most material issues. Targets align with our Vision and address what we know is important to our members and other stakeholders and they've been reviewed in line with the UN Sustainable Development Goals (SDGs).

Our [Basis of Reporting](#) document provides more detail on how we will measure progress against each target.


External frameworks

We report in accordance with the GRI Standards core requirements and our GRI Index can be found on our [website](#). At a global level, we welcome and support the

vision provided by the [UN Sustainable Development Goals](#) (SDGs) as a framework that allows for genuine long-term and collaborative action and our targets are mapped against the SDGs in the tables throughout this Report.

We're a signatory to the [UN Global Compact](#), we've signed up to the British Retail Consortium's [Better Retail, Better World](#) as well as [WWF's basket](#) to halve the environmental impact of UK shopping baskets by 2030 and we support the International Co-operative Alliance's [Co-ops for 2030](#).

Assurance

We engaged DNV to carry out assurance of our sustainability performance in this Report. Using their assurance methodology, VeriSustain, DNV evaluated how our reporting adhered to the principles of stakeholder inclusiveness, materiality, sustainability context, completeness, reliability and quality. Data and claims across the whole of this Report are reviewed; certain data and claims undergo a more in-depth review as described in the [Assurance Statement](#) and these are identified with the following symbol in the data tables . The Assurance Statement sets out DNV's conclusions.

Report approval

This Report is reviewed by a sub-committee of our Members Council and approved by our Board

ahead of publication. For the first time we are also putting the Report to our members at our 2022 AGM, alongside our financial accounts.

Scope of reporting

The scope of our reporting is set out in our [Basis of Reporting](#) document.

Business change

In 2021, we extended our online services which are now available in 1,600 Food stores, in 450+ locations, delivering to over 55% of the population by the end of the year and announced our trial with Amazon Prime, giving Prime customers access to thousands of Co-op products with same-day delivery.

This year, we've been introducing new personalised funeral options, including extending our African and Caribbean options and trialling a new eco proposition.

Co-op Legal Services continued to grow despite facing several challenges and exiting the small claims personal injury market, following the sale of Co-op Insurance to Markerstudy Group.

Co-op Power has grown organically over several years and now procures around £200m of energy per year on behalf of the Co-op.

Further detail can be found in our [Annual Report](#).

Materiality

Our Vision outlines our priorities as a responsible business and our environmental, social and governance commitments are fundamental to delivering our Vision.

As a co-operative, understanding the issues that our members, communities, colleagues and other stakeholders believe are important for us to address is central to how we operate. These insights have helped shape the development of our Vision, as well as our campaigning work, strategies and policies.

Building on this, in 2021 we worked with leading sustainability consultancy [Corporate Citizenship](#) to develop and deliver a materiality review informed by best practice, that would address the specific needs of our Co-op. You can see an overview of our approach [here](#).

The results have shaped this report helping to provide focus for the headline narrative, KPIs and priority targets that are given prominence in the opening pages; and confirming that the broader set of issues and indicators that we cover across our reporting are the right ones. The materiality outputs will also support the development of a framework for measuring our social value impact.

Social Value

In recent years, we've been exploring how we can better articulate and evidence the extent to which our activities and programmes create positive impacts for society. We want to understand the impact of activity to deliver our Vision of *"Co-operating for a Fairer World"*.

In 2021 we used our materiality review to ask stakeholders to identify which of the material issues they believe our Co-op has most ability to add value to wider society and how.

We have been able to identify several impact areas that will form the basis of our social value measurement framework.

We'll continue to develop this framework in 2022.

We remain committed to reporting on the impact of our Co-op and sharing our learnings with others who want to explore new ways of increasing the value that they generate in an open and collaborative way.

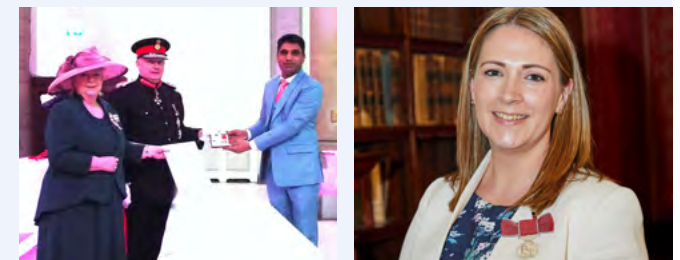
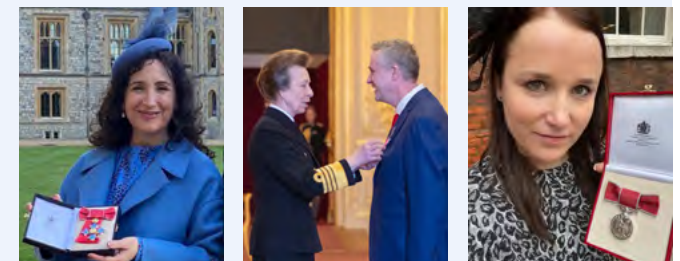
Honours and Awards

Our CEO Steve Murrells was awarded in the 2022 New Year's honours list with a CBE recognising his services to the food chain during the pandemic.

In 2021, several Co-op Colleagues were recognised in the Queen's honours, celebrating the work that they have done in keeping the supply chain moving, keeping our colleagues and communities safe, and for going above and beyond to demonstrate our Co-operative Values and Principles by bringing hope and support to communities and frontline workers throughout the pandemic.

- Jo Whitfield, CEO of Co-op Food Awarded CBE
- Nick Speight, Head of People Operations and Service Awarded MBE
- Joanne Gates, Team Manager Awarded BEM
- Qamar Nawaz and Hannah Findlay, Store Managers Awarded BEM

Our Central Business Services (CBS) team also won 4 high-profile awards at the UK National Contact Centre Awards, including Most Positive Impact on the Community - Gold Award.



Engaging our Stakeholders

We understand the importance of developing strong and meaningful relationships. We know how to bring people together, how to give people a voice. But we also know that we can't fix everything by ourselves and that working with others is key. To help us develop the strategies and capabilities to achieve our Vision of *"Co-operating for a Fairer World"*, we've continued to build and nurture strong, reciprocal relationships with our stakeholders. These are some key examples of how we've worked with our stakeholders over the past year to help us inform strategies and deliver the right products and services in the right way. This is not an exhaustive list but gives an idea of the scale and scope of our approach. More detail on our engagement with stakeholders can be found in our [Annual Report](#).

The Stakeholders we engage	The channels we use	The issues we explore	The outcomes
Members, colleagues, customers, NGOs and partners	Materiality Review	<ul style="list-style-type: none"> Our Vision outlines our priorities as a responsible business and our environmental, social and governance (ESG) commitments are fundamental to delivering our Vision. As a co-operative, understanding the issues that our stakeholders believe are important for us to address is central to how we operate. 	The results help identify our core social, environmental, economic, ethical and governance risks and opportunities, as well as supporting the development of a framework for measuring our social value impact.
Members	AGM & National Members' Council Elections	<ul style="list-style-type: none"> Motion from Members' Council - Sustainable Production and Consumption. Motion from Members' Council - Inequality and Food Poverty. 	The outcome of the motions has supported the development of our ambitious actions on carbon reduction and sustainable sourcing and helped shape our action and campaigning on access to food and social mobility. A detailed response on actions we're taking will be published here in April.
	Join In	Through Join In, members can share their views on our latest plans, products and services and help us to gain a better understanding of the views of our members, and how we can meet their needs. For example, in 2021 we discussed member wellbeing during the pandemic.	We checked in with members in January, as the pandemic continued and, in response delivered more activities to support their wellbeing during the first half of the year. Members told us they were keen to 'stay active' and 'connected', so we developed an 'Around the world in 80 days' step challenge to keep them moving and bring them together.
	Co-op Young Members	Throughout the year, our young members worked with young people to help define, develop and begin to deliver Co-op's community mission to bring about fairer access to education, employment and skills for young people.	Following these conversations, Co-op is now asking members to record short videos that share their knowledge, skills and experience, so we can build an asset bank that makes members' collective expertise freely available to all young people.
	National Members' Council and Committees	<p>Our Council has a key role in holding our board to account and acting as guardian of our Values and Principles. Council regularly receive updates and has the chance to provide input and feedback into our plans as representative of our members. They also work through their committees to understand our approach and to provide relevant challenge.</p> <ul style="list-style-type: none"> In 2021 the Council's Ethical and Sustainable Leadership Committee discussed our 10-Point Climate Plan, our approach to animal welfare, and sustainability across our property estate. Progress on our Community Plan was discussed regularly throughout 2021 by Council's bi-monthly Community and Member Participation Joint Working Group. 	<p>In 2021, Council hosted opportunities for members to learn about Fairtrade, co-operation, and diversity and inclusion.</p> <p>At our online Join In Live Events, members had the chance to meet with Council representatives, take part in workshops to share ideas and shape plans for how we can support mental wellbeing and tackle climate change, hear a business update and ask members of our Board and Executive questions.</p>
Colleagues	Our listening tools - Talkback, Pulse and Colleague Voice	Through these processes we sought regular insight into colleague experiences throughout the year - to improve the everyday experience of our colleagues covering important topics like leadership, our Vision, wellbeing and working environment.	Insights provided through colleague feedback have enabled us to make positive changes such as providing colleagues with a greater level of wellbeing support, offering a richer and more wide-ranging calendar of inclusion events and delivering manager upskill sessions, including educating managers on why recognition matters.
Communities and causes	Local Community Fund Impact Survey	We sought to understand the experiences of our Local Community Fund Causes, to help us to improve the way the fund is managed, understand the impact the Co-op is having through the funding and understand the evolving issues local causes are facing as a result of the pandemic.	Over 3,000 causes responded (66% response rate), providing valuable insight into the challenges they were facing. As a result of these key insights, we continued to allow greater flexibility in the use of the grant to enable causes to adapt their projects in light of the pandemic.

The Stakeholders we engage	The channels we use	The issues we explore	The outcomes
Partners	British Retail Consortium (BRC) Climate Action Roadmap	Back in 2020, we funded and steered the development of the BRC Climate Action Roadmap alongside 19 founding retailers. Our CEO, Steve Murrells, was identified as the first Chair.	Over the course of 2021, this group has expanded and we now work with over 80 retailers to develop solutions across five cross-sector themes: greenhouse gas data, renewable energy, logistics, sourcing and supporting customers.
Suppliers (Fairtrade)	In January 2022, Chief Executive, Food, Jo Whitfield reached out with letters to 24 key producers in our supply chain	The letters offered solidarity and best wishes amid global challenge of climate change and the pandemic.	In these times of challenge in the global community, it is more important than ever to connect with our highly valued Fairtrade producers whose welfare has been front of mind. That's why in 2021 we ensured people and planet were at the heart of our 10-Point Climate Plan, and why we launched our climate justice campaign.
Customers	Online survey	To understand which issues people consider most important and where Co-op is seen as being able to help. To assess the relative importance of specific Co-op propositions to help address these issues.	We carried out our Co-op Propositions Research via an online survey. We received 1,966 responses including Co-op shoppers and members. The results of the survey have informed our Customer Strategy for 2022 and beyond.
All	Future of Food	During 2021, we began a consultation to update our Future of Food commitments, working with the University of York on our strategic approach. We held workshops with internal and external stakeholders to explore any opportunities to progress our ambition as the external landscape continues to change.	The consultation outcomes will help shape our Future of Food approach.



Oversight of our responsible business approach

Oversight of our responsible business approach is structured as follows:

Our Board

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. The tool prompts users to consider the following when making a decision: what our members would think of the decision; whether it creates commercial and social value for members; the potential impact on our communities; and whether members could understand what we have done and why.

Our Risk and Audit Committee (RAC) is a committee of our Board that reports directly to 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 assurance feedback as well as reviewing Internal Audit reports on aspects of our responsible business behaviour.

Members' Council

Our [Members' Council](#) holds our Board to account. As part of its 'holding to account' role, it's responsible for reviewing and commenting on drafts of this Report. Its 'approvals' role includes approving how Values and Principles are embedded within the Co-op based on recommendations submitted by the Executive.

The framework that supports the Members' Council in its role of holding the Board to account is called the Co-op Compass, used to monitor and measure business performance against four key co-operative lenses – Member Value, Member Voice, Co-operative Leadership and Ethical and Sustainable Leadership. The Council has formed a number of sub-committees to aid it in this work, including the Ethical and Sustainable Leadership Committee.

In addition to our formal governance framework, our colleagues, Executive and Board have regular informal dialogue with members of our Council on our approach to ethics, sustainability and community.

The Members' Council has championed a range of actions which have been implemented across our Co-op. This includes our Safer Colleagues, Safer Communities campaign, Member Pioneers and Ecosia¹. The National Members' Council Diversity and Inclusion working group also helped shape our commitments to Racial Equality and Inclusion.

Embedding our Vision

Following the launch of our Vision in 2020, we established a Vision Steering Group to define and evolve our strategic response to our Vision. The Steering Group was chaired by our Chief Executive and comprised members of our Executive and senior management; it was supported by a Vision Leadership Circle and both met monthly throughout the year. The Vision Steering Group was responsible for approving our approach for this Report.

Moving forward, to enable full Executive visibility, Vision Steering will be moved into the standard monthly Co-op Executive meeting; with continued support from the Vision Leadership Circle.

Our Vision is embedded across business and operational plans. Development of policies and programmes relating to the three pillars of our Vision (colleagues; communities and members; planet) were delivered by forums in respective areas of the business throughout 2021, such as: Food Policy Governance, which oversaw issues relating to food ethics such as Fairtrade and healthy lifestyles and related business-wide issues; the Climate Change Working Group; and the People Leadership team, which oversaw issues such as our diversity and inclusion and colleague wellbeing strategies.

We use a Balanced Scorecard as the basis for the Bonus plan for Co-op colleagues². 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 shared 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).

You can read more on this in our [Annual Report](#).

¹ Ecosia is a green search engine. 100% of its profits go towards fighting climate change.

² c.8,000 colleagues covered by the Bonus Plan

Fairer for our People

Fairer for our People

Our people

We're working to create the conditions where every colleague is proud of their Co-op and uses their full potential to "Co-operate for a Fairer World". We couldn't address the long term impacts of the last 18 months on our communities, customers, members and colleagues without the support and commitment of our colleagues. We're continuing to focus on the wellbeing of our colleagues, creating an inclusive environment, and opening up opportunities for skills and employment to those that need them the most.



We will continue to focus on these and our other people priorities in 2022, including leadership, creating a great colleague experience and sense of belonging, championing social mobility, and providing fair pay and meaningful work to all colleagues.

Colleague Wellbeing

Colleague wellbeing is one of our people priorities and we've continued to evolve what we do to support colleagues throughout 2021.

Our Talkback survey showed that 73% of colleagues, up from 66% in 2020, now feel equipped to manage their wellbeing using the resources that the Co-op provides.

This year we've continued to promote the support we have available to colleagues through regular messaging.

In 2022, we'll continue to engage colleagues to ensure we're supporting them in the ways that they need it most, whilst moving closer to aligning our wellbeing to our "Co-operating for a Fairer World" ambitions.



We've made mental health training available to all managers. **Over 1,000 have now voluntarily chosen to take-up the training**, and in 2022 we'll make attendance mandatory for our Retail Managers.



We've launched Wagestream to all colleagues which has seen **10,400 colleagues supported** with access to their earned pay between pay days and **2,400 colleagues** opening a savings account paying 5% interest. **6,000 colleagues** have told us Wagestream has reduced their stress levels and improved their finances.



Originally developed as a weekly communication covering advice on how to cope with the health and wellbeing impact of Covid-19, Co-op Care is now a monthly **Wellbeing Wednesday newsletter**, focused on the things that colleagues tell us are most important to them.



We've sent all of our colleagues a **wellbeing booklet** and wallet card to show them all the support we have available in one place.



We've launched a pilot of **YuLife** which will incentivise colleagues for healthy behaviours.



We've continued our other partnerships to support physical, mental, and financial wellbeing.

Diversity and Inclusion

2021 has seen us supporting our Vision of *"Co-operating for a Fairer World"* by continuing to focus on what diversity and inclusion really means for all our colleagues. We've maintained our focus on leadership-driven messaging to engage and inspire our colleagues to be more curious and look at ways to become better allies. We've also been analysing our colleague data to understand how we can drive better decisions that support not only our most marginalised, but all colleagues.

We've taken our aspirations from last year and turned them into actions, delivering over 3,000 inclusion learning opportunities alongside a more diverse range of activity through our Inclusion Calendar. 2021 also saw us headline sponsor National Inclusion Week activity through our external partner Inclusive Employers. We've also ensured inclusion objectives are embedded in our individual and collective leadership goals this year with all our senior leaders striving to lead by example.

Our key activities for 2021 have focused on development and learning:

- We launched our Advancing Diverse Talent Programme which is designed to support our ambitious colleagues from ethnic minority backgrounds and provide them with skills and techniques to push against barriers to development and progression. We'll launch further cohorts in 2022
- We've created a programme of learning that celebrates all facets of diversity. We've brought celebrations and activity such as Rosh Hashanah and Trans Awareness Week to the forefront of our programme, working in a more interconnected way across our colleague networks to learn more about the lived experiences of our colleagues

Our Power and Privilege training, explores how collective power and privilege can be used to support the most marginalised in society

- We've listened to feedback from our colleagues and launched our first English as a Second Language offering with over 400 colleagues signing up for the first cohorts. We've also translated policies into several different languages for the first time, starting with our new Domestic Abuse Policy. Our discovery groups and listening circles focused on areas such as how we celebrate cultural events, and accessibility to items needed for prayer and cultural practice
- We've partnered with external resource to engage our most senior leaders in conversation about race through the Race at Work programme, focusing on issues such as tokenism, white fragility, and white saviourism
- Our ongoing focus on data has seen us working closely with our leadership population to understand the benefits of capturing our colleague diversity information to help shape and inform our decision making. 65% of our 60,000+ colleagues have shared their data with us so far and our focus will continue into 2022

Pay Gap Reporting

We're committed to being open and fair in how we pay our colleagues. Gender pay gap reporting shows the overall difference in the average pay for all men and women across our Co-op. We published our report in April 2022. The full report is available [here](#). We will share our Ethnicity Pay Gap reporting early in 2022.

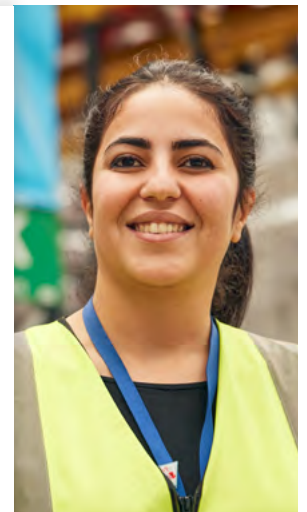
Our Commitments to Racial Equality

In 2020, we launched Our Commitment to Racial Equality and Inclusion; a holistic set of commitments across colleagues, customers, membership and communities which put inclusion at the heart of everything we do. We've made progress over the past 12 months, and have delivered some of the Commitments already, including all our leaders setting inclusion objectives, developing specific products for ethnic minority groups, and creating more diverse consumer and member panels. You can read a full update against these commitments [here](#).

Combining our data with the lived experience of our colleagues to nurture a truly inclusive culture will remain our focus going into 2022. We will also remain close to external bodies such as the Social Mobility Commission to utilise our data to support the launch of our Social Mobility Strategy for Colleagues in 2022.

Performance Benchmark

In 2021, we ranked 76th in the Social Mobility Employer Index - which ranks Britain's employers on the actions they are taking to ensure they are open to accessing and progressing talent from all backgrounds (2020: 58th).



Building skills - Apprenticeships

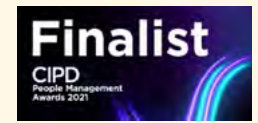
We recognise that there's a lot of talent out there, but opportunities are harder to come by. Our apprenticeship programme opens up those opportunities to access lifelong skills for our colleagues and communities.

In May 2021, we launched Co-op Levy Share to support apprenticeships for individuals from lower socio-economic backgrounds, different ethnic minorities and other under-represented groups, working with other employers, including our suppliers, to bring together funding of £15m to support thousands of apprenticeships.

We have continued to identify more entry-level apprenticeship roles which can be filled by school leavers, and the young business leaders programme with Connell Sixth Form College offering a pathway into Co-op apprenticeships. We have expanded our recruitment into Legal Services by recruiting both Paralegal and Solicitor apprentices, allowing school leavers to bypass the more traditional university route. In response to the shortage of drivers in Logistics, we are recruiting over 100 LGV drivers from our warehouse colleagues and other external sources. Despite this being a very challenging year for our Funeralcare colleagues, 87 have achieved their full apprenticeship.

We have continued to be recognised for our apprenticeship programmes:

- RateMyApprenticeship (RMA) Top 100 Employer - moving up 48 places
- National Apprenticeship Top 100 Employer
- Finalist at the CIPD Awards for the Best Apprenticeship Scheme



The service now has **30 donating employers...**



...with **£7.2m** in the pot...



...and **69 receiving organisations** detailing their opportunities.



To date, **442** matched apprentice opportunities have been confirmed to a value of £3.58m.

In 2021, we had over 600 apprentices on programmes, a 46% male 54% female split across 30 different programmes, with ages ranging from 16 to 70+.



Leadership

To help us deliver our Vision of *"Co-operating for a Fairer World"*, we need leaders who are connected to our Vision and motivated by our Purpose. By focusing on 'Leading Well for Everyone', our leadership development strategy 'Leadershift' supports our wellbeing, community, and sustainability agendas. 700 leaders, across nearly 1,500 places, accessed live content during the year, with more accessing offline self-serve materials.

We kickstarted our leadership conversations about Race at Work, with a powerful and immersive leadership programme for our Executive and their teams.



In 2021 our leadership index was **74%** (2020: 72%)

The UK Private Sector benchmark for this index is 70%.

Our 5th annual festival of learning and development - Leadfest, drew upon the principles of innovation, exploring a range of techniques to facilitate conversations about our Co-op ways of working. Over 200 leaders took part.

In 2022, we will continue to focus on the areas in which our leaders can have most impact on our Co-op, rolling out further Race at Work programmes and focusing on coaching and empowerment.

Engagement and Recognition

Having engaged colleagues who are connected to our Co-op and feel valued for their contribution is fundamental to our ongoing success. We measure colleague engagement and experience through our listening tools - Talkback, Talkback Pulse and Colleague Voice. These tools highlight where we need to focus to improve the everyday experience of our colleagues.

Our engagement score remains strong at 72%, though declined since last year (2020: 76%) which is in line with external trends. Our 2021 Talkback analysis shows that colleagues believing they are listened to still has the strongest influence on engagement. We also see that belief in our Vision has an important relationship to engagement, as does colleague safety and work-life balance. Our analysis also shows that psychological and physical safety remain a priority for us.

Regardless of role, level, business unit or location - all our colleagues are part of the same Co-op and there are key threads that unite and embody what it's like to be part of it. This year, we've been developing a Colleague Value Proposition (CVP) to help pull those threads together so we can talk more clearly about what it's like to work at our Co-op in a way that inspires existing colleagues and attracts potential co-workers. Our CVP will be launched in 2022.

Following a successful relaunch in April 2020, our Career Celebration scheme was a finalist for two awards, winning the Inspiring Workplace EMEA 'Inspiring Reward and Recognition' award, and shortlisted for the CIPD 'Best Recognition Initiative' award.

The #BeingCoop Awards returned for the 4th year and were bigger than ever. Over 6,000 colleagues were nominated for an award including the Colleague's Choice winners, voted for by our Co-op colleagues, and reflecting our commitment to *"Co-operating for a Fairer World"*, our Inclusion Awards.



Our engagement score is **72%** (2020: 76%)

Reward

In 2021, our colleagues continued to work exceptionally hard, providing ongoing support to members and customers as we gradually moved into the next phase of the Covid-19 pandemic. In recognition of all the amazing work delivered during these unprecedented times, we increased our pay rates to align with the Real Living Wage. In 2021, all our Customer Team members in our stores received a pay increase of 5.6%, with similar pay increases to other frontline roles across the Co-op.

We also continue to look at ways to be more inclusive in our approach to pay. Our pay ratios can be found in the Report of the Remuneration Committee in our 2021 [Annual Report](#).





Pensions

Our pension scheme is available to all our colleagues from day one of joining the Co-op, including those who do not meet automatic enrolment criteria, and our automatic enrolment offer exceeds the minimum required. In 2021, 44,000 colleagues were in the scheme, which equates to 72% of all colleagues.

Our pension scheme is also responsible for the pensions of colleagues who have left the business, and in 2021 this comprised 44,000 pensioners (2020: 45,000) and 64,500 deferred pensioners yet to retire (2020: 60,500).

In 2021, we re-enrolled colleagues who had opted out of the pension schemes but who still met the automatic enrolment criteria.

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.

Whistleblowing

To ensure we do the right thing by our Values and Principles, we operate a whistleblowing procedure. The policy is included in the Code of Business Conduct and is available on our website.

An external independent company operates a hotline and weblink known as "Speak Up", that allows colleagues and suppliers to raise concerns confidentially about business practices or wrongdoing. In 2021 we received 265 reports

through this process (2020: 235). As well as whistleblowing reports, the external provider also takes calls requesting feedback, providing additional information and seeking advice.

In addition to the reports made via the external provider, 32 reports were made direct to Co-op colleagues (2020: 26). We have a procedure for recording and investigating whistleblowing reports, a summary of which is presented to our Risk and Audit Committee.

🎯 2022 targets

By the end of 2022, we aim to double the number of managers who have received mental health training from 1,500 to 3,000.

We will increase our Ethnic Minority leadership representation from 3% to 6% by 2022 and 10% by 2025.

We will commit to hosting a minimum of 750 apprentices on our programmes at any one time, and make sure these programmes enable personal development and align to our business priorities. In addition, we have made a commitment to support a minimum of 500 apprentices through Co-op Levy Share.

We will achieve a colleague engagement index score of 74%, as measured through our colleague survey.

Health and safety

The safety of our colleagues, members and everyone who visits our premises is always a priority.

Whilst the pandemic continued to create a challenging environment for all of us, we remained committed to enhancing our positive safety culture, with a particular focus on the wellbeing of our colleagues. We continued to ensure we created Covid-safe environments for our customers and colleagues, whilst further developing our safety standards and incident management system to ensure we provide a safe and secure environment for all.

Protecting colleague wellbeing

Last year, we committed to creating new Wellbeing Minimum Safety standards, which we achieved by publishing our Wellbeing Minimum Safety Policy, formally recognising the link between work and the wellbeing of our colleagues. As part of a new hybrid way of working we recognise the changing perception of lone workers and have been working across the Co-op on several initiatives to support this.

We also further developed our incident management system, MySafety, to ensure we have a deeper understanding of the types of crimes our colleagues face, and we now have a specific category of harassment and discrimination. We continue to engage with external partners, including statutory bodies such as the Home Office and Police Forces, to collaborate on projects that will support the reduction of violent crime against colleagues.

This included Project Zeal, the collaborative partnership with Nottinghamshire Police and Mitie,

our security provider.

It showed that by working together we can tackle persistent and violent offending within our Co-op stores and make our colleagues feel safer at work.



5,718

Non-reportable accidents (colleagues)
in 2021 (2020: 5,897)



9,487

per 100,000 colleagues (2020: 6,280)



250

Reportable accidents (colleagues)
in 2021 (2020: 233)



415

per 100,000 colleagues (2020: 340)

How we manage safety

We report on colleague accidents as one of the key indicators of how effectively we're managing workplace safety. Our accident data enables us to review trends and take more proactive steps to avoid accidents.

We've seen a reduction in non-reportable accidents this year. We believe that a reduction in footfall in stores and the impact of Covid restrictions may have potentially impacted on the reporting of low-level accidents. However, they also reflect our ongoing work to provide a safe environment for members and visitors to our site.

We measure progress on how we're driving improvements using a 'Balanced Scorecard' approach, using several indicators such as how our colleagues are trained. This is reported to the Board monthly and is continuously developed to drive further improvements.

Looking ahead

We will continue to innovate, working with key stakeholders to address incidents of retail crime and the harassment our colleagues on the front line can sometimes face. Our focus will also be to further develop our safety data strategy with a particular focus on near miss incidents and the opportunities they present to further improve our safety culture.

Our people data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved




Restatement



In-depth assurance

Key Performance data icons



Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Wellbeing			% colleagues feel equipped to manage their wellbeing using the resources provided by Co-op				73	By the end of 2022, we aim to double the number of managers who have received mental health training from 1,500 to 3,000.	
			% colleagues downloaded wellbeing app	20	33	41	43		
			Calls received to colleague assistance programme	3,166	2,300	1,052	2,356		
			Cases covered through colleague assistance programme	1,188	1,099	1,052	1,368		
			Number of cases referred for follow-up counselling with a trained counsellor	398	478	404	138		
			Absence rate (%)	4.1	4.0	3.8	3.4		
			Financial support given to colleagues via Wagestream (£m)	-	-	-	4.7		
			Amount saved with Wagestream (£)	-	-	-	351, 876		
			Number of GP appointments provided by virtual health service Smart Health	-	-	-	658		

Our people data continued



Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Inclusion & Diversity	We will increase our Minority Ethnic leadership representation from 3% to 6% by 2022 and 10% by 2025.	<div><div></div><div>We've achieved the first milestone, with 6% of our ethnic minority colleagues in leadership roles.</div></div>	% of colleagues who feel their leader creates an environment where they can be themselves	-	77	78	77	We will increase our Minority Ethnic leadership representation from 3% to 6% by 2022 and 10% by 2025.	<div>10</div> <div>REDUCED INEQUALITIES</div>
			Number of Diversity and Inclusion pioneers across the organisation	85	106	125	135		
			Number of colleague networks	4	4	5	6		
			Number of members in networks	2,000	2,000	2,000	2,000		
			% colleagues who feel that they have experienced bullying, harassment or discrimination	12	13	14	Internal (7%) External (12%)		
			Reporting has been amended to separately record internal (by a colleague or manager) and external bullying, harassment or discrimination. 2021 gives the baseline for future reporting.						
			Gender balance of applications and hires	70% men, 30% women	50% men, 50% women	47% men, 53% women	48% men, 52% women		
			% female colleagues	55	51	55	59 A		
			% female colleagues in leadership roles	32	34	37	42		
			% of our leaders from an ethnic minority background ¹	-	-	4	6		
			% colleagues in each age group						
			24 and under	19	20	22	19 A		
			25-34	24	23	22	24 A		
			35-49	27	27	26	26 A		
			50-64	27	27	27	27 A		
			65 and over	3	3	3	4 A		
			% colleagues identify as non-heterosexual	-	7	8	8		
			% colleagues identify as having a disability	4	6	7	8		
			% colleagues identify as belonging to an ethnic minority group	10	11	11	11 A		
			% colleagues have dependant or caring responsibilities	33	29	30	30		

¹ Leaders are work level 1-5

Our people data continued

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Apprenticeships	We will continue our commitment to hosting a minimum of 1,000 apprentices on our programmes at any one time, and make sure these programmes enable personal development and align to our business priorities.	<div> We didn't achieve our commitment for this year of having a minimum of 1,000 apprentices on programme at any one time. This is primarily due to the impact of the pandemic.</div>	Apprentice starts	572	936	367	278	We will commit to hosting a minimum of 750 apprentices on our programmes at any one time, and make sure these programmes enable personal development and align to our business priorities. In addition, we have made a commitment to support a minimum of 500 apprentices through Co-op Levy Share.	
			Total apprentices on programme (at end of year)	1,034	1,376	1,232	472		
			% apprentices male and female	40% male 60% female	40% male 60% female	36% male 64% female	46% male 54% female		
			Funeralcare: Number of apprentices and types	-	817	685	91		
			Support Centre: Number of apprentices and types	-	59	88	100		
			Food: Number of apprentices and types	-	450	341	246		
			Logistics: Number of apprentices and types	-	38	50	26		
			Legal Services: Number of apprentices and types	-	12	68	9		
			Number of apprentices from Academies	4	1	1	4		
			The reduction in starts and on programme numbers is due to another year of significant increased pressure on our frontline colleagues. The Government's Apprenticeship Funding Guidance has changed frequently throughout the pandemic which resulted in a large number of apprentices taking a break in their learning, many of whom took the personal decision not to return to their learning. In addition, one of our key training providers decided to exit the apprenticeship market, we therefore had to source new provision which prevented new apprentices joining the programme. The apprentices affected are starting in quarter 1 of 2022.						
Leadership			Leadership Index	-	79%	72%	74%		
			The 2021 Leadership Index has risen 2 points from 2020's score of 72% to 74%, which is +4 points higher than the UK private sector benchmark and an achievement, given the ongoing leadership challenges presented by external factors, such as the ongoing pandemic.						

Our people data continued

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Engagement & Recognition	We will maintain levels of colleague engagement as measured by our engagement index (currently 76%).	 Our engagement score remains strong at 72%, though it has declined since last year (2020: 76%) which is in line with external trends.	Overall engagement score (%)	76	76	76	72	We will achieve a colleague engagement index score of 74%, as measured through our colleague survey.	
			Total colleague headcount at year end	62,578	62,616	63,324	60,232		
			Total voluntary turnover (%)	22.1	22	17	24.6%		
			The overall headcount has decreased due to a number of factors, including an increase in overall turnover, the fact that 2020 was an 'exception' year in which we recruited 3000 additional temporary colleagues to support during the pandemic which pushed our headcount up for that year, and the sale of Co-op insurance since 2019.						
Pension scheme			No. of Pensioners	47,500	47,000	45,000	44,000		
			No. deferred pensioners	61,000	58,000	60,500	64,500		
			% colleagues in a pension scheme	65	68	67	72		
Speak Up			Whistleblowing reports through Speak Up	173	199	235	265		
			Number of whistleblowing reports made direct to Co-op colleagues	43	34	26	32		
Health and Safety	In 2021 we will create a new Co-op Minimum Safety Standard to formally recognise the link between work and wellbeing and to incorporate wellbeing into our Health and Safety Governance framework.	 Standards produced. See p.30 for more detail.	Reportable accidents (per 100,000 colleagues)	382	388	340	415		
			Reportable accidents (Colleagues total)	241	243	233	250		
			Non-reportable accidents (per 100,000 colleagues)	8,073(R)	7,037	6,280	9,487		
			Non-reportable accidents (total)	5,087(R)	4,406	5,897	5,718		
			Reportable customer accidents	32	16	18	18		
			Non-reportable customer accidents	2,899	2,077	1,920	1,709		

Ethical trade and human rights

Our focus is to provide support for our suppliers, work collaboratively to protect the most vulnerable, protect workers and continue to champion resilient livelihoods for everyone in our supply chain.

Around the world, growers and producers face everyday challenges caused by low wages, irregular income and an uncertain future.

Our [Future of Food](#) ambition commits us to ensuring that the people in our supply chains are secure from end to end. We focus on labour rights, including fair reward, safe and decent working conditions, protection from forced labour, modern slavery and harsh or inhumane treatment. Our main responsibility is towards our Co-op brand suppliers and supply chains, where we can create positive change and influence.



To meet our Future of Food human rights ambition, during 2021 we continued to focus our work around four strategic priorities:

- Driving innovation in due diligence and transparency (see right)
- Embedding ethical trade into core business activities and winning hearts and minds – we continued internal engagement and training for colleagues, as well as raising awareness of our approach to tackling modern slavery in our business and supply chains
- [Building capacity and resilience](#) in our supply base to address the underlying causes of human rights issues
- Tackling modern slavery and mitigating human rights [risks](#)

These four key strategic areas will remain a focus of our work into 2022 and beyond.

We work with key partners and member groups because we know that human rights violations will only stop if we work together to share what we know and combine our efforts. We continued to work with partners during 2021, such as the [Food Network for Ethical Trade \(FNET\)](#), [Responsible Recruitment Toolkit \(RRT\)](#), [Stronger Together](#), the Modern Slavery Intelligence Network, [Unseen's Helpline Business Portal](#) & Modern Slavery and Exploitation Helpline and [Seafood Ethics Action Alliance](#).

You can read more on our [website](#) and our [Modern Slavery Statement](#).

Monitoring labour standards and driving due diligence and transparency

We're founder members of the Ethical Trading Initiative (ETI) and we have adopted the ETI Base Code, which is founded on the conventions of the International Labour Organisation and is an internationally recognised code of labour practice.

We drive improvements to working conditions, making sure that the workers who make our products are treated responsibly and ethically. Co-op Food has a robust programme of assessing and monitoring supplier labour rights issues. Where issues are raised, we expect suppliers to implement action plans and we support them in addressing the root causes of issues. Our programme covers all our tier 1 and tier 2¹ supplier sites - 2,620 sites in 70 countries, across six continents with 700,000 workers.

We require all Co-op own-brand suppliers² in our food business to join [Sedex](#) (Supplier Ethical Data Exchange³) and tier 1 sites in high-risk countries need an independent audit in place prior to approval.

¹ 733 tier 1, 1,887 tier 2. 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. 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.

² Defined at the Co-op as bakery, beer, wine and spirits, dairy, food to go, grocery, prepared non-food, produce and protein.

³ Sedex is a web-based database where suppliers upload labour standards information, including self-assessments and site audit reports.

We also identify suppliers for audit using a risk-based approach determined by supplier responses to Sedex self-assessment questionnaires (SAQs), worker profiles, use of temporary workers, country of origin and industry sector, and external intelligence from experts, trade unions and NGOs.

In 2021, we continued to innovate in due diligence to meet our Future of Food targets. We started work on two independent human rights impact assessments in high-risk food supply chains (due to be published in 2022); carried out a pilot of a new gender-sensitive audit methodology across Africa to improve our effectiveness in identifying issues; and scaled up the use of worker voice technology. We're committed to providing greater transparency to understand the root causes of issues affecting workers in our supply chains, so we've shared details of our Co-op Food own-brand tier 1 production sites, disaggregated worker data including gender, and have published our plans to mitigate the most significant [human rights](#) risks in our supply chain. For our [defined high-risk categories](#), we go beyond tier 1. For example, we collect data on our growers due to high levels of casual labour and seasonality in those supply chains. This year we're increasing transparency by publishing details of supply chains beyond tier 1 in three high-risk categories.

Building capacity and resilience in our Co-op Food supply base

Our Food business has a programme of supplier workshops in key sourcing countries. These are designed to raise awareness of our values, expectations and strategy; provide guidance on local labour law and our Sound Sourcing Code of Conduct requirements; and share best practice in addressing common labour standards issues.

In 2021, we focused our training on responding to current threats, including labour shortages and growing risks of modern slavery, enabling suppliers to share common challenges and ways to mitigate impacts. We also recognised supplier best practice and innovation in human rights projects and programmes by launching our Treating People Fairly Awards. Training and wider collaboration have been key to helping identify, manage and mitigate the risks of modern slavery and human rights abuses.



We supported **82 supplier events** and webinars **reaching 7,208 participants globally** (2020: 35 events).



Global Wellbeing Charter case study: Supporting workers in East Africa

We launched our [Global Wellbeing Charter](#) in 2020, providing close to £1m to help support global projects and people in our supply chain through the Covid-19 emergency.

As part of this, we responded to the impact of the pandemic by co-funding two long-term projects through the Foreign, Commonwealth and Development Office (FCDO) Vulnerable Supply Chains Facility to build the long-term response of workers in East Africa to the impact of Covid-19.

The projects aimed to improve business recovery and resilience to social and economic impacts of the pandemic, positively impacting the lives of workers in flower and agriculture supply chains in East Africa. Direct health support and food security of workers and farmers have been improved through delivery of health packages and development of nutritional gardens. Collaborative learning events and a [policy paper](#) were delivered for long-lasting impact.¹

¹ 2,081 people were engaged through worker voice; 152,170 women and men were reached with health information; 10,057 people received direct support through kitchen garden inputs and health packages; and 4,834 people received training on a range of topics, including outbreak control, financial literacy and business management, and how the pandemic can specifically create gender and stigma discrimination issues.

Mitigating human rights risks

As part of our efforts to eliminate illegal and unfair recruitment fees in our global supply chains, in 2021, we provided free access to the Responsible Recruitment Toolkit and training to all suppliers and labour providers in our supply chain. Over 38 suppliers received training on responsible recruitment. In 2021, we worked with key suppliers to map the use of recruitment fees and worked with others to drive industry alignment on common principles regarding recruitment fees and provide suppliers with greater clarity on expectations.

In light of the global issues affecting welfare of workers in our supply chains, this year we played a key advocacy role in driving the human rights agenda at an industry level.

Modern slavery campaign

Over the past five years, we've been raising awareness of modern slavery and campaigning for better support for survivors. Several strands of our campaign have come to an end now, but we continue to raise awareness and support initiatives that help survivors build their confidence and move into paid employment. Through our involvement in [Bright Future](#), we also play a practical role in providing work opportunities for those rescued from slavery.

Read more in our [Modern Slavery Statement](#).

We continue to implement our [Human Rights and Trade Policy](#), which identifies the exceptional circumstances under which we'll [suspend trade](#) with a nation state or designated region. Our approach to ethical trade and human rights for our goods not for resale can be found [here](#).

🎯 2022 targets

We will improve the lives of workers by carrying out independent human rights impact assessments in three high-risk supply chains by mid-2022, using our findings to drive change.

We will champion the role of women and vulnerable people in our supply chains and will launch a gender strategy in 2022.

We will eliminate illegal and unfair recruitment fees in our global supply chains by 2025.

We will share details of suppliers at all tiers of three of our highest risk food categories by the end of 2022.



Ethical trade and human rights data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved















Restatement



In-depth assurance


Key Performance data icons

Issue	2021 Target	Performance against target	2022 Target	SDGs
	We will share details of suppliers at all tiers of three of our highest risk food categories by the end of 2022.	 Working closely with our key suppliers we're on track to publish full details of our pork, seafood, and top fruit and stone fruit supply chains, including worker profile data. This builds on our transparency of all the tier 1 sites we source from and the publication of our activities to address our salient human rights risks.	We will share details of suppliers at all tiers of three of our highest risk food categories by the end of 2022.	 
	We will improve the lives of workers by carrying out independent human rights impact assessments in three high-risk supply chains by the end of 2022, using our findings to drive change.	 In 2021, we progressed with work on two independent Human Right Impact Assessments (HRIA) in protein supply chains that will be published in 2022. These in-depth assessments have engaged with a wide range of stakeholders with a strong focus on worker interviews. In 2022, we will be commencing a new HRIA focused on a key high risk produce supply chain.	We will improve the lives of workers by carrying out independent human rights impact assessments in three high-risk supply chains by mid-2022, using our findings to drive change.	  
	We will champion the role of women and vulnerable people in our supply chains and will develop and launch a gender strategy in 2021.	 In 2021, we continued our work to increase our visibility of gender data across our global supply chains, commenced a new pilot to improve our effectiveness identifying gender issues and rolled out projects to empower women in our supply chain through our support of 2 FCDO projects in East Africa and projects in our Fairtrade supply chains. We will be sharing further details of long-term targets and priorities to address gender inequalities in our supply chain as part of our review of our Future of Food priorities.	We will champion the role of women and vulnerable people in our supply chains and will launch a gender strategy in 2022.	 
	We will eliminate illegal and unfair recruitment fees in our global supply chains by 2025.	 We are continuing our work to understand and map the use of recruitment fees in our supply chains. In 2021, 65% of our key suppliers have responsible recruitment fee targets embedded in their long-term human rights objectives. In 2021, we continued to roll out free training on responsible recruitment to 219 supplier delegates in 18 training sessions through our support of the Responsible Recruitment Toolkit and global events in Spain and China.	We will eliminate illegal and unfair recruitment fees in our global supply chains by 2025.	

Ethical trade and human rights data continued

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Supply chain transparency			Number of supplier sites globally (tier 1 and tier 2)	1,984 (862 tier 1, 1,122 beyond)	2,026 (824 tier 1, 1,202 beyond)	2480	2620 ^A (733 tier 1, 1887 tier 2)		
			% tier 1 suppliers completing self assessment in sedex	100	100	100	100% ^A		
			% high-risk tier 1 sites audited	100	100	99	99% ^A		
Supplier capacity building			Number of supplier engagement events	18	20	35	82 ^A		
			Number of individuals engaged via supplier engagement events	903	1,296	6,872	7,208 ^A		
			Hrs. of engagement at supplier engagement events	5,900	8,517	16,361	9,427 ^A		
			Number of sites reached through supplier engagement events	624	844	4,166	1,441 ^A		
			In 2021 we supported 2 Foreign Commonwealth and Development Office's Vulnerable Supply Chain Facility projects in East Africa. Due to differences in the ways the data has been collected, these projects are reflected in the number of individual and number of supplier figures, but not the numbers of events and hours of engagement figures.						
			This year we have include 63 online Stronger Together and Responsible Recruitment training sessions which were not included in the 2020 number of event figures. This is because our events programme has evolved to improve accessibility for individuals. We now include all virtual events in the scope of our events programme: 79 events were conducted virtually in 2021.						

Ethical trade and human rights data continued

Number of sites and workers on Sedex and location of audits in 2020/21 	Sites	Workers	Audits	Issues
Africa	712	222,330	474	2,902
Asia	142	44,549	76	347
Europe	1,448	304,848	530	2,179
North & Central America	47	14,088	33	261
Oceania	33	3,846	0	N/A
South America	238	145,253	130	1,134
Grand Total	2,620	734,914	1,243	6,823

We resumed our audit programme in 2021, following the easing of Covid restrictions. We continued to use Sedex Virtual Assessments (SVAs) where site visits have not been possible and accepted 110 virtual audits. We welcome Sedex's new Audit Quality Programme which will help improve the detection and reporting of onsite issues, and ensure consistency of auditing techniques.

Status of improvement actions identified in valid audits in 2020/21	Total improvement (Actions raised)		Improvement (Actions completed and verified)		Improvement (Actions completed by supplier; verification due in 2021)		Improvement (Actions due for completion in 2022)		Overdue improvement actions	
	Business Critical/Critical/Major	Minor	Business Critical/Critical/Major	Minor	Business Critical/Critical/Major	Minor	Business Critical/Critical/Major	Minor	Business Critical/Critical/Major	Minor
Exploitation of labour	31	50	27	36	2	5	2	9	0	0
Freedom of association	77	114	72	100	1	3	3	11	1	0
A safe & hygienic working environment	1,824	1,816	1,608	1,602	84	70	122	135	10	9
Child labour	19	34	15	24	2	6	2	3	0	1
Living wages to be paid	372	319	267	232	32	18	64	63	9	6
Working hours are not excessive	453	218	264	186	48	7	133	23	8	2
No discrimination	22	53	15	48	2	2	5	3	0	0
Regular employment	396	146	328	134	27	2	35	7	6	1
No harsh or inhumane treatment	135	28	117	24	7	1	11	3	0	0
Other Issue Types	282	434	211	381	21	15	47	37	3	3
Sub Total	3,611	3,212	2,924	2,767	226	129	424	294	37	22
Total	6,823		5,691		355		718		59	

Fairtrade

For more than 26 years we have championed the Fairtrade movement, driven by our passionate members, by supporting better prices, working conditions and terms of trade.

We're committed to building on our Fairtrade leadership and strengthening producer communities around the world, as set out in our [Future of Food](#) ambition.

We've heard directly from Fairtrade producers the meaningful difference Fairtrade makes to their communities. We're proud to support Fairtrade and the difference a fairer price, the Fairtrade Premium, and empowerment makes for the lives of farmers and workers across the world.

The climate crisis continues to have a devastating impact on our communities both here in the UK and across the globe, and when the Covid-19 pandemic hit, the fragility of our global supply chains was exacerbated, and vast inequalities exposed. Now more than ever, we know that working for climate justice is essential, both to safeguard food security and to protect our most vulnerable communities and ecosystems for all our futures. That's why we put people and planet at the heart of our Climate Justice campaign, launched in 2021.

Our objective to be the UK's biggest supporter of Fairtrade is underpinned by a three-pillar plan covering: Sourcing, Innovation and Communications.



Case study: Campaigning for Climate Justice

In 2021, we launched our [10-Point Climate Plan](#), with point 7 recognising that climate change is a human issue as much as it is an environmental one and campaigning is a key strand of this Plan. Climate Justice means finding solutions to the climate crisis in a way that not only reduces carbon emissions and protects the natural world, but does so in a way which creates a fairer, more just and equal world in the process.

In August, we launched our [Climate Justice for People and Planet report](#), calling on businesses to invest in a just transition within their supply chains and lobbying governments to deliver on climate finance promises to protect and invest in climate resilience. The report is endorsed by Fairtrade Foundation and features case studies from our partners Fairtrade and The One Foundation and supplier CaféDirect.

In October, we signed Fairtrade's [climate pledge](#), alongside leading Fairtrade business partners around the world, committing to do more to protect and invest in the resilience and green transition of global supply chains in the face of the climate crisis. The business pledge follows the

publication of an open letter and petition from representatives of 1.8 million Fairtrade farmers and workers across Africa, Asia, Latin America and the Caribbean, warning governments that their decisions are deepening poverty, as well as threatening farmers' livelihoods and global food supplies.

Specifically, we called on the UK Government to:

- Return to the world leading commitment of 0.7% Gross National Income spend on international aid and development, without delay.
- Prioritise the \$100bn per annum international climate fund commitment at COP26 talks.
- Take steps to ensure all businesses step up and invest in climate resilience and a just transition.





Sourcing

We know that now, more than ever, it's crucial for us to maintain and continue to grow our support for Fairtrade by maximising the amount of Fairtrade we sell across our channels. With an ambition to be the UK's biggest supporter of Fairtrade, we are continuing to drive impact through our sourcing.

- 100% of our bananas, tea, coffee, bagged sugar, African roses, and cocoa (including as an ingredient) are Fairtrade, and we are the world's biggest seller of Fairtrade wine (volumes sourced are detailed [here](#)).
- In February 2022, we converted all our own label and branded South African wine to Fairtrade, and in 2021, we launched our frozen choc stick - a retail own-label Fairtrade First. We've also launched Fairtrade baby plum tomatoes, green beans, oranges and grapes and expanded Fairtrade brands into the range.

Innovation

The cornerstone of our Fairtrade difference is our commitment to producer engagement through depth and authenticity of our relationships with producers, some spanning decades. Whilst we would normally be connecting with producers in person, we've adapted the way we engage during the pandemic.

In 2021, we evolved our strategy to scale up our projects to deliver greater impact, delivering **five** Co-op Future of Food Sourcing Projects, investing in international development and climate change resilience of Fairtrade communities:

- **Tea, coffee, and flowers:** Partnering with Fairtrade Africa to support our producers in adapting to climate change (see [case study](#)).
- **Bananas:** Working with CLAC Fairtrade Producer Network, Fairtrade Foundation and Fyffes to improve soil health and productivity in Colombia and Dominican Republic to support smallholder resilience and livelihoods (read more [here](#)).
- **Tea, coffee, and bananas:** As part of our Global Wellbeing Charter, launched in 2020, Co-op and suppliers Fyffes and Finlays worked with Fairtrade

Foundation, Fairtrade Africa and CLAC Producer Network to take immediate action to ensure farmer livelihoods by providing Covid-19 relief (see Global Wellbeing Charter [case study](#)).

- **Cocoa:** A third cohort of students graduated from Fairtrade Africa's Women's School of Leadership (WSOL), which we've funded in Cote d'Ivoire since 2017, focusing on women's empowerment and leadership. In 2021, 46 women and 13 men graduated from WSOL and training on women's empowerment and equality reached 42 communities and 3,892 beneficiaries. Find out more about our support for WSOL on our [website](#).
- **Sugar:** Protecting workers' rights in Good Hiring Practices in the Cane Farming Sector, Belize. Over 2,900 beneficiaries will be positively impacted with the completion of this project to tackle informal hiring practices in the Belizean sugar industry (read more [here](#)).

For more information on our project work and the impact this has on farmers and their communities, see our Fairtrade [web pages](#).



Communications

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

In 2021, we have led the call for climate justice. As well as launching our [10-Point Climate Plan](#) and becoming a signatory of Fairtrade Foundation's Climate business pledge, other highlights include:

- **Launching our [Climate Justice for People and Planet report](#), endorsed by Fairtrade Foundation** – The report calls on governments and businesses to invest in climate justice and resilience, without delay
- **Campaigning at COP26** – Co-op CEOs spoke with the Fairtrade delegation, world leaders and businesses at the UN Climate Conference. They provided industry perspectives on the important role global farming communities play in tackling climate change, and the need for climate justice promises to be delivered
- **Fairtrade Fortnight 2021** – We adapted to the challenges of Covid-19 by launching our first online Fairtrade Fortnight campaign events, one of which generated a reach of 2 million, and launched a new campaigning [webpage](#), providing all the tools our members and customers need to play their part. We also issued over 3,000 Fairtrade packs to members, stores, and academics
- **Chelsea Flower Show** – We showcased Fairtrade roses in our '[Communities in Bloom](#)' display



Case study: Supporting producers in our tea, coffee, and flower supply chains to adapt to the climate crisis

In August, we announced our [new partnership with Fairtrade Africa](#) (FTA) – as a leading UK investor and partner in driving forward the Producer Network's climate strategy over the next 3 years, ensuring a farmer-centric approach to adapting and mitigating the very worst effects of climate change and channelling funding to areas of greatest need.

As the first UK retailer to invest in FTA's climate strategy, the [Fairtrade Alliance for Climate Smart Supply Chains in Africa](#) (FACSCA), we'll be working with 12 at-risk producer organisations in tea, coffee, and flower supply chains in sub-Saharan Africa to take meaningful action against climate change for the security of their own livelihoods, environments and protecting the futures of key commodities for the long-term benefit of us all. This partnership will support over 16,000 smallholder farmers and workers, as well as directly impacting over 67,000 beneficiaries.

Global Wellbeing Charter Case study: Protecting Fairtrade producers and workers during extreme hardship

We launched our [Global Wellbeing Charter](#) in 2020, providing close to £1m to help support global projects and people in our supply chain through the Covid-19 emergency.

We donated to the Fairtrade International Covid-19 Relief Fund and to date this has benefited 59,987 coffee, tea, and banana producers across 10 producer organisations in East Africa, and 26 coffee and banana producer groups in Latin America. With the funds, farmers in East Africa have started different income diversification projects such as beekeeping, tree nurseries, and avocado seedling programmes – as well as purchasing machinery to help improve the quality of their products and providing extra income. These initiatives impacted mostly women and youths to help support their livelihoods. In Latin America, producer groups have been able to purchase protective equipment and built a bio-garden to ensure they have food to sustain themselves in the future.

🎯 2022 targets

In 2022, we will set targets to achieve our ambition to be the UK's biggest supporter of Fairtrade, based on the metrics developed in 2020.

Fairtrade data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Fairtrade	In 2021, we will set targets to achieve our ambition to be the UK's biggest supporter of Fairtrade, based on the new metrics we developed in 2020.	In 2021, we have progressed exploratory work on targets to achieve our ambition to be the UK's biggest supporter of Fairtrade.	Number of core commodities and categories with a Fairtrade Commitment	-	7	7	7		
			Our commitment to Fairtrade continues across seven core categories - 100% of our tea, coffee, bananas, chocolate, bagged sugar & African 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)	-	49,026 MT ¹ 14.9 million litres ² 40 million stems	53,617 MT ¹ 14.1 million litres ² 41.4 million stems	49,517 MT ¹ 16.7 million litres ² 53.3 million stems		
			Demonstrates material impact to Fairtrade producers. They benefit from Fairtrade Standards, voice, Minimum Price and Premium with every Fairtrade purchase.						
			Number of Fairtrade lines in our range (Own Label and Branded) ³	-	-	329	383		
			Shows extent of full range of Fairtrade products. Includes seasonal lines. We introduced new Fairtrade lines into our Own-brand and Branded ranges in 2021.						
			Minimum number of Fairtrade lines in any Co-op store (Own Label and Branded)	-	-	63	71		
			Ensures a minimum Fairtrade range available in any store. ⁴						
			Consumer awareness of our Fairtrade leadership (highest perceived leadership)	-	25%	25%	23% (highest perceived leadership compared to rest of grocery market)		
			Demonstrates Fairtrade leadership perception by general public. Research conducted by ICM for Co-op Ethical Leadership Survey. In 2021, consumer awareness of our Fairtrade leadership remains strong.						
			Fairtrade overtrade	-	360	391	416		
			Fairtrade market share among UK convenience stores (%)	83%	79%	80% (vs 59.4% convenience market share)	81.5% (vs 60.2% total convenience)		
			Fairtrade market share among UK total grocery market (%)	-	19.6% Fairtrade market share (vs 5.2% total grocery market share)	21% (vs 5.5% total grocery market share)	21.1% (vs 5.1% total grocery market share)		
			Overtrade is the direct comparison between the market share in Fairtrade vs market share in the total grocery market. An overtrade occurs when a retailer's market share in Fairtrade is higher than its market share in grocery. 2021 was a very strong year with our overall market share increasing to 81.5% with an overtrade of 416 (our highest overtrade).						
								In 2022, we will set targets to achieve our ambition to be the UK's biggest supporter of Fairtrade, based on the metrics we developed in 2020.	

¹ Data from Fairtrade Connect system, excluding Fairtrade cotton and vanilla, including Fair Trade charcoal.

² Includes Fairtrade Branded wine (2019).

³ Includes seasonal lines & Fairtrade charcoal.

⁴ Fairtrade lines sold in more than 99.5% stores. Includes seasonal lines.

International development

For years we've invested above and beyond 0.7% of our pre-tax profit in international development projects and it's a principle we're committed to upholding for the years to come.

In 2021, we published our [Climate Justice for People & Planet](#) report, setting out more detail on why we think the UK Government's commitment to international aid and development is so important and is a key focus of our Climate Justice advocacy campaign. In 2022, we will develop KPIs for our commitment to supporting international development.

The One Foundation

Our Future of Food commitment to Clean Water for all remains a core part of our international development work. We raise money through our Co-op own label bottled water sales to support projects bringing clean water, sanitation and hygiene solutions to some of the world's poorest communities, donating over £15m over the past 15 years and over £1.7m in 2021 alone.

In partnership with The One Foundation, these funds helped to drive water security and deliver safe water and improved sanitation to over 221,000 people living and working in Kenya, Rwanda, Ghana, and Malawi during 2021. More than 2.4 million lives have been changed over the last 15 years.



Case study: Safe and affordable water supply in Ghana

In March 2021, a four-year programme with One Foundation in the Ashanti region of Ghana was completed. It's now bringing safe and affordable water supply to over 55,000 people living in 10 small cocoa farming towns through the construction of new water infrastructure, run under a financially sustainable management model. The new water systems have helped to reduce the time it takes to get water.

In an end-of-project evaluation, women said that the time saved gives them more time to engage in economic activities such as farming and trading; and children reported being late or absent from school less. As part of the project, public and school toilet blocks have also been constructed within these communities.

Global Wellbeing Charter case study: Ensuring the world's most vulnerable communities have access to safe drinking water

We launched our [Global Wellbeing Charter](#) in 2020, providing close to £1m in monetary support for global projects and people in our supply chain through the Covid-19 emergency.

In April 2021, the Disasters Emergency Committee (DEC) extended its Coronavirus Appeal to India. As part of this appeal, a donation of £70k was made to Care International via The One Foundation with funds generated from the sales of our own-label bottled water, supporting a Covid-19 emergency response programme in India.

This funded the delivery of hand-washing stations, soap, water tanks and water supplies at a hospital and five pop-up Covid-19 centres, as well as life-saving Covid-19 prevention messaging to reduce infection risk, in the areas of Paderu, Vizag, Andhra Pradesh, and Bihar in India. More detail can be found [here](#).

Water Unite








Through our branded bottled water sales, we're continuing our pioneering investment in 'Water Unite' - an innovative finance fund addressing issues surrounding plastic waste pollution alongside lack of access to clean water and decent sanitation worldwide. In 2021, we donated over £550,000 to Water Unite and over £2.5m has been raised since 2017.

Our funding has helped support innovative local entrepreneurs working to tackle water, sanitation, and plastic waste issues in developing countries across Africa and Asia.

Carbon offset projects

Our support for carbon offsetting projects aligns with our commitment to a fair transition. The projects we choose have tangible benefits to people and communities all over the world as detailed [here](#).

International development data

 Target Achieved
  On Track
  Close to Target
  Behind Schedule
  Target not Achieved
  Restatement
  In-depth assurance

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
International development and clean water			£ raised for One Foundation (since 2007) (£m)	9.3	11.4	13.3	15.1		
			£ raised for Water Unite (since 2017) (£m)	-	1.5	2.1	2.5		
			£ raised for Disasters Emergency Committee (DEC)	65,000	7,000	50,000	140,000		
			Fairtrade & Sustainable Sourcing Projects	Data not available	Data not available	Data not available	298,400		
			International community investment (£m) Cash	2.86	2.98	2.82	3.6		
			International community investment (£m) Colleague time	0.004	0.004	0.004	0.002		
			International community investment (£m) Leverage (donations by members, customers and suppliers)	0.01	0.0001	0	0		
			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. In 2021, we have included Fairtrade & International Development projects, as reported in our Climate Justice for People & Planet report. In 2022, we will develop KPIs for our commitment to supporting international development.						

Responsible procurement

Our Goods Not for Resale (GNFR) Responsible Sourcing Strategy¹ sets out how our sourcing activity helps to achieve our Vision of "Co-operating for a Fairer World".

We're delivering this through:

Meaningful supplier management

Driving honest and collaborative relationships to protect human rights across our supply chains.

Effective due diligence and risk management

Using tools such as Sedex Members Ethical Trade Audit (SMETA) and Sedex Self-Assessment Questionnaires (SAQs) for our highest risk tier one and two suppliers, and trialling the use of direct worker reporting to help identify and manage risks.

Driving collaboration.

We continue to be a steering group member of the Indirect Procurement Human Rights Forum (IPHR) and are the chair of the IPHR Waste & Recycling Working Group. We're working in partnership with Minority Supplier Development UK (MSDUK) and SEUK (Social Enterprise UK) to achieve our Racial Equality & Inclusion commitments. Our Shared Value Charter and strategy continue to encourage collaboration from suppliers, specifically on activity to support our Vision.

Our strategy aims to deliver value in line with Co-op values through 5 key areas:

Ethical trade and human rights

In 2021, we completed our direct worker reporting pilot with our store cleaning suppliers and led the development of the IPHR Forum Tackling Modern Slavery in Waste and Recycling Toolkit, which was launched with a webinar to mark Anti-Slavery Day. We also engaged suppliers on common challenges via several collaborative webinars, including a joint FNET, Stronger Together and IPHR Forum event on clandestine migrants for the transport and logistics sector.

Supplier diversity

In February, we launched our new Supplier Diversity Strategy, and later in the year, were honoured to be recognised by MSDUK for "Supplier Diversity Excellence: Best Emerging Supplier Diversity Programme". We reviewed our procurement process and included D&I questions in our RFPs, and now ensure that, where there are appropriate diverse suppliers available, we invite them to tender. We also held a supplier diversity event for over 80 minority owned businesses, to listen to the challenges they face when dealing with larger businesses.

Looking towards 2022, we will continue to embed our GNFR Supplier diversity strategy to open up more opportunities to trade with suppliers from minority owned backgrounds, whilst engaging with other UK minority supplier organisations.

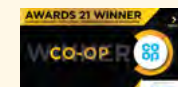
Environment

We developed guidance for discussions on environmental sustainability in supplier management to facilitate knowledge sharing and assessment of suppliers' climate change commitments, and began developing joint sustainability plans with some of our highest environmental impact suppliers, such as those supplying uniforms and logistics services.



Awards

Our GNFR and Food Buying teams won an MSDUK award for 'Supplier Diversity Excellence: Best Emerging Supplier Diversity Programme' for the focus and changes being planned and landed as we work co-operatively across our supply chains.



Case study: Hubbub

In May, we partnered with Hubbub, who co-ordinate the world's largest community fridge network. One of our biggest challenges is ensuring the food we share is in the best possible condition, so two of our suppliers, Woolcool¹ and Loadhog² launched a shared value collaboration to help us reduce food

waste in transit. Adding Woolcool's thermal wool packaging and water-based cooler bags to the inside of Loadhog's plastic boxes created a transit box solution that was sustainable and reusable.



¹ As Insulated Packaging for the transportation of temperature sensitive good.

² Design and manufacture, sale and pooling of Returnable Transit Packaging solutions.

Shared value

Last year, we started to capture shared value activity in our supply chain and identified strategic opportunities to maximise shared value through collaboration.

Youth and employment

Over the year, we've collaborated with many suppliers to deliver a package of support to our Co-op Academies, including attendance at careers fairs, the provision of virtual work experience, skills workshops, career mentoring, mock interviews and 'Dragon's Den' style projects. We've also worked closely with those suppliers to provide meaningful apprenticeships for students, with the first successful apprentices onboarding by mid-year.



🎯 2022 targets

We will continue to explore opportunities to promote and encourage the use of diverse suppliers within our own and our wider supply chains as we enter a phase of discovery to target the barriers to entry.

Supporting our Farmers and Producers

Our long standing commitment to British sourcing helps us to build strong relationships with producers, using our established farming groups and farming pioneers programme to address shared challenges such as climate change and sustainable sourcing, alongside maintaining exceptional animal welfare standards.

Celebrating 10 Years of the Co-op Farming Groups

In 2011, we set up the first Co-op Farming Group in a response to farmer protests across the UK, fuelled by soaring milk prices. Since then, we've introduced another seven groups, providing mutual support networks and creating two-way engagement channels. Our long-standing commitment to British sourcing, moving to 100% British in 2018 across fresh and frozen protein, has helped us build strong producer relationships and to offer everyone food that is produced to high animal welfare standards, regardless of their budget. Currently, our farming groups cover over 400 producers across the UK, and we work with more than 3,700 farmers feeding into our own-brand fresh supply chain.

Our farming group members are also helping to progress our Greenhouse Gas (GHG) reduction commitments in addition to addressing challenges such as animal welfare, responsible resourcing, supply chain transparency, mental wellbeing, and farm safety, along with organising events such as our [Farming & Fisheries Conference](#).

Climate Change

Over the last six years, we have been working collaboratively with environmental specialist ADAS RSK to develop GHG emission reduction plans for our farmers, setting ambitious targets aligned to our broader [science-based targets](#) to reduce emissions from dairy and beef production.

In 2021, we developed our Farming & Fisheries Innovation Pathway which will launch in 2022. The five-year programme aims to provide farmers and fisheries with specialist support to help them become more sustainable and deliver measurable improvements to their businesses. We'll be offering funding to support work in the food and farming sector which reduces GHG emissions, builds back our valuable ecosystems, and improves animal welfare.

Engaging our Farmers and Producers

Through 2021, we've changed the way we work with our farmers, moving to remote forms of communication to remain safe and inclusive, including holding four Mental Wellbeing Webinars with farming mental health charity The DPJ Foundation. Our #BetterTogether Farming & Fisheries Conference was attended virtually by over 300 producers, suppliers, colleagues and stakeholders.

With just under 5,000 followers made up of our producers, suppliers, industry stakeholders and NGOs, our Farming & Fisheries Twitter account documents our work in this area and provides a platform to share best practice.

Read more about our Fairtrade supply chain [here](#), and our approach to ethical trade and human rights [here](#).



100%

of Co-op branded fresh meat has been British since May 2017



100%

of Co-op branded frozen meat has been British since 2018



100%

of Co-op branded eggs, milk, fresh cream, cheddar cheese and block butter are British



100%

One of the first retailers to launch 100% British grow-your-own cherry tomatoes, beef tomatoes and strawberries selling in pots

Farming Pioneers

Now in its seventh year, our Farming Pioneers programme continues to champion the next generation of farmers and growers aged between 21 and 35. Through a free 30-month training programme, we're teaching business skills like lean management and succession planning, as well as exploring salient issues such as mental health. We aim to continue investing in and expanding the Farming Pioneers programme so more young people can benefit from the scheme.



Local sourcing

Our members and customers tell us that access to local products and supporting small producers is important to them and, as a community retailer, promoting locally sourced products and showcasing small producers within our stores is a key focus.

This year we used customer insight to develop a purpose-led, local strategy. The strategy aims to improve the range we currently have and increase sourcing from more purpose-led suppliers which give back to their community, aligning with Co-op Values. Our new strategy is focused on working closely with local and small producers to create stronger communities and a more diverse supply base.

We were delighted to have partnered with the Quality Food Awards for the sixth consecutive year, to celebrate small producers across the country. The Quality Food Awards allow us to showcase a

group of suppliers who not only have innovative products but have purpose-led initiatives built into their ways of working. This year we had two winners: our Ambient winner was Pelagonia with their Aivar red pepper paste, and our Frozen winner was Caliendo's pistachio gelato.

We want to support small suppliers who are aligned with our Co-op Values, so this year we launched The Apiary, our Co-op Incubator scheme. Our scheme is based on a programme of support designed to help small suppliers upskill and get their products 'retail ready'.

By underpinning our Incubator programme with collaborative knowledge and skill-sharing, member-centric insight and mentoring, we have created a sustainable space for entrepreneurs to develop their businesses.

We have selected our first cohort of small suppliers, and new products will land in stores throughout 2022. Partnering with suppliers who keep sustainability and purpose at the forefront of everything they do will help us to get closer to what our members need and care about.

Responsible procurement data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Buying our goods and services	Following the launch of our Shared Value Charter, we will commence a programme to measure the shared value activity in our supply chain.	In 2021 we launched a shared value tracker to capture suppliers' shared value activity, and created our first annual report of this activity for internal stakeholders.						We will continue to explore opportunities to promote and encourage the use of diverse suppliers within our own and our wider supply chains as we enter a phase of discovery to target the barriers to entry.	
Supporting British Farmers			% Co-op branded fresh and frozen meat is British	100	100	100	100		
			% Co-op branded eggs, milk, farmed salmon and cream is British	100	100	100	100		
			Number of British farmers and growers in our Farming Groups	400	328	344	310		
			Numbers have dropped due to farmers leaving groups and large scale recruitment not possible.						
			Independent audits across Farming Groups	348	328	181	285		
			All farms audited except Chicken group due to Covid and Avian Flu pressures.						
			% compliance with animal welfare KPI data from our Farming Groups	92.2	93.4	92.2	79.6		
			% producers completing enviromap	95	100	100	100		
			Now part of annual audit.						
			Number of active members of farming pioneer programme	54	104	64	64		
			We were unable to recruit new members in 2021 due to Covid. No farming pioneers have yet completed programme.						

Healthy living

We have an important role to play in helping our members, colleagues and customers lead healthy lives. We do this through the products we sell, our campaigns, and by inspiring healthy, sustainable behaviours in communities.

As laid out in the [Government's Obesity Strategy](#), legislation to restrict the promotion and placement of high fat, sugar and salt (HFSS) food and drinks will come into force in October 2022 and has been an important focus for us during 2021.

Our [Future of Food](#) ambition sets out our commitment to designing products with quality, health and sustainability at front-of-mind.

We've led the way in improving the health of the communities we serve in several areas for over 30 years, from introducing HIGH, MEDIUM and LOW nutrient labelling on food products in 1986 – the first consumer friendly, nutrition labelling system used by any retailer, to being the first in the market to move our entire own-label range of dilutable and chilled juice drinks to no added sugar in 2014/15. Read more on how we continue to make it easier for customers to make healthier choices [here](#).

Healthy, sustainable diets

In 2021, we joined [WWF's Retailers' Commitment for Nature](#), committing to play our part in supporting WWF's ambition to halve the environmental impact of UK shopping baskets by 2030. As part of this, in 2022, we will review our data on the split between animal and plant-based protein sales.

At the end of 2021, our plant-based brand, GRO (launched in 2020), comprised 49 products, which included seven Christmas products and two new plant-based milks. A further nine new lines were added in January 2022. GRO won the Own-Label Range of the Year in the Grocer Gold Awards and the Q Awards in 2021.

In May 2021, we made the commitment to price-match our GRO range to our meat and dairy-based counterparts, making plant-based choices more affordable. Two products were found to be in exception to this commitment and are currently being rectified as reported [here](#).

Healthier products

Our Future of Food ambition commits us to increase the amount of fruit and vegetables as ingredients in our Co-op brand products and continue to take a responsible approach to reducing the amount of salt, sugar and calories in our Co-op brand products.

In 2021, we introduced the Public Health England maximum 2024 salt targets to our product development policy.

By the end of 2021, 94% of our Co-op own-brand products already met the PHE 2024 maximum salt targets (2020: 98% of our Co-op brand products met the Department of Health 2017 maximum salt targets).

In 2021 we removed over 7 billion calories, over 480 tonnes of fat (of which 129 tonnes of saturated fat), over 44 million teaspoons of sugar and over 1.5 million teaspoons of salt, through product reformulation across our Co-op range (based on annual sales).

In April, we published calorie reduction targets for 22 food categories, in line with Public Health England's reformulation programmes and will report on progress annually from 2022.



Over 7 billion calories removed from our own-brand products in 2021

Accessibility

We help our customers to identify healthy products in store and make healthier and more informed choices.

Our traffic light labelling provides front-of-pack, colour-coded nutritional information at a glance. At the end of 2021, 46% of our Co-op branded food and drink recipe products carried no red traffic light (2020: 46%).

In 2021, we launched a new health design to make it easier for customers to identify healthier choices in our stores.

We make healthier options more affordable through promotions such as our 'Fresh 3' and we use our communication channels to promote healthier lifestyle choices.

National Food Strategy

We're committed to playing our part in helping to tackle food inequality. [The National Food Strategy Independent Review: The Plan](#), published in July, set out recommendations to drive changes to our diets and reduce diet-related inequality. To support families tied to the most limited budgets, we topped up each Healthy Start voucher redeemed in our stores by £1, throughout 2021.

Price Parity

A key commitment to our customers is that 100% of our Co-op brand products which are 'reduced' or 'light' alternatives to a standard product will be no more expensive (based on price/kg). One product was found to be an exception to this commitment in 2021 and is being rectified, as reported [here](#).

Inspiring healthy behaviour change

We made a commitment in Future of Food to work with partners to inspire healthy, sustainable behaviour change in communities. In 2021, we ran a campaign to highlight healthier choices by calling out the nutritional benefits of products, such as 'low in saturated fat'. We supported the Veg Power campaign again in 2021 and provided Veg Power activity packs to our Co-op Academy students. We are an official partner of parkrun, using the partnership to reach and engage with a passionate community to promote health and wellbeing.

As part of our support for the [Peas Please](#) campaign, we used our product labels to inspire customers to eat more vegetables through the photography on front of pack and messaging on back of pack. Peas Please scored us 'orange' against our new 2023 commitments, meaning that we have made 'a good start' (we were previously scored against our 2021 commitments). We have increased the presence of vegetables in our Co-op Food Magazine recipes, and on social media through activity such as promoting seasonal produce.

In January 2022, we updated our website to promote the Government's ['Better Health'](#) campaign.

Alcohol and tobacco

We sell e-cigarettes and smoking cessation products in most of our stores. We're also committed to selling alcohol responsibly. We work in partnership with the Drinkaware Trust, and provided £248,742 of funding to them in 2021.




🎯 2022 targets




Co-op brand products which are 'reduced' or 'light' alternatives to a standard line will continue to be no more expensive, based on price per kg.

Our Co-op GRO products will continue to be no more expensive than their meat and dairy-based equivalent.

Healthy living data

 Target Achieved
  On Track
  Close to Target
  Behind Schedule
  Target not Achieved
  Restatement
  In-depth assurance

Key Performance data icons

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Healthy living			% Co-op branded recipe products carrying traffic light labelling that are healthy (i.e. carry no red traffic lights)	45	46	46	46		
			Sugar removed from own-brand categories (based on annual sales) (million teaspoons)	253	74	18	44		
			Data fluctuates year on year depending on categories targeted.						
			Since 2014, we've removed 718m teaspoons of sugar across our Co-op range. 2021 will be the last year that we report on our sugar reduction activity as the Public Health England sugar reduction programme ended in 2020 and we're now focusing on calorie reduction.						
			% Co-op branded products that meet the Public Health England 2024 maximum salt target	-	-	-	94		
			98% of our Co-op products met the Department for Health 2017 salt targets 2018-2020. We are now working towards the Public Health England 2024 maximum salt targets, and will report this data going forward.						
	Co-op brand products which are 'reduced' or 'light' alternatives to a standard line will continue to be no more expensive (based on price/kg).	 One product was in exception to this commitment in 2021, but we expect to be fully compliant by Summer 2022.	Number of Co-op 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) Data not collated prior to 2019 A Low Fat Chicken Tikka was found to be an exception to this commitment in 2021. However, we expect to be fully compliant by Summer 2022.	-	1	1	1	Co-op brand products which are 'reduced' or 'light' alternatives to a standard line will continue to be no more expensive (based on price/kg).	
			Number of Co-op brand products in our GRO range that do not meet our commitment to be no more expensive than their meat and dairy-based equivalent (based in most instances on price per g/ml) Data not collated prior to 2021. At the end of 2021, the following products did not meet our commitment: Co-op Gro Nuggets 200g; and Co-op GRO Sizzling Sausage 300g. We're working to address these in the first part of 2022.	-	-	-	2	Our Co-op GRO products will continue to be no more expensive than their meat and dairy-based equivalent.	



Fairer for our Members and Communities

Membership and co-operation

As a co-operative, we're owned by our millions of members who have a say on the work we do and how we're run.

We're founded on a [set of Values and Principles](#) describing a different, fairer and better way of doing business. We use these Values and Principles to guide us in fulfilling our Vision and Purpose.

Co-op membership is about much more than just deals and rewards. Membership is a share in the business. This means members can have a say in how it's run, from the products we sell to the causes we support.

Democratic member control

Democratic member control is achieved both in our governance structure and in other, less formal, ways. Our Board is made up of 12 directors, of which four are Member Nominated Directors (MNDs). All of our Board directors are members themselves and they must meet both membership and eligibility requirements.

Our MNDs are elected through a direct ballot of our members. Our Independent Non-Executive Directors are appointed by the Board and subsequently put forward for election by members at our AGM.

We have 100 members elected to our National Members' Council by individual and Independent Society members.

Our Council has an important role in holding our Board to account for our performance, championing our Values and Principles, representing members' interests, as well as influencing our policies and strategies.

Members are encouraged to have their say in our AGM and elections. This is done through our system of 'one member, one vote'. For more information on our democracy, [visit here](#).

National Members' Council

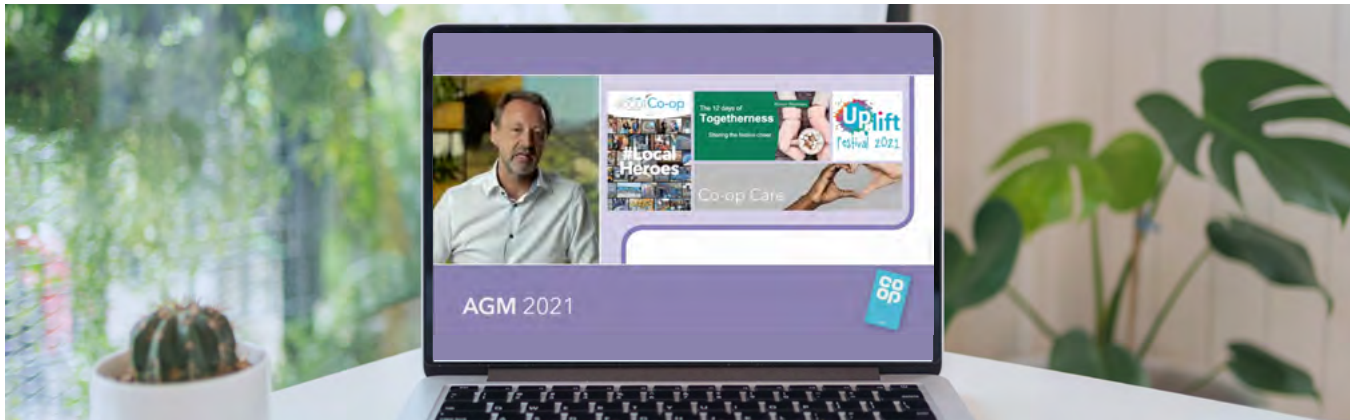
Our National Members' Council is made up of 100 Co-op Members from around the UK, including colleagues. In 2021, it welcomed a new Council President, Denise Scott-McDonald, and got together 17 times over Teams for Council Meetings and Directors' Forums. The Council fed into plans and discussed important issues for our Co-op, helping the business to meet the needs of our members and the diverse communities we serve and support.

A key role for our Council is holding the Co-op Board to account on the strategic and operational decisions it makes.

To do this effectively and in a way that takes into consideration our co-operative Values and Principles and the views of our members, the Council uses a framework called the Co-op Compass. Within the compass, there are four lenses: Member Value, Member Voice, Ethical & Sustainable Leadership, and Co-operative Leadership. To monitor these areas, each lens has key performance indicators and a committee, which meets with colleagues throughout the year to hear the latest updates.

To keep in touch with our members, the Council holds Join in Live events every autumn, bringing together co-operators, directors and colleagues to talk about what's happening around our businesses and shape plans around our campaigns, membership and community activity. For more information on the work of our National Members' Council in 2021, please read the Council Annual Statement in our 2021 [Annual Report and Accounts](#).





AGM

Our members vote on motions at our AGM, which are put forward by our Board, Council or members.

Due to the ongoing restrictions around hosting public events as a result of the Covid-19 pandemic, for the second year in a row, members were unable to attend our 2021 AGM in person. We therefore held an online event. 831 members joined the AGM online and were able to hear about the Co-op's annual performance, put their questions to the Board and participate in a workshop which was held prior to the event.

To ensure the meeting was quorate, 20 members did attend in person.

Following the AGM, a further 1,100 members have viewed all, or parts of the meeting as a downloadable content from the Co-op's AGM website.

In 2021, members voted on the following sustainability-related motions - full motion wording can be found in the [notice booklet](#).

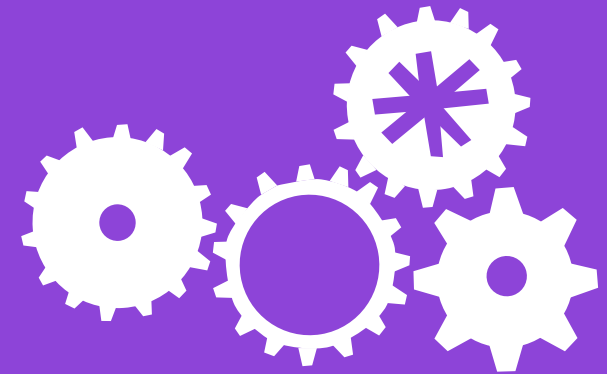
- **Motion from Council**
Sustainable Production and Consumption
Carried For: 59,927 (98.62%),
Against: 839 (1.38%), Withheld: 3,401.
- **Motion from Council**
Inequality and Food Poverty
Carried For: 58,994 (98.26%),
Against: 1,047 (1.74%), Withheld: 3,967.

53,863 members voted¹
in our 2021 AGM and elections (2020: 47,862).

2.4% voter turnout
among eligible members (2020: 2%).

¹ Includes Independent Society Member "weighted" votes cast on AGM motions

How our governance works



⚙️ **Members:** As a co-operative, we're owned by individual members and other co-operatives, not by shareholder investors. This means that as well as being rewarded for trading with us, our members have an opportunity to have their say on key issues including who represents them on our Council and Board.

⚙️ **Council:** Responsible for holding the Board to account. Acts as a guardian of our Values and Principles, our purpose and our constitution.

⚙️ **Board:** Responsible and accountable for determining strategy and holding the Executive to account.

⚙️ **Executive:** Key members of management running the business on a day-to-day basis in accordance with the strategy determined by the Board.

Our membership

The funds raised by our members are split between:

- Supporting the [Local Community Fund](#), helping thousands of grassroots community causes.
- Supporting the [Community Partnerships Fund](#) working with partners, to create lasting change on big issues we care about.

Through Co-op Membership, members also get access to weekly personalised offers for money off the things they buy most in our food stores and exclusive deals and discounts across our family of businesses.

Member participation

Members own our Co-op, and can shape our business activity through formal, democratic channels – like the [Annual General Meeting](#) – and by getting involved in ‘everyday’ participation opportunities. We aim to increase the reach and reward of Member Participation, with a particular focus on its appeal to younger members, by working with members in four areas: supporting member communities, co-creating products and services, standing up for what we care about and supporting Co-op democracy.



During 2021, **members participated a total of 662,000 times** across a total of **83 separate opportunities**.

In 2021, we continued to learn more about the diversity of members, working with colleague members through our RISE network to deliver test and learn activities around celebrations such as Eid Ul Adha and Diwali. We’re continuing this work into 2022.



Supporting member communities

Members joined in throughout the year to [co-create programmes of activity to be delivered through the Community Partnership Fund](#). Members shared knowledge and experience and attended Join In workshops to shape how the Fund will respond to the [three community missions](#) and deliver real change in members’ communities.

Co-creating products and services

Members worked with us in 2021 to help design new products such as [ice cream](#), pizza, popcorn and Christmas sandwiches. September saw the launch of our [member-inspired Millionaire’s Bar](#), with members who participated at any stage of its creation being rewarded with a special coupon to purchase it.

Co-op member Andrew Coleman from Devon saw his chocolate bar idea become reality



Standing up for what we care about

Sustainability was a key focus of member engagement during the year, as members worked with us to share their priorities for the Co-op's approach to climate change, [champion summer's plastic recycling campaign](#), and pledge to take small steps to address their own climate impacts in the run up to COP26.

Supporting our National Members' Council

Hundreds of Co-op members attended our [Join In Live](#) events during October, which were held online for the second successive year. Hosted by our Co-op National Members' Council, the four online events, provided members with business performance updates and the chance to ask questions directly to members of Co-op Board and Executive.

Wellbeing

In 2021, we continued to deliver Join In opportunities to support members' wellbeing throughout the pandemic. We checked in with members early in the year, then delivered activities that helped them to stay connected and active. These included a continuation of the members' quiz and producer-led events, and the delivery of an ['80-days' step challenge](#).

Young Members

Ensuring young people are better represented in our Co-op remains a key focus. Our Co-op Young Members' Group (CYMG), an advisory panel of six members aged 16-25, continued to champion representation of young people in our business, and recruited four new members to its ranks this year.

CYMG actively supported Co-op's sustainability agenda throughout 2021, producing engagement opportunities around the launch of the [soft plastics recycling campaign](#) and hosting an [online climate event](#) during Great Big Green Week to bring members together with Co-op experts to talk about climate change.

The group played a key role in supporting the community mission to deliver [fair access to education and employment for young people](#); working with members and other young people throughout the year to explore how the Community Partnerships Fund can deliver against this ambition - the first output of which will be a library of digital resources, developed with members and connected to the Co-op's existing careers and skills activity, and wider virtual work experience programme.

In 2022, the Group's priorities will be centred around young people and wellbeing, education and co-operation.





Co-operation among co-operatives

We're working to build partnerships that push the principles of co-operation forward and work together to help co-operatives and social businesses survive and thrive.

It's our ambition to be at the forefront of this movement, using our scale and influence to help others. We continue to be by far the largest funder of the Co-operative Movement and its institutions, providing over £1.6m of funding to a diverse range of organisations.

In 2021, we took part in initiatives such as:

- The co-operative sector's national campaign Co-operatives Fortnight, promoting co-operation based on the theme #JoinACoop, through social media and local activities led by Member Pioneers.
- Social Enterprise Futures and 26 for COP26 - raising awareness of the difference that social enterprises are making in communities and on climate change.
- Partnering with the Co-operative College on Co-op AdVenture - a vocational learning programme based on co-operative enterprise for students from Co-op Academy Southfield, our special school in Bradford.
- We have continued to work closely with the Co-op Party in Parliament and in devolved assemblies to highlight the issue of violence against shopworkers.
- We share the economic advantages of size and scale by joining with other large UK retail co-operatives in the Federal Retail and Trading Services Limited (FRTS), a federal model of purchasing.

Giving members what they need to play a part through education and training

Co-operative Member Education, Training and Information is one of our co-operative principles. Members own our business and have a say in it, so it's important that they understand more about what makes us different and how they can use their membership to do good things.

In 2021, 21,021 members took part in opportunities on our Join In platform, including a celebration event for Black History Month with the Co-operative Heritage Trust and a Co-op Fortnight event with Co-operatives UK and the Co-operative College.

By working with other co-ops, our National Members' Council and colleagues have brought together the history of co-operation and what we're doing to make the world a fairer place.

🎯 2022 targets

We aim to recruit 550,000 new members by the end of 2022 with 4.28m active members.

The National Members' Council will take action to increase the number of ethnic minority candidates standing for election to the Council, in order to be reflective of our Co-op Communities.

Membership and co-operation data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Membership numbers	Recruit 900,000 new members by the end of 2021.		We reset our target to 769,000 in May, which is still stretching, but more in line with the new member trend we were seeing after the lasting effects of multiple lockdowns. We ended the year with 517,000 new members, which falls short of our target but is more than we recruited in both 2019 and 2020 and means we close the year at 4.23m active members.	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)	4.6	4.6	4.34	4.23	We aim to recruit 550,000 new members by the end of 2022 with 4.28m active members.
			Number of new members (m)	0.6	0.5	0.4	0.5		
			Number of active (see definition above) young members, aged 25 and under	189,312	180,360	162,696	181,978		
Membership scheme			Amount earned by members for themselves through our membership scheme (£m) (amount redeemed in brackets)	60.4 (55.4)	54.4 (50.9)	50 (45.5)	20.7 (22.9)		
			See Community section for data on the amount earned by members for their communities						
			We reduced personal reward in September 2020 to give more back to the communities we serve when it was desperately needed. In the same year, we also gave £5.4m to colleague members in recognition of their support during the Covid-19 pandemic. In 2021, amount earned includes £1.1m for colleague members to help them celebrate the festive period.						
Member engagement	We will increase the total number of times members participate to 449,000 through our 'Join In' and 'Member Voice' activities, voting in our AGM & National Members' Council elections, and making donations to our Community funds.		Members participated in Join In and Member Voice opportunities 662,000 times during 2021, meaning we surpassed our target by 47.5% thanks, in part, to a new strategic approach to member involvement in new food product development which has significantly outperformed expected engagement levels.	Number of members voting at our AGM and elections (number voting in person in brackets)	94,725 (730)	60,549 (620)	47,862	53,863	
			Due to Covid-19 restrictions - in person attendance was limited to 20 attendees. (831 members participated in the online event in 2020 and 2021).						
			AGM and election voter turnout among eligible members (%)	3.5	2.2	2	2.4		
			Members participating in Join In live events in communities across the UK	1,395	1,276	463	291		
			In 2020 and 2021, the Join In live event programme consisted of 4 online events.						
			Members participating in our Join In programme online (number of opportunities to join in brackets)	97,403 (69)	147,637 (75)	243,544 (88)	266,738 (83)		
			Young members participating in our Join In programme online	5,283	7,240	29,699	36,849		

Membership and co-operation data continued

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Financial support for co-operatives			Financial support for representative and affiliated bodies of the co-operative movement (£m)						
Democracy	The National Members' Council will take action to increase the proportion of ethnic minority Candidates standing for election to the Council, in order to be reflective of our Co-op Communities.	Achieved - Proportion of ethnic minority candidates has increased from 7% in 2020 to 10% in 2021						The National Members' Council will take action to increase the number of ethnic minority candidates standing for election to the Council, in order to be reflective of our Co-op Communities.	10 REDUCED INEQUALITIES

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

Organisation	
Co-operatives UK	£743,389
Co-operative Party	£598,600
Co-operative Press	£106,000
International Co-operative Alliance	£68,634
Social Enterprise UK	£40,000
Woodcraft Folk	£25,000
Co-operative Heritage Trust	£24,600
Co-operative College	£9,940
People's History Museum	£8,000
Robert Owen Museum	£3,000
New Lanark Museum	£3,000
Plunkett Foundation	£2,500
Society for Co-op Studies	£2,000
Total	£1,634,663

Communities

Our work in communities is powered by membership and concern for the community is embedded in our Values and Principles. These things together are what set us apart.

Our approach is shaped by our Vision of "Co-operating for a Fairer World" and brought to life by our colleagues, our members and our communities. The strength of these assets on the ground is what enabled us to flex our plans to provide emergency support in the early days of the crisis and then back to more long-term, sustainable solutions which will help build resilient communities for the future.

Insights from our [Community Wellbeing Index](#), along with listening to members, colleagues and causes, help us understand what communities need and the areas we can have the greatest impact.

Our community plan focuses on three interrelated community missions:

- Fair Access to Food
- Fair Access to Mental Wellbeing Support
- Fair Access to Education & Employment for young people

We know we can't achieve our plan alone. That's why we're partnering with others, such as community organisations, local causes, charities and academies, to create a lasting impact.

Community Wellbeing Index

The [Community Wellbeing Index](#) is an online tool that provides insight into the wellbeing of over 28,000 communities across the UK. By entering a postcode, the Index allows users to view scores across many different measures – from the quality of education, housing affordability and public transport links, to the amount of green space and the number of community centres in an area – providing a useful snapshot of the strengths and challenges facing that community.

Our members and communities helped us build the index, and we use it to understand more about our communities and inform our community strategy. We refresh our data annually to ensure that it remains a reliable indicator of the things that communities care about. This year, we summarised the findings in a [report](#) that showed the local impacts of the pandemic on communities across the UK, including increased pressure on mental wellbeing and significant hikes in unemployment, confirming the importance of community strategy focus areas.





The Index continues to be used extensively by external stakeholders, such as charities, local councils, private sector organisations and researchers. This year, we shared the Index at events at the Conservative and Labour party conferences in the autumn and wrote to all local authorities and Members of Parliament to highlight the findings of the data refresh in their local communities.

Next year, we will continue to use the Index to inform our missions: for example, helping to select locations for community fridges, mental wellbeing services and youth programmes. We will continue to share the Index and its insight with our partners and stakeholders.

Putting community at the heart of membership

When our members buy selected Co-op branded products and services, they get 2p back for every pound spent and the same goes to local communities.

The funds raised by our members are split between supporting our:

- Local Community Fund, helping thousands of grassroots community causes .
- Community Partnerships Fund, creating lasting change on big issues we care about in local communities.

Local Community Fund

The Local Community Fund enables our members to support local projects they care about. Since we launched the Fund back in 2016, we've shared over £84m to help local causes deliver 25,000 community projects across the UK.

In the latest round, nearly 4,500 local projects promoting mental wellbeing (47%), supporting access to food (13%), and providing opportunities for young people (40%) went live in October 2021 for our members to support. These causes are set to support more than 1.5m people across the UK and more than 50% of projects will support ethnic minority beneficiaries, meeting a key diversity commitment. In Spring 2021, we issued a survey among causes to understand the impact of the Covid-19 pandemic on projects being supported through the fund.

Two-thirds of causes responded (66% response rate), providing valuable insight into the challenges they were facing. As a result of these key insights, we continued to allow greater flexibility in the use of the grant to enable causes to adapt their projects in light of the pandemic.

Given the ongoing challenges facing local causes and community organisations in 2021, we again injected extra funds into our interim April payout to get the funding into communities as early as possible.



£13.5m given to over 4,500 local community projects (2020: £15m).



1 million cause selections by members for the second year running (2020: 1 million).



Community Partnerships Fund

Since the fund launched back in September 2020, our members have raised £12.9m for the fund through their community reward, with a further £116,000 from more than 34,000 members who chose to donate their personal reward.

The Community Partnerships Fund has seen us build on existing relationships and partner with other organisations to support the work we're doing across our community missions, targeting the most vulnerable communities that need the extra help the most. In 2021, the fund distributed £3.7m and committed a further £2m to support activity in 2022. You can read more about the partners we're supporting below.

We know that [Member Pioneers](#), as well as community assets, such as [Co-operate](#) and our local store and funeral home Community Donations Policy, are important to our members, playing vital roles in helping us deliver our partnerships so, in 2022, this fund will also support these assets.

Fair access to food

There has been an increased need for emergency food support throughout the pandemic, which has continued during 2021. At the depth of our financial crisis in 2009, there were 30 food banks in Britain yet, at the beginning of 2021, there were 2,100 and the number continues to grow.

We know many food charity partnerships are serving communities in need of support, but we also recognise the need to move to sustainable solutions. Community schemes such as community cafés, community fridges and allotments already focus on removing the dependency on food banks and putting power back into the hands of communities. Our mission is focused on supporting these types of initiatives to help people move up the food ladder and access food in a more sustainable way.

Our approach in 2021 has focused on:

1. Making sure that any food that is fit to eat is used well, through distribution networks and local partners.

We've long been committed to reducing the amount of food we waste and, in 2021:

- Our Foodshare programme shares surplus food with local community groups - 88% of stores now have a Foodshare partner, with 28% of our Food stores' surplus food shared with these groups.
- Through our depot distribution network, we continued to support Fareshare by distributing 2.8 million meals in 2021.
- We pledged £1m in support of Music Feeds, an online concert providing 2.5m meals.

2. Building capacity to help local communities increase resilience and have agency over their own food journeys.

We launched our Hubbub partnership in May, helping to double the size of the UK's Hubbub Community Fridge Network from 100 to 200 locations. The fridges offer far more than just food. They bring people together to build skills, improve mental wellbeing and increase their resilience. By 2023, Co-op members will have helped to grow the network to 500 community fridges.

3. Aligning with campaigns for change that help level the playing field for access to food.

We're proud to have been one of the first retailers to confirm participation in the End Child Food Poverty Taskforce convened by Marcus Rashford.

Fair Access to Mental Wellbeing

1 in 4 of us will experience a mental health problem in any given year and the pandemic is having a significant impact on the mental wellbeing of the nation. Our new research [Together Through Tough Times](#) found that 1 in 3 people don't have the tools to deal with the ups and downs of life.

As part of our Vision of "Co-operating for a Fairer World", we are partnering with Mind, SAMH (Scottish Association for Mental Wellbeing) and Inspire to bring communities together to improve mental wellbeing.

Our new research also confirms the vital role of communities in supporting mental wellbeing, with networks of people and hubs creating the conditions in which both individuals and communities can prosper. This research has informed the development of our mission activity. We aim to:

- Raise £8m for Mind, SAMH and Inspire by June 2022.
- Support a minimum of 15,000 people to improve their resilience and mental wellbeing through our partnership services with Mind, SAMH and Inspire.
- Signpost one million people to information, activity and support for mental wellbeing.
- Make a lasting difference through, for example, calling for public policy changes.

working in partnership with:



We are well on the way to meeting our 2022 target, in 2021 we've:



£7m¹

raised for Mind, SAMH and Inspire.



Supported 8,200

supported over 8,200 people with their resilience and mental wellbeing through our pilot services, with over 50 new services set up across the UK.



Over 900,000

people signposted to information, activity and support for mental wellbeing since 2020, for example through Co-operate, Member Pioneers and Funeralcare bereavement activity.



Used our **research insights** to call on governments to build community resilience into post pandemic policies.

In early 2022, we will launch our partnership with Cruse to mobilise communities to support the bereaved. This includes working in four vulnerable communities across the UK to help kick-start community bereavement support in areas that need it most.

We'll also be partnering on the UK's biggest mental health conversation, Time to Talk Day, in response to the findings of our new research that shows one of the ways that community supports mental wellbeing is through open conversations.

¹ Since 2019

Fair access to education and employment for young people

The economic impact of the pandemic will be felt for years to come. We want to be able to provide sustainable solutions that will make a difference to the lives of the next generation. But it's clear from our insight that we can't do this alone. Through sharing capabilities, resources and funding with partners, we can achieve more together. So our aim is that, through co-operation, we will enable young people to change their lives and play an active role in changing the world around them for the better.

Our focus is on enabling young people to:

Be heard

We listened to the voices of 5,000 young people aged 10-25 and amplified them in our [Ghosted Generation report](#). It tells the story of the impact of Covid on the lives of young people across the UK and identifies the 'Hope Deficit' in young people from diverse backgrounds, with 60% of young people feeling their generation will be permanently disadvantaged by the pandemic.

Access opportunities

In February 2021, we announced plans to create a levy share scheme: working with other employers to bring together funding to support thousands of [apprenticeships](#) for individuals from under-represented groups. To date, it has opened up over 400 new opportunities.

We've created opportunities for 150 Kickstart placements at Co-op, building a unique community element, with our Member Pioneer Co-ordinators supporting the young people to spend up to eight

hours a month working in their communities.

As we move into 2022, we will look to extend our YEF partnership into the employability space, creating solutions that will enable enabling young people to progress into change-making careers.

Make a difference

We have partnered with the [Youth Endowment Fund \(YEF\)](#), which sees us, alongside the [#iwill Fund](#), invest £5.2m into giving young people the chance to make their communities safer, fairer places to live through a [Peer Action Collective \(PAC\)](#).

Together, we'll build a ground breaking network of peer researchers who'll turn insights into young people's experience into action - from campaigning to improve local mental health services, setting up a youth centre or supporting young people into employment.

In 2021, we secured Regional Delivery partners and started to recruit Peer Researchers (aged 16-20), who will design and lead projects with young people. To date, 35% of researchers are from ethnic minority backgrounds, supporting our commitment to reflect under-represented communities.



27

academy schools in the Co-op Academies Trust (2020: 26).



Over 1,500

students benefited from our virtual Work Experience programme.



12

Co-op suppliers supported students through work experience².

Co-op Academies

The Co-op Academies Trust provides an education based on Co-operative Values and Principles for over 17,000 young people. It's their ambition to provide fairer access to education, as well as to inspire a new generation of high-achieving, ambitious, skilled and confident co-operators.

In line with our missions, we are supporting our academies to deliver:

Access to Education

Our Careers Education, Advice, Information and Guidance (CEAIG) activity goes from Primary to Secondary to Post-16. Our Virtual Work experience is delivered in partnership with our key suppliers to ensure a true one Co-op experience, and has ensured that Co-op Academy students don't miss out on work-based learning opportunities through the crisis. This has been complemented with physical work experience opportunities for SEND students.³ We've also continued to deliver the Co-op Young Business Programme at Connell College: the only programme of its kind in the UK which looks to develop employability skills and work readiness.

Access to mental wellbeing

A whole Trust approach includes action plans for each academy to ensure mental wellbeing has as high a priority as physical health, developed with the support of our charity partner, MIND.

Access to food

A community fridge at Co-op Academy Failsforth, being run by the students for the whole community to access.

As part of our commitment to the Trust, we provide governance expertise from our business, which includes 83 Co-op governors, and we are working in partnership with our academies on the development of an anti-racist curriculum. We also remain committed to developing opportunities for more students to move from a Co-op education into a Co-op apprenticeship and career.

Following our investment in growing the Trust to up to 40 academies by the end of 2022, we're proud that, by the end of 2021, Co-op Academies Trust ran 27 academy schools (2020: 26) in Greater Manchester, Yorkshire, Merseyside and Staffordshire. We will see a further two schools joining in 2022 and a new special academy in Leeds in 2022/23.⁴

Our academies continue to play a fundamental role in our ambition to *"Co-operate for a Fairer World"*, with our unique network of Co-op Co-ordinators supporting campaigns such as Fairtrade, as well as supporting our sustainability commitments by setting up uniform swaps and gardening clubs. For more information about our Co-op Academies [visit here](#).



² Kellogg's, ITV, Mitie, Keelings, Microsoft DigiGirlz, Microsoft Xbox, Proctor & Gamble, Marsh, Mondelēz, Manhattan Associates, Pilgrim's, Link Contracting.

³ Special Educational Needs and Disability.

⁴ The pandemic has caused a delay within year but the effect of this is to generate a stronger pipeline for 2022.



1,000

Member Pioneers and Member Pioneer Co-ordinators based in communities across the UK (2020: 1,000).



100,000

hours invested in UK communities in 2021 (2020: 90,000).



38,000

people a month engaged with on average by Member Pioneers (2020: 30,000).



6m

Member Pioneers have a reach of 6m through their Social Media channels.



15%

of new hires from ethnic minority backgrounds. As part of our commitment to ensuring Member Pioneers reflect their communities.

Helping Communities to Co-operate across the UK

Member Pioneers

Member Pioneers make great things happen in our communities. They are the boots on the ground, working together with Co-operate, our online community centre, other Co-op colleagues, members and local causes to make a difference and make our communities better places to work, play, live and learn.

They bring our Co-op Vision to life, connecting key contacts in their communities and bring people together to increase co-operation. Like Member Pioneer Pat Lawton, who in 2021 worked with Spennymoor Youth and Community Centre to set up a food parcel service for those in the community who were shielding or unable to access food. In the first three months over 2,500 food parcels were delivered to people locally. Or Debbie Hali who, as part of Mental Health Awareness Month, planned a Sunrise Walk to fundraise for MIND. Thirty Co-op colleagues walked from the 'dark' into the 'light', raising over £1,000.

Last year, Member Pioneer Co-ordinators delivered over 300 Live Local events across the UK, bringing our Vision to life for members, customers, colleagues and causes. Themes ranged from Fairtrade to Sustainability to complement activity such as the launch of our soft plastic recycling.

In 2022, Member Pioneers will continue to embed our Vision of "Co-operating for a Fairer World" through their local networks on the ground. For more information, or to get involved, visit communityspirit.co.uk, or to find your nearest Member Pioneer Co-ordinator, click [here](#).

Co-operate, our online community centre

Co-operate brings people together to make good things happen in communities. Anyone can use Co-operate for free. 13,500 groups and activities, and counting, are connecting with people across the UK, helping to empower more people to "Co-operate for a Fairer World". Whether they want to join a group or activity, volunteer or set up their own - it's for people who care about their community and want to join forces to get things done. It's created with communities, for communities, and funded by our members so it's truly owned by the community. Get involved at coop.co.uk/co-operate.

In 2021, we brought Co-operate closer to Co-op's community plan, creating pages sharing our partnerships, whether that be a community fridge from Hubbub, a PAC project or mental wellbeing services with Mind, SAMH and Inspire.

After funding, we know that volunteering is the second biggest challenge faced by groups⁴, so this year we launched a simple and easy to use volunteering service on Co-operate - matching groups who need support with people who want to make a difference. Over 18,000 opportunities are listed across the UK. By integrating the Local Community Fund application process with Co-operate, the community groups who apply for funding can use it to get help from the Co-op and their community in more ways than just funding. In 2022, we'll continue to support the communities we serve through digital tools and resources on Co-operate.

⁴ Co-op research conducted in 2019 around societal barriers that prevent people making things happen in local communities.

Colleague support for communities

We encourage all colleagues to play an active role in the community, whether volunteering through Co-operate, running or participating in community projects, or taking part in social action.

In 2021, colleagues supported their communities in a variety of ways, from volunteering with local charities, organising fundraising events or serving as trustees or governors, to supporting causes participating in the Local Community Fund. For more examples of our activity, see our Colleague Stories page [here](#).



The Co-op Foundation

The Co-op Foundation is our charity. It helps people challenge inequality and co-operate for change so they can share a fairer future. In 2021, the Foundation formalised its commitment to be a [flexible grantmaker](#) and delivered on this pledge by awarding an emergency, unrestricted £250,000 grant to Refugee Action to lead the Co-op's response to the Afghan refugee crisis. It partnered with the Co-op again in November with the launch of the £3m Carbon Innovation Fund. This is funded, in part, through Co-op donations raised from the sale of compostable carrier bags in the UK.



The Foundation continued to tackle the stigma of youth loneliness by inviting young people to share their stories of loneliness on its [Lonely Not Alone website](#).

This campaign built on its own research that found a [25% rise](#) in chronic youth loneliness in 2021.

In 2021, The Co-op Foundation:



Awarded £296,000 from its Space to Connect partnership with DCMS⁵ to help communities tackle loneliness and build spaces for people to connect and co-operate.



Committed to more than £366,000 of flexible, emergency grants to Foundation partners to help them overcome the effects of Covid.



3.1m young people have now seen the Lonely Not Alone campaign.

2022 targets

In 2022 more than £20m will be raised to support local communities through members choosing Co-op.

By the end of 2022, we will:

- signpost over a million people to mental wellbeing support including information, services and community activity.
- support 15,000 people to improve their resilience and mental wellbeing through our charity partnership services.

By the end of 2022, we will have identified 350 Community Fridge locations and piloted a Community Food Hub, with a total of 25 more Community Food hubs identified.

By the end of 2022, we will have enabled 6,400 young people to develop skills which improve their own futures and make a difference to their communities, as well as having enabled 3,500 diverse young people to access work experience or employment opportunities at the Co-op, Co-op Academies and through our partners.








By the end of 2022, the Co-op Academies Trust will have developed a pipeline to increase the number of academies to 40.


By the end of 2022, through Co-operate, we will have encouraged 10,000 people to connect to opportunities to support their local community.

In 2022 we will invest 113,000 hours for Member Pioneers to engage with people to support the delivery of our Co-op missions and increase co-operation in our communities.

⁵ Department for Digital, Culture, Media & Sport

Communities data

 Target Achieved
  On Track
  Close to Target
  Behind Schedule
  Target not Achieved
  Restatement
  In-depth assurance



Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Community Investment			Total investment in UK and international communities (£m)	31.7	35.0	47.4	41.2 A	In 2022 more than £20m will be raised to support local communities through members choosing Co-op.	<div>10</div> <div>REDUCED INEQUALITIES</div>
			Overall investment in UK and International communities reduced after the peak driven by emergency Coronavirus response in 2020 but remained significantly higher than pre-pandemic levels.						
			Total investment in UK communities (£m) Cash + Colleague Time + Gifts in Kind + Leverage	28.8	32	44.6	37.6		
			Total UK community investment (£m) Cash	14	15.9	22.1	20 A		
			Investment in local causes through the Local Community Fund and national partnerships in support of our community missions through the newly established Community Partnerships Fund ensured that UK Cash community investment remained significantly higher than pre-pandemic levels.						
			Total UK community investment (£m) Colleague Time	2.2	4.3	6.1	7.1 A		
			The continued work of our national network of Member Pioneers and increases in community hours by Food & Funeralcare colleagues resulted in a 15% increase in community investment through colleague time.						
			Total UK community investment (£m) Gifts in Kind	0.5	0.7	6.1	1.3 A		
			Total reduced from the peak driven by 2020 stock and airtime donations in support of FareShare but still significantly higher than pre-pandemic levels.						
			Total UK Leverage (donations by members, customers, partners and suppliers)	12.1	11.1	10.2	9.2 A		
			Fundraising for Mind, SAMH & Inspire, as well as funding leveraged through community partnerships and by the Co-op Foundation was offset by a reduction in funds raised through the Carrier Bag Levy as compostable bags are rolled out across our Food estate.						
	We will generate at least £24m of funding for our Local Community Fund (LCF) and Community Partnerships Fund in 2021 to underpin our Vision of "Co-operating for a Fairer World" and the delivery of our community missions to support fairer access to food, mental wellbeing services and opportunities for young people.	<div> Over £23.5m was raised by customers and members for our Local Community Fund and Community Partnerships Fund in 2021, placing us at 98% of target.</div>	£ given back through LCF (member contribution + carrier bag levy) (£m)	19	17.3	15	13.5		
			Reduction in size of overall LCF payout continues to be driven by the reduction of funds received through the Carrier Bag Levy as compostable bags are rolled out across our food estate.						
			£ raised for Community Partnerships Fund (£m)	-	-	2.8	10.1		
			In its first full year of operation, over £10m of community funding was generated through our Community Partnerships Fund.						
			£ raised through Carrier Bag Levy (£m)	7.2	5.6	3.9	2.8		

The total £ raised through carrier bag levy is included within the figure reported for Total UK leverage







In 2022 more than £20m will be raised to support local communities through members choosing Co-op.




Communities data continued

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Local Community Fund			Number of causes supported by LCF	4,400	4,495	4,558	4,561		
			Payouts were made to 4,561 projects through the Local Community Fund in 2021, with a further 4,482 projects aligned with our community missions joining the latest round of funding in October.						
			Number of Cause selections made	670,000	709,000	1,072,747	1,007,800		
			More than one million cause selections were made by Co-op members for the second year in succession.						
			Projects supporting Fairer Access to Food welcomed into the LCF	-	-	-	569		
			Projects supporting Fairer Access to Mental Wellbeing Support welcomed into LCF	-	-	-	2,122		
			Projects supporting Fairer Access to Education and Employment for Young People welcomed into the LCF	-	-	-	1,791		
Member Pioneers	In 2021 we will invest 113,000 hours for Member Pioneers to engage with people to underpin delivery of our Co-op Vision, support the delivery of our Co-op missions as well as increase co-operation in our communities.	 Over 110k hours were invested directly in communities through out Member Pioneer Programme in 2021. This indicator performed fractionally lower than target.	Number of member pioneers	300	600	1,000	1,000	In 2022 we will invest 113,000 hours for Member Pioneers to engage with people to support the delivery of our Co-op missions and increase co-operation in our communities.	
			Hours invested in communities by Member Pioneers	-	-	89,927	110,811		
			Over 110k Member Pioneer hours were invested directly in supporting communities during 2021.						





Communities data continued

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Co-operate Platform	We will encourage 300,000 people to engage with their local community through our Co-operate platform by the end of 2021.	 In 2021 247,908 people used our platform to engage with their local communities.	Number of people engaging with local activities through Co-operate Platform	-	-	-	247,908	By the end of 2022, through Co-operate, we will have encouraged 10,000 people to connect to opportunities to support their local community.	
			Number of Visits to Platform	-	-	183,000	704,953		
			Activity focused on increasing awareness of local groups and activities that benefit the community and signposting ways to support drove a significant increase in visits.						
Co-op Foundation			£ awarded since 2016 (£m) through Belong Programme	6.2	6.5	6.5	7.1		
			Number of young people engaged in Belong projects since 2016	2,631	18,734	26,783	31,619		
Colleagues involved in community activity during work time			No. colleagues involved in community activity	7,129	10,106	11,472	6,622 		
			Whilst the number of colleagues involved in community activity in work time reduced, overall hours invested continued to grow with a smaller number of colleagues delivering a higher number of hours in support of their communities.						
			No. days (hrs)	16,348 (122,613)	31,297 (234,724)	43,236 (324,270)	47,518 (356,390)		
			Value of colleague time (£m)	2.2	4.3	6.1	7.1 		
Access to Wellbeing	By end of 2022, we will signpost over a million people to mental wellbeing support including information, services and community activity By end of 2022 we will support 10,000 people to improve their resilience and mental wellbeing through our charity partnership services.	 400,000 people signposted in 2021 to support target for 2022. 8,228 people supported in 2021 to support the target for 2022.	Number of people signposted to sources of mental wellbeing support, including information, services and community activity	-	-	-	400,000	By end of 2022 we will signpost over a million people to mental wellbeing support including information, services and community activity. By end of 2022 we will support 15,000 people to improve their resilience and mental wellbeing through our charity partnership services.	
			Number of people supported by campaigning work	-	-	-	8,228		
			£ raised in support of access to mental wellbeing support Mission (total since start) (£)	-	500,000	3m	7m		

Communities data continued

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Access to Food	We will provide a network of 100 community fridges in places of most need in 2021 that will support 187,500 people with 5m meals annually by end of 2022.	<p>R We identified the location for 100 community fridges in 2021 which will be launched through the course of 2022. Working with the Food Ethics Council and research from University of York, we have learnt that number of meals produced is a factor that is impacted by external variables out of our control. Bearing this in mind, in addition to our sustainability commitments to reduce surplus food production, we have revised our target to ensure that the Community element of the mission focuses on capacity building.</p>	Number of community fridge locations identified	-	-	-	100	By end of 2022 we will have identified 350 Community Fridge locations and piloted a Community Food Hub, with a total of 25 more Community Food hubs identified.	

Communities data continued

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Access to education and employment for young people	<p>We will increase the number of Academies in the Co-op Academies Trust (CAT) to at least 40 by the end of the academic year 2021-22.</p> <p>To ensure our Academies are governed in line with co-operative Values and Principles, we will provide a current or former colleague as Chair of Governors and an additional 1 - 4 Co-op Governors per Academy, depending on the needs of the Academy.</p>	<p>27 Academies currently. The pandemic has caused a delay within year but the effect of this is to generate a stronger pipeline for 2022. The delivery of that pipeline is driven by CAT with academies being regarded as committed in advance of them formally opening. Achieved.</p>	Number of Academies	18	24	26	27	<p>By the end of 2022, the Co-op Academies Trust will have developed a pipeline to increase the number of academies to 40.</p>	
			Number of governors	50	74	80	83		
			Contribution to Co-op Academies (£)	0.6m	1.5m	4.6m	1.1m		
			Investment in the Co-op Academies Trust returned to pre-pandemic levels following the peak driven by investments in meal vouchers and the provision of laptops for pupils studying from home in 2020.						
	<p>[On track for 2022]</p> <p>By 2022 our Youth Mission will enable young people to be heard, make a difference and access opportunities. Delivered through:</p> <ul style="list-style-type: none"> A Changemakers initiative, giving 6,400 young people the platform, skills and support to be heard and make a difference on the issues that matter to them. Supporting 150 young people (16-25) from disadvantaged communities to access work through the Kickstart scheme. We will also offer at least 50% of those meaningful employment after their Kickstart scheme has finished (after 6 months). <p>See here for our apprenticeship target</p>	<p>126 Peer Researchers are now in place as part of the Peer Action Collective (changemakers).</p>	Number of young people participating in change maker initiative	-	-		126	<p>By the end of 2022, we will have enabled 6,400 young people to develop skills which improve their own futures and make a difference to their communities, as well as having enabled 3,500 diverse young people to access work experience or employment opportunities at the Co-op, Co-op Academies and through our partners.</p>	  
			37 Kickstart colleagues taken on in 2022 with target of additional cohort joining in March 2022 (likely to be >50). Overall challenges on attraction to roles with low number of referrals and high rates of no-shows for interview. Final recruitment drive in Q1 2022 and some brilliant success stories on the programme despite not achieving targets.	Number of young people (16-25) accessing work through the Kickstart scheme				37	
			63% of those completing offered a role with Co-op. 47% accepting.	% of which offered meaningful employment after their Kickstart scheme has finished				63%	

A woman wearing a yellow hard hat and a high-visibility vest over a plaid shirt is smiling and looking up. She is holding a clipboard. In the background, there are rows of solar panels in a field under a cloudy sky.

Fairer for our Planet

Climate change

Climate change is real and the stability of our planet is under severe pressure. Our world is warming up and we must take action now to protect our planet, not just for us but for future generations. The choices we make today will affect our tomorrows – so we must stand together to reduce harm to our planet.

In 2021, we published our [10-Point Climate Plan](#). This plan is a blueprint for how our Co-op will play its part in addressing the severe challenge which our planet faces. Our plan is built on three principles:

- **We follow the science** in our target setting and decision making. Above all else we must rapidly reduce the carbon we put into the air
- **We work for a fair and just transition** for people and planet. Solving the climate crisis can't come at the expense of those who can least afford it
- **We co-operate for systems change** because we are stronger and more effective when we work with others



Principle One: Follow the Science

Our priority above all else is to rapidly reduce the carbon¹ emissions we release into the air, both from directly running our business and from our far greater indirect impact upon the world².

We closely follow the guidance and recommendations of the **Science Based Targets Initiative** (SBTi) and our current carbon reduction targets have been approved by this coalition of leading NGOs.

We are committed to refresh these targets regularly in line with the latest science and, as a result of the publication of SBTi's updated Net Zero Standard, we will reassess our target pathway in 2022.

¹ We refer to 'carbon' and 'carbon reduction'. In all cases we are referring to our total greenhouse gas emissions expressed as their carbon dioxide equivalent. We are not excluding greenhouse gases from our targets.

² When we refer to 'direct' emissions we are describing Scope 1 and 2 greenhouse gas emissions under GHG Protocol categorisation, which is emissions from running our business and within our operational control. 'Indirect' emissions refer to Scope 3 greenhouse gas emissions, meaning those emissions from the wider value chain not under our operational control.

The latest guidance

Since setting our first science-based targets in 2019, scientific understanding and policy discussion has accelerated. There are three important concepts which we now need to address (see table, right).

Our approach

Our strategic approach follows the latest guidance from the Science Based Targets Initiative. Rapid carbon reduction aligned to 1.5°C in the short term, a long term goal of net zero emissions across all scopes by 2040, and compensation for our emissions in the meantime through carbon neutrality, funding verified carbon offset projects.

1.5°C aligned carbon reduction. The speed at which we reduce carbon emissions is directly linked to how much average temperature increase and climate volatility the world can expect. The social and environmental impacts of climate change are expected to be far worse beyond a 1.5°C increase so we must collectively act faster.

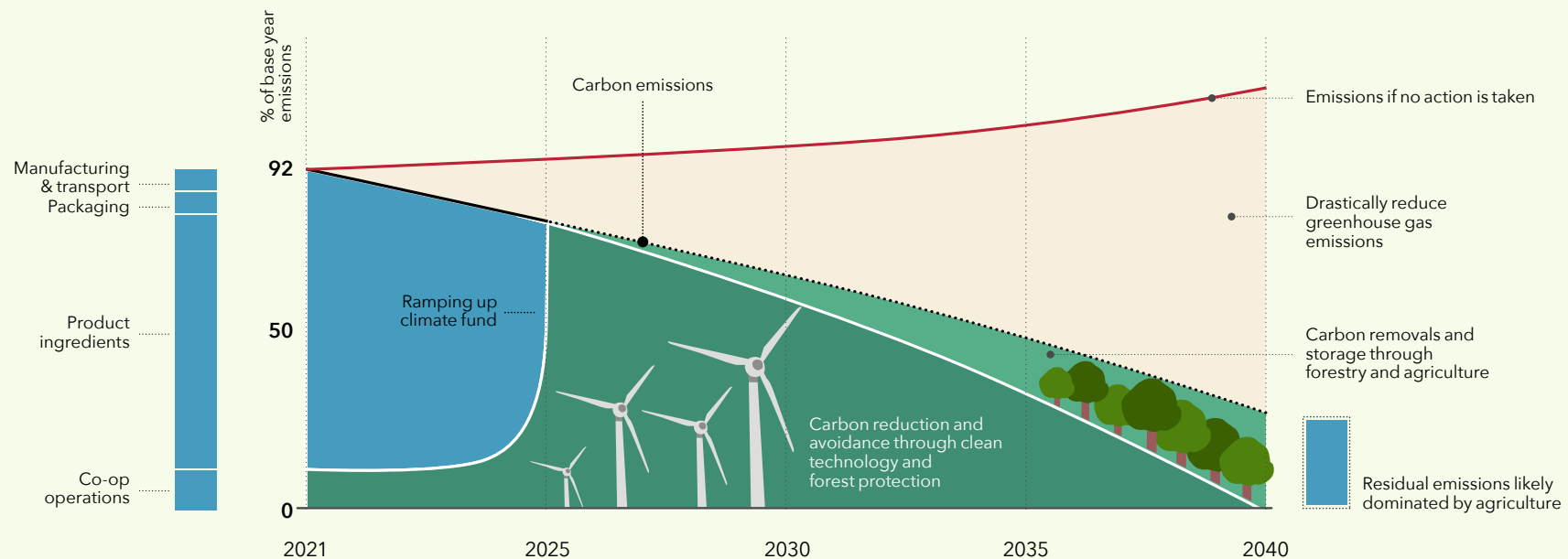
Net zero emissions. This is the long-term goal of many climate change commitments on an organisational, national or global level and describes the point when emissions within a set boundary are both 1) reduced to only residual emissions and 2) balanced by natural or technological removal.

Carbon neutrality. A state when carbon emissions within a set boundary are balanced by action to reduce, avoid or remove emissions elsewhere. It is a way to compensate for climate impact in the near term, but is not the same as carbon reduction nor the end goal of net zero emissions.

Co-op position

- ✓ Our target for direct emissions is already 1.5°C-aligned
- Our target for indirect emissions is currently 2°C-aligned and will be reassessed in 2022
- ✓ Our target is to reach net zero emissions across all scopes by 2040
- ✓ 100% of our operations are now carbon neutral through 'compensation activity' as of 2021, with rigorous standards for the activities we will fund

Co-op's pathway to net zero - An indicative representation of our long-term approach



Performance

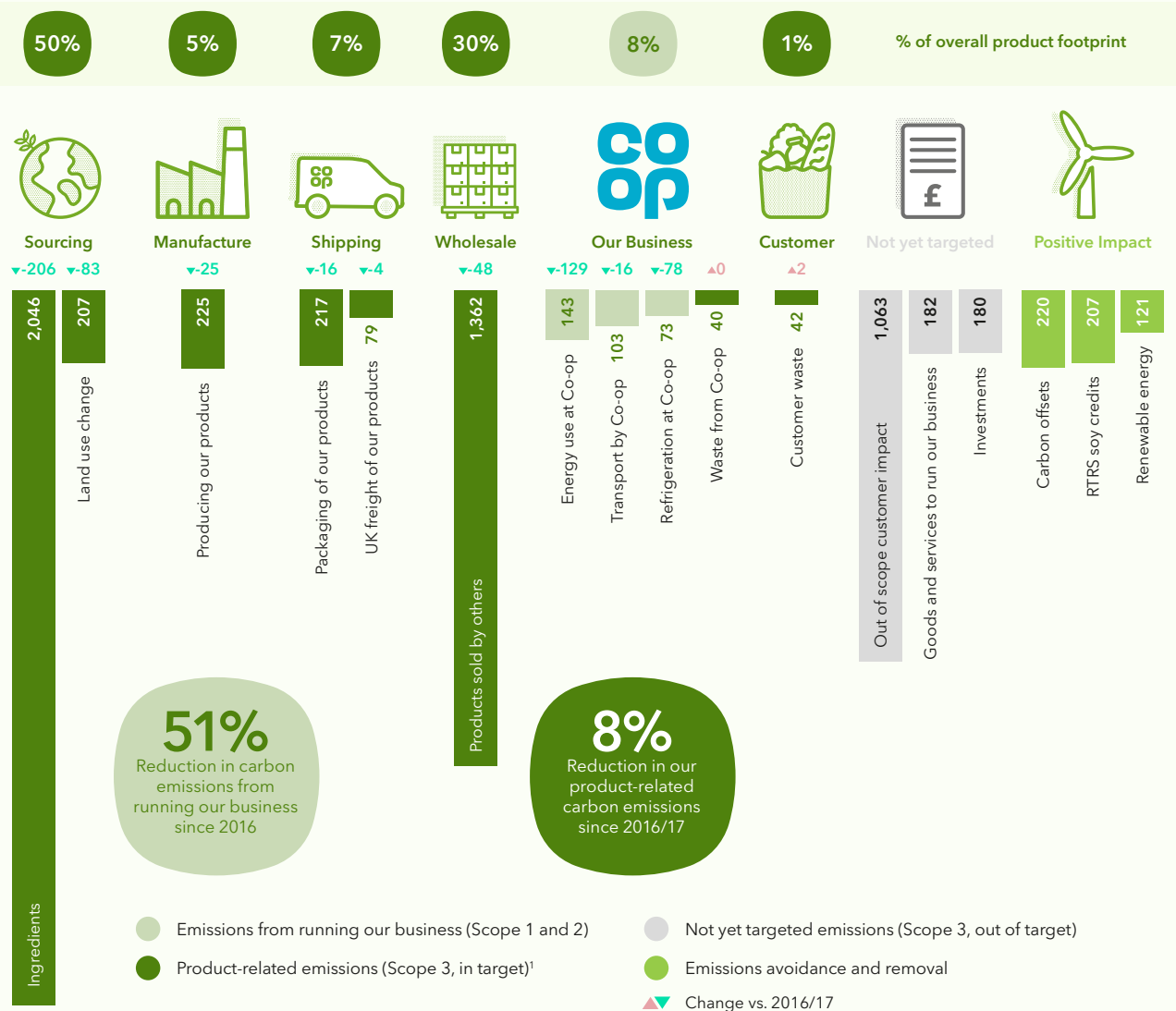
We carry out detailed research, assessments and site visits to determine our full end-to-end carbon footprint. This footprint includes the thousands of products we sell, with impacts estimated from hundreds of suppliers and organisations throughout our supply chain. The indirect share of this footprint is over ten times greater (4,218 kt) than the direct emissions from running our business (320 kt) and is far more challenging to address.

The carbon emissions from running our business have continued to reduce, driven by a combination of investment to make our properties more energy efficient, using less impactful refrigerant gases, and more renewable energy in the UK grid. Our operational (Scope 1 and 2) emissions have reduced by 51% since 2016 and we have reached our carbon reduction target three years early.

Our indirect carbon emissions are almost entirely driven by the products that we source and sell. These emissions have reduced by 8% since 2016/17, largely driven by underlying commercial trends at Co-op including the volume and mix of products that we sell, in addition to trends in the wider society including the electricity used for UK manufacturing becoming lower carbon and the balance of UK soy imports shifting towards countries with lower deforestation risk.

We have seen measurable reductions in our product carbon emissions from the work set out in our 10-Point Climate Plan, including removing peat from sale and working with our UK farmers to reduce the impact of animal agriculture. It is important to note that Scope 3 footprinting is necessarily based on indirect modelling of our supply chain. In 2021, we have improved our model to use more Co-op specific data throughout. This will continue to be improved and we will seek to improve alignment across the retail sector as we campaign for mandatory reporting of full carbon footprints.

Co-op's full carbon footprint 2020/21 (ktCO₂e)



¹ Product-related emissions for the Co-op cover the most significant value chain impacts of the products we sell. Specifically, this includes Scope 3 emissions from purchased goods and services for resale, upstream transportation and distribution, food waste generated in our operations and end-of-life treatment of sold products. A more detailed breakdown of these categories is set out in the data tables [here](#).

Case study: Carbon reduction

Reducing our operational greenhouse gas emissions to meet our science-based target has centred around energy efficiency improvements, refrigeration technology and UK electricity grid decarbonisation. We've improved our property maintenance plans, standards and specifications, targeted investments in energy use and refrigeration, and enhanced asset monitoring/management controls. We've also achieved a reduction in greenhouse gas emissions from our logistics operations by optimising store delivery schedules and dynamic route planning, leading to a reduction in kilometres travelled and fuel used.



Principle Two: A Fair and Just Transition

We are now facing decades of unprecedented change. Whether through the disruption required to solve the climate crisis across the world and transition to a net zero future, or the accelerating impact of climate volatility that we are already seeing.

This means climate change is a human issue as much as it is an environmental one. A fair and just transition means finding solutions to this crisis in a way that not only reduces emissions and protects the natural world, but which also creates a fairer, more just and equal world in the process.

Our approach

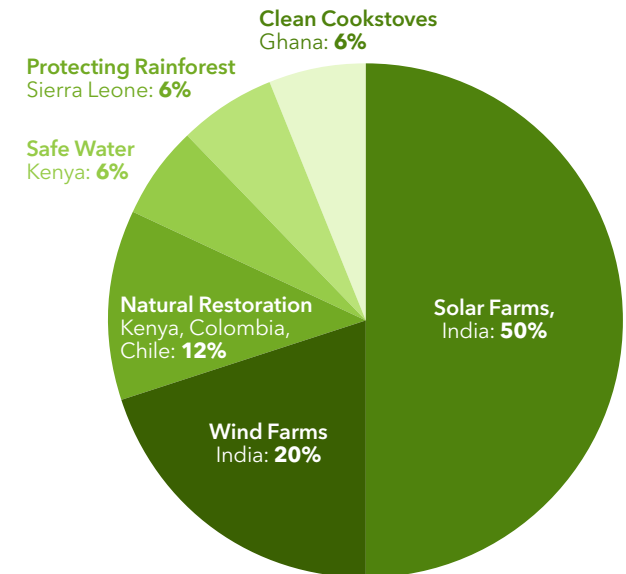
A key part of our approach is **directing finance to reducing carbon emissions**. As of 2021, we are aligning our colleague pension fund to reducing carbon, directing half of the carrier bag charge to fund innovations to reduce carbon and UK natural restoration projects, and funding a significant portfolio of international offset projects, reducing carbon emissions and supporting a fair transition worldwide.

As of 2021, we fund carbon avoidance and removal projects equal to 100% of the carbon emissions from running our business. This means every Co-op store, funeral home and office is now carbon neutral¹.

In 2021, Co-op Insurance celebrated 15 years since it brought the first UK car insurance policy with carbon offsetting to the market; 2021 also marked ten years of carbon neutrality for Co-op Funeralcare, across its operations.

¹ We fund verified emissions reduction (VER) credits totalling our full Scope 1 footprint. Our Scope 2 footprint is backed by 100% renewable energy guarantees of origin.

Co-op's carbon offset funding 2021



We follow the highest standards of the voluntary carbon market and our commitment to a fair transition. The projects we choose have tangible benefits to people and communities all over the world. You can read more in our 10-Point Climate Plan.

Case study: Carbon innovation fund

The three-year, £3m Carbon Innovation Fund was launched in November 2021. It's a partnership between Co-op and our charity, the Co-op Foundation, funded through Co-op donations raised from the sale of compostable carrier bags in the UK and additional Co-op Foundation funds.

The Foundation plans to award funding of between £75k and £100k to about 10 projects in the food and farming sector in year one. Eligible organisations include charities, social enterprises, co-operatives and businesses in the UK and overseas.

The Carbon Innovation Fund will support projects that reduce greenhouse gas emissions. The fund is particularly looking to support innovative projects, movements or inventions which not only deliver an environmental good, but which can contribute to real systems change and demonstrate a positive impact for people and communities, too.

Read more [here](#).



Planning for transition

In 2022, we intend to **review and report our transition risks**. We are committing to undertake the recommendations of the Taskforce on Climate Related Financial Disclosures (see [here](#) for more detail).

Supporting producers

Finally, we are **supporting producers to adapt to climate change realities** and become more climate resilient. In August 2021 we announced our new partnership with Fairtrade Africa. We are working with 12 producer organisations in tea, coffee and flower supply chains in sub-Saharan Africa to take action for the security of their own livelihoods, environments and protecting key commodities for the long-term benefit of us all.

We have committed to invest at least 0.7% of our pre-tax profit to international aid, and released a Climate Justice for People & Planet report endorsed by the Fairtrade Foundation, which sets out our approach and performance to date. Read more [here](#).



Principle Three: Co-operate for Systems Change

No single organisation can solve climate change on their own. Co-operation is the only way we can realistically avert the worst impacts of this crisis. Over the last year we have begun to move from an *organisational* approach towards a *systemic* approach, forming strategic partnerships, leading where we can, following where others are ahead and campaigning and lobbying for systemic change.

Cross-industry co-operation

Back in 2020, we funded and steered the development of the BRC Climate Action Roadmap alongside 19 founding retailers including IKEA, M&S, Aldi, Lidl, Morrisons and Central England Co-operative. Over the course of 2021 this group has expanded and we now work with over 80 other retailers to develop solutions across five cross-sector themes: greenhouse gas data, renewable energy, logistics, sourcing and supporting customers. Our CEO, Steve Murrells, was identified as the first Chair for the Roadmap Steering Group and agreed to lead this work for its first two years.

We have continued the expansion of the renewable energy arm of our business, Co-op Power, and are now supporting 80 customers in the collective buying of cost-effective electricity solely from UK wind and hydropower.

And, in November 2021, we joined with Tesco, Sainsbury's, Waitrose and M&S to jointly back the [WWF Sustainable Basket Metric](#).

This independently assessed cross-industry initiative aims to halve the impact of the average UK shopping basket, covering a wide range of sustainability measures. On climate change, this commits us to 1.5°C-aligned carbon reduction and being transparent about our progress.



Members, customers and communities

We're supporting our customers and members to make lower carbon choices. We've joined the global Count Us In campaign, aiming to mobilise one billion people over the next decade to reduce carbon and challenge leaders to deliver global systems change.

At a local community level, we're supporting the transition to a lower carbon future across the UK by expanding the criteria of our Local Community Fund in 2022 and directly supporting climate and biodiversity initiatives.

Campaigning for climate action

Over the last decade we've campaigned and lobbied Government on a number of important climate change issues: for a halt on UK fracking, for community renewable energy, solar energy subsidies, stronger company climate reporting and legally binding climate targets.

This year marked the launch of our Climate Justice campaign, making the climate crisis one of our campaigning priorities. You can read more about our plans and progress [here](#).



Case study: CO-OP26 in partnership with *Count Us In*

The 26th UN Climate Change conference, COP26, brought global leaders together in Glasgow to address the climate crisis. Our senior leaders Steve Murrells and Jo Whitfield spoke at events to advocate for climate action and climate justice, and at a more local level we chose to start a conversation about how citizens can impact climate change in their day-to-day lives.

Six flagship Co-op stores were rebranded as 'COOP26' and every Co-op food store carried in-store messaging sharing simple and practical steps to reduce carbon emissions. This campaign was in partnership with 'Count Us In' which is seeking to encourage one billion citizens to take action to address climate change.

🎯 2022 targets

We have reached our 2025 target for direct emissions three years early and will refresh our science-based target pathway in 2022.

Approved science-based target:








We will reduce product-related absolute GHG emissions by 11% by 2025, compared to 2016, in line with ambitious best practice as defined by the SBTi coalition.

Long-term goal:













We will reach net zero GHG emissions from both operations and products by 2040 at the latest.

We will support other co-operatives, NGOs and communities to address their climate change impacts through the purchase of green energy and advice services via Co-op Power.

Climate change data


 Target Achieved
  On Track
  Close to Target
  Behind Schedule
  Target not Achieved
  Restatement
  In-depth assurance

Key Performance data icons

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Direct Emissions	Approved science-based target. We will reduce absolute GHG emissions from our own operations by 50% by 2025, compared to 2016, in line with the pathway to limit global warming to no greater than 1.5°C above pre-industrial temperatures.	 We have achieved this target three years early.	Scope 1 GHG emissions: Refrigeration (ktCO ₂ e)	104	95	74	73 	We have reached our 2025 target for direct emissions three years early and will refresh our science-based target pathway in 2022.	  
			Scope 1 GHG emissions: Transport (ktCO ₂ e)	116	110	108	103 		
			Scope 1 GHG emissions: Energy:Fuel (ktCO ₂ e)	27	27	24	22 		
			Scope 2 GHG emissions: Energy: Electricity, Location-based accounting (ktCO ₂ e)	188	165	143	121 		
			"Total direct emissions from running our business location-based accounting: Scope 1 and 2 GHG emissions (ktCO ₂ e)	435	397	349	320 		
			Total energy use (GWh)	811	790	744	693 		
			% of electricity from renewable sources ¹	100%	100%	100%	100% 		
			Scope 2 GHG emissions accounting for renewables: Energy: Electricity, Market-based accounting (tCO ₂ e)	0	0	0	0 		
			The GHG emissions from running our business have continued to reduce at pace.						

¹ Until 2017, we reported our electricity as being 99% renewable, to account for the small number of new properties we open and the minority of sites for which we cannot source a renewable supply. We changed to report this as 100% renewable from 2017 onwards, purchasing excess renewable energy guarantee of origin certificates (REGOs) in alignment with the GHG Protocol (and other initiatives such as RE100).

Climate change data continued





Issue	2021 Target	Performance against target	KPIs	Sept 2016 - Oct 2017	Sept 2020 - Oct 2021	SDGs	
Scope 3 emissions in science-based target scope ¹							
Indirect Emissions	Approved science-based target. We will reduce absolute GHG emissions from our products by 11% by 2025, compared to 2016, in line with ambitious best practice as defined by the Science Based Targets Initiative.	 8% reduction in GHG emissions in 2020/21 compared to 2016/17.	Scope 3 GHG emissions: Purchased Goods, Sourcing, Ingredient production (ktCO ₂ e)	2,252 	2,046	Approved science-based target: We will reduce product-related absolute GHG emissions by 11% by 2025, compared to 2016, in line with ambitious best practice as defined by the SBTi coalition.	 
			Scope 3 GHG emissions: Purchased Goods, Sourcing, Land use change (ktCO ₂ e)	290 	207		
			Scope 3 GHG emissions: Purchased Goods, Manufacture, Producing our products (ktCO ₂ e)	250 	225		
			Scope 3 GHG emissions: Purchased Goods, Shipping, Packaging (ktCO ₂ e)	233 	217		
			Scope 3 GHG emissions: Upstream transportation and distribution, Shipping, UK freight (ktCO ₂ e)	83 	79		
			Scope 3 GHG emissions: Purchased Goods, Wholesale, Products sold by others (ktCO ₂ e)	1,410 	1,362		
			Scope 3 GHG emissions: Waste generated in operations, Our business, Waste from Co-op (ktCO ₂ e)	40 	40		
			Scope 3 GHG emissions: End of life of sold products, Customer, Customer waste (ktCO ₂ e)	40 	42		
			Total product GHG emissions in science-based target scope (ktCO₂e)	4,597 	4,218		
			The indirect GHG emissions from the products we sell have reduced, driven by a mixture of Co-op activity and wider trends.				
	Scope 3 emissions outside science-based target scope						
			Scope 3 GHG emissions: Use of sold products, Not yet targeted, Out of scope customer impact (ktCO ₂ e)	1,494 	1,063		
			Scope 3 GHG emissions: Purchased goods and services, Not yet targeted, Goods and services to run our business (ktCO ₂ e)	252 	182		
			Scope 3 GHG emissions: Investments, Not yet targeted, Investments (ktCO ₂ e)	256 	180		
	Co-op action with positive climate impact						
			Positive GHG impact: Carbon offsets, annual total Verified Emissions Reduction credits (ktCO ₂ e)	96	220		
			Positive GHG impact: RTRS soy credits, theoretical benefit of avoided deforestation (ktCO ₂ e) ²	290	207		
			Positive GHG impact: Renewable energy, annual GHG emissions of Scope 2 energy backed by REGO or renewable power purchase agreement	246	121		

¹ Best practice from the Science Based Targets Initiative is to set a GHG reduction target which covers the most significant categories of indirect (Scope 3) GHG emissions over which we may exert influence; for the Co-op these are the products we sell and their associated impact as defined here. In-scope product impacts covers everything sold by Co-op either directly through our stores or indirectly through wholesale (whether through independent co-operatives or NISA). GHG footprint for this includes elements of data which span two calendar years so it is reported as such.

² We now cover 100% of our soy footprint with Round Table on Responsible Soy (RTRS) credits (the majority of this is embedded in animal feed for protein). The relative benefit of this in GHG emission terms has been included here on the basis of total deforestation / land-use change emissions which we calculate would have occurred if the soy were to be sourced with no deforestation controls.

• Scope 3 footprinting is necessarily based on indirect modelling of our supply chain. In 2021 we have improved our model to use more Co-op specific data throughout, and have therefore reassessed our baseline using the same methodology, this has not materially changed our targeted emissions.

Climate change data continued

Issue	2021 Target	Performance against target	SDGs	
	<p>Long-term goal: We will reach net zero GHG emissions from both operations and products by 2040 at the latest.</p>	<p>⊞ The first imperative of our net zero pathway is to reduce carbon emissions in line with the reductions required to limit global warming.</p> <p>⊞ We've reduced operational emissions by 51% compared to 2016, meeting our science-based target three years early.</p> <p>⊞ We've reduced product-related emissions by 8% compared to 2016/17, and are on track to reach our science-based target.</p> <p>In line with our net zero pathway we have begun funding carbon offset activity totalling 100% of our operational emissions.</p>	<p>Long-term goal: We will reach net zero GHG emissions from both operations and products by 2040 at the latest.</p>	<div><div>7</div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div></div></div> <div><div>12</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div> <div><div>13</div><div>13 CLIMATE ACTION</div><div></div></div>
	<p>We will support other co-operatives, NGOs and communities to address their climate change impacts through the purchase of green energy and advice services via Co-op Power.</p>	<p>⊞ We have continued the expansion of Co-op Power, and are now supporting 80 customers in the collective buying of cost-effective electricity solely from UK wind and hydropower.</p>	<p>We will support other co-operatives, NGOs and communities to address their climate change impacts through the purchase of green energy and advice services via Co-op Power.</p>	<div><div>7</div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div></div></div>

Resource use

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

Plastics and packaging

Packaging is essential to protect our food and keep it fresher and safer for longer. We know that plastics and packaging are important areas of concern for our customers and members, which is why we launched our ambitious plan to make all our Co-op-branded food packaging easy to recycle in 2018 and in 2021 through kerbside collection or our in-store closed loop system, we achieved this goal.



100% of our own-brand food packaging is easy to recycle
(2020: 78%).

Making our packaging easy to recycle

We've made great strides in recyclability; increasing our easy-to-recycle food packaging from 46% in 2015 to 100% in 2021 - through kerbside collection or our closed loop system in store for soft film. To achieve this, in 2021, we:

- completed the move to single material for all our PET protein trays, including skinpacks - we changed the plastic trays for our pâté, bacon, continental cooked meats and red meat.

- ensured the plastic-to-paper ratio on laminated papers was under 15% - we reduced the plastic-to-paper ratio on our salmon boards, sauce mixes, cup soups, cookie bags, sandwich bags, bread bags and couscous sachets to make them compatible with paper recycling streams.
- rolled out the collection of flexible plastics, through our new front-of-store takeback scheme. Around a fifth of our current products are packed in flexible plastic films, and this is now collected in 2,300 stores to capture all the remaining packaging (until local authorities are ready to include them in kerbside collections).

Recycled content

We have now moved all our PET bottles for water, soft drinks, mixers, and juices to 100% recycled content¹. We committed to using a minimum of 50% recycled content in PET bottles, pots, tubs, trays and punnets, and HDPE bottles by the end of 2021, although HDPE has proven to be challenging due to lack of availability of recycled content for milk bottles.

1. Excluding caps.

Case study: Film recycling

In July 2021, we built on the work from our trial in 2020 to launch a nationwide network of collection points to allow customers and members to return all types of flexible plastics to front-of-store recycling bins.

We return this waste to our recycling partner's advanced sorting facility in Birmingham (using empty delivery vehicles which are already returning cages, cardboard and other waste), where it is sorted into various polymer streams and sent on for recycling - all done within the UK. We now have 2,300 stores collecting this material at front of store, which is one store in each of our community areas.

Working with our recycling partner has provided key learnings on how we can continue to improve the design of these materials to improve recycling, for example, that metallised films like crisp bags can be recycled successfully, but that we should aim to remove PVDC and nylon.



Compostable carrier bags

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

Plastic reduction

We set a target to reduce our plastic packaging by 15% per 1% market share over 4 years, by the end of 2022. Our total weight of own-brand plastic packaging sold decreased from 20,178 tonnes in 2018 to 18,127 tonnes in 2021.

We have replaced conventional plastic carrier bags with compostable alternatives and removed bags for life which reduced the amount of plastic we used by 1,831 tonnes. Our market share remained at 6.2%, which results in a reduction in our total plastic footprint of 18.8% per 1% market share since 2018 (2020: 12.8%).

 **18.8%** reduction in our plastic footprint per 1% market share since 2018 (2020: 12.8%).

Food waste

In tackling food waste, we follow the food waste hierarchy (see diagram, right). Our priority is to prevent food waste and surplus being created in the first place and where this is unavoidable we ensure that as much of this as possible is redistributed to local food charities with the remainder being used to make green energy.

During 2021, we've established new waste data reporting for our depots that will be rolled out in 2022. This will allow us to establish a baseline of depot waste data to report on next year.

Case study: food waste reduction trials

We ran a waste reduction trial during 2021, focused on bananas - a waste hotspot. Interventions that were tested included upgrading transit equipment and display fixtures to prevent chill and handling damage, with early trials showing a reduction in waste. A full roll-out was completed in November 2021, covering 1,803 stores and the impact on waste will be assessed in 2022.



Co-op product journey through store



We aim to prevent food waste in the first place by monitoring, forecasting and managing our stock.



We reduce the price of products that are about to go past use by/best before dates to ensure they are sold and eaten instead of being wasted.



We donate unsold food to local causes through Co-op Food Share.



Food waste arising in depots is donated to FareShare to distribute to local charities.



As a last resort, we use waste to make green energy.

First solution

last resort

The amount of surplus food redistributed to local community groups by our Foodshare programme, has grown by 60% compared to 2020, donating 5,774 tonnes of edible food (2020: 3,536 tonnes). Depot teams shared 1,177 tonnes of surplus food with FareShare in 2021. See [here](#) for more detail on supporting access to food in our communities.

Whilst we have massively increased the amount of food we redistribute to local community groups our operational food waste intensity has [increased slightly](#) and addressing this will be a priority in 2022 as we ensure we focus on preventing food waste arising in the first place and maximising the amount of surplus food we can share.



Operational waste

The amount of operational waste we produce has remained steady over the past year, and the operational waste that we recover or recycle has remained steady at 98.1% (2020: 98.3%) of total waste. Since 2020, we've also used the energy generated from our waste to provide energy through Co-op Power.

Water

Water scarcity is a global concern with serious environmental, social, and economic consequences. We're working to reduce the amount of water we use across our own operations and we report progress on our water reduction target [here](#).

We recognise that we use more water in our supply chains, particularly in agriculture. More detail on our work in supply chains can be found [here](#).








🎯 2022 targets

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



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

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

Resource use data




 Target Achieved
  On Track
  Close to Target
  Behind Schedule
  Target not Achieved
  Restatement
  In-depth assurance

Key Performance data icons

Issue	2021 Target	Performance against target	KPIs	Baseline	2018	2019	2020	2021	2022 Target	SDGs
Operational waste			Total waste from running our business (kt)	156.6 (2006)	92	89	84	83		
			% of total waste diverted from landfill (including energy-from-waste, anaerobic digestion, recycling or reuse)	-	97	99	98	98		
Food waste	We will reduce food waste generated in our stores and depots by 50% by 2030 compared to 2015.	 Progress during 2021 has been slower than expected, but will be a priority focus in 2022.	Food waste – store and depot, tonnes (% change since 2015 in brackets) ¹	26,925 (2015)	-	-	-	-	We will reduce food waste generated in our stores and depots by 50% by 2030 compared to 2015.	
			Food waste – store only, tonnes (% change year on year)	-	19,665	19,679 (0%)	20,931 (6% increase)	21,424 (2.4% increase)		
			Food surplus redistributed total (tonnes)	-	840	2,532	4,045	6,951		
			Food surplus redistributed through FareShare (tonnes)	-	449	581	509	1,177		
			Food surplus redistributed through Co-op Food Share (tonnes)	-	391	1,951	3,536	5,774		
			Food waste intensity (the % of products our stores handle that becomes food waste)	-	-	1.25	1.4			
			In 2015 we set our baseline for food waste and started our journey to reduce food waste from stores and depots by 50% by 2030. Improving our data and how we measure food waste is part of the journey to meeting our 50% reduction target and in 2018 we started using product data instead of ‘weighbridge’ data from the waste disposal process because it is more accurate. We can only access product data at store level at present but we are working to ensure we will have similar accurate depot food waste data available as soon as possible, this means we currently report on store data only and have done so since 2018 but we will aim to share our full operational food waste data including depots in 2022.							

¹ For 2017 onwards, we have put in place new systems to allow us to accurately track food waste based on the weight of products from all of our stores scanned out as being binned. This is a 'product only' weight and doesn't include packaging. For our 2015 baseline we have used 'whole bin' food waste data from our waste contractor, with a proportion removed for packaging based on our new accurate product weights.

Resource use data continued

Issue	2021 Target	Performance against target	KPIs	Baseline	2018	2019	2020	2021	2022 Target	SDGs	
Plastics and packaging	All Co-op own-brand food packaging will be easy to recycle by Q2 2021.	✔ We've increased the percentage of own-brand packaging that is easy to recycle from 78% to 100% in 2021 by completing the move to monomaterial trays in protein and rolling out the collection of soft plastics in 2,300 stores.	% own-brand food packaging easy to recycle	-	72	76	78	100	We will reduce our plastic packaging by 15% by the end of 2022, compared to 2018.		
			% reduction in plastic per 1% market share (from 2018)	-	-	Packaging: 4.4	Packaging: 11.2 Carrier bags: 1.6 Total: 12.8	Packaging: 11.6% Carrier bags: 7.2% Total: 18.8%			
			% average recycled content in our own-brand plastic packaging	-	33	37	37	33			
			We believe the decrease in average recycled content in our plastics 2020-2021 is because during lockdown we were selling less bottled water and ready meals, which typically includes 80-100% recycled content in the plastic bottles and trays.								
			Total Packaging handled (tonnes)	284,979 (2006)	174,956	175,520	196,777	181,630			
	We will reduce our plastic packaging by 15% by the end of 2022, compared to 2018.	⚖ We've reduced our plastic footprint per 1% market share by 18.8% since 2018, which includes a 11.6% reduction in plastic packaging.	Packaging handled by material (tonnes)								
			Glass	128,027 (2006)	94,283	95,063	111,580	99,889			
			Plastic	78,492 (2006)	42,325	41,222	42,165	41,507			
			Paper	42,794 (2006)	25,301	25,782	28,541	26,892			
			Steel	27,381 (2006)	6,310	6,351	6,434	5,632			
			Aluminium	8,285 (2006)	6,738	7,102	8,057	7,710			
Water	We will reduce water consumption across our properties by 10% by 2025 compared to 2020.	⏪ We revisited the standard operating procedure used to calculate water consumption across our estate in 2021. Water usage has increased, but will be an area of focus moving forward.	Average water used per site (m³)	310	-	-	310 	344	We will reduce water consumption across our properties by 10% by 2025 compared to 2020.		
			% water reduction (y/y)	-	-	-	-	11 (increase)			
			Our water calculations are based on invoiced supplier data, where we utilise a third-party company to complete invoice validation of all known water supplies. The majority of sites do have water meters with invoiced consumption, but where meters are not available, we apply a rationale for estimating consumption at these sites, by assuming a consumption value equal to the average for the business unit.								
			In 2021, we revisited the standard operating procedure (SOP) used to calculate water consumption across our estate. This is significant as it means that the 2021 figures would not be directly comparable to the previously published 2018-2020 figures. When the new SOP is applied to the 2020 data, it suggests a revised 2020 figure of 310 M3 per site (as shown in the table).								
			% Farms in our farming groups that have water pollution controls in place	-	100	99	-	-			
			% Farms in our farming groups that have active plans in place to reduce water consumption	-	84	96	-	-			
			Audits not completed in 2020 due to Covid-19 pandemic and not completed for all species in 2021.								

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.

As set out in our [Future of Food](#) ambition, we're committed to caring for the environments that our ingredients are sourced from. Where it drives change, we support credible certification and work with key partners to take a restorative approach to nature. As part of our commitment to responsible sourcing, we've worked with stakeholders to identify our 30 key ingredients (see [here](#) for full list), allowing us to focus actions on those areas with the greatest sourcing risk.

Sustainable sourcing has remained in the spotlight during 2021, particularly due to the UN climate conference COP26, highlighting the increasing triple-threat challenge of avoiding dangerous climate change, halting and reversing dramatic biodiversity loss, and meeting the health needs of a growing human population.

We've joined [WWF's Retailers' Commitment for Nature](#) and the [Council on Sustainable Business' Get Nature Positive pledge](#). We've also conducted research and workshops with Forum for the Future to better understand how our food business impacts on nature to inform our ongoing work and action plans on biodiversity.

WWF's Retailers' Commitment for Nature

We've committed to play our part in supporting WWF's ambition to halve the environmental impact of UK shopping baskets by 2030. We, and a coalition of retailers, have committed to lead the way in cutting the impacts of our own-brand food production and encourage the rest of the sector, from major brands to manufacturers, to reduce the UK food retail sector's impact across climate, deforestation, and nature, including tackling food waste and packaging.

Animal and fish feed

During 2021, we refreshed our approach to animal and fish feed as part of our responsible sourcing work. Our new Co-op feed policy will be published in 2022 – key aspects include traceability and transparency of all feed ingredients and targets for certification of known high risk ingredients, e.g. soy and marine. This will support our [10-Point Climate Plan](#) and ensure we are managing risk throughout our supply chains.

Aquaculture & Fisheries

We work to conserve our oceans and fish as well as the livelihoods of our [suppliers](#). We apply a risk assessment process to all our fish products, which ensures we continue to source seafood responsibly.

We're members of the [Sustainable Seafood Coalition](#) and we use its voluntary codes of conduct for the responsible sourcing and labelling of fish and seafood products. We work with the Sustainable Fisheries Partnership to ensure we are up to date with the latest industry science, and are members of the Global Ghost Gear Initiative, which helps to promote solutions to the problem of discarded and lost fishing gear, improving the health of marine ecosystems.

As well as meeting our commitment to improve seafood sustainability, our [MSC sourcing](#) makes us one of the top retailers in the UK selling sustainable fish, and ensures we're continuously meeting our commitment to improve our seafood sustainability through our [healthy oceans strategy](#). All our wild capture fisheries and farmed seafood sources can be found on the [Ocean Disclosure Project website](#).

We support Fisheries Improvement Projects (FIPs) as a key step towards fisheries' sustainability and certification within a defined five-year time frame. We're innovating with the industry by supporting several UK FIPs through [Project UK](#).



Forests and Peatland

We recognise the need for collective action to tackle deforestation and land conversion - one of the main drivers of climate change. In line with our 10-Point Climate Plan, we've advocated for robust due diligence legislation on forest commodities as part of the UK's Environment Bill and joined other businesses in [raising concerns](#) on changes to Brazilian legislation that would undermine protections of key ecosystems. We also look to take a restorative approach to landscapes we source from where possible.

Palm oil and soy

Palm oil and soy production can impact communities, deforestation, climate change and habitat loss. To achieve a sustainable approach to sourcing, we engage across the industry and with environmental NGOs to understand the best approach and set clear policies. The advice from NGOs is to source responsibly, as this is the most effective way to drive change. Furthermore, alternatives to crops such as palm oil are often more environmentally damaging with regards to their land use.

All our palm oil is certified by one of the Roundtable on Sustainable Palm Oil (RSPO) schemes. We continue to use 100% RSPO-certified palm oil in our own brand products and, in 2021, 93% of the palm oil used in our products was segregated (2020: 78%). This represents significant progress towards our ambition of 100% segregated, and some of the issues in supply from 2020 have decreased. There are still challenges in some areas where segregated solutions are not yet available or supply is still disrupted.

We're committed to sourcing segregated RSPO palm oil wherever we can and will continue to report annually on the amount and type of palm oil we use. Collaborative efforts through our membership of the [Retailers' Palm Oil Group](#) remain a key route to tackle the issues shared across the industry.

To address the risks in sourcing palm oil, we know we must go beyond certifying our own supply. We support Chester Zoo's reforestation of former palm oil plantations in Borneo. Our target is to support the planting of 50,000 trees by the end of 2025.

Read more on our palm oil strategy [here](#).

In 2021, we've looked at the palm oil used in animal feed, as part of our overall feed strategy. We know accuracy of the data is challenging - we're working to improve accuracy and will share initial findings [online](#).

Our most significant use of soy is in feed for livestock in our meat, dairy, egg, and farmed fish products. We currently cover our entire own brand soy footprint (56,100 tonnes) with Round Table on Responsible Soy (RTRS) credits. We're committed to reaching 100% physical, sustainable, and deforestation-free soy across our own brand supply chain by 2025 and we've strengthened our soy policy to support this during 2021. You can read our updated commitment [here](#).

We know we can't achieve this shift alone and work collaboratively as members of the [RTRS](#), [Retail Soy Group](#), [Soy Transparency Coalition](#), and the [UK Roundtable on Sustainable Soy](#).

We're also signatories of the Cerrado Manifesto, and this year signed up to the [UK Soy Manifesto](#) - a collective industry agreement to ensure all physical shipments of soy to the UK are deforestation and conversion free (cut-off date of January 2020 at the latest), by 2025.

This year, our involvement with these groups has included engagement with soy traders to improve transparency, a [roadmap of principles](#) for deforestation and conversion-free soy supply chains, and an open letter to the Brazilian congress expressing concern at proposed legislation that threatens environmental protections in the region.



Performance Benchmark

2nd highest UK retailer on the 2021 WWF Palm Oil Scorecard for our progress and commitments (20.22 out of a possible 24 points achieved). Leading the Way category.

5/6 received in the most recent WWF Retailer Scorecard 2019 on Soy Commitments.

Peat

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 medium sold in our stores, covering both own brand and branded products. While this is an important first step, we recognise peat can also be used in our supply chains. In 2021, we've engaged with stakeholders including our suppliers to understand where and how we can address our most material impact on peat.

We'll be setting out more detailed ambitions and how we are going to report progress on these during 2022.

Wood and paper

We ensure that the wood and paper used in our own brand products¹ for Co-op Food comes from a responsible source and is of known origin. 95% comes from Forest Stewardship Council (FSC) or recycled sources (2020: 99%).

96% of coffins manufactured by our Funeralcare business were made from FSC® certified wood² (2020: 98%).

Performance Benchmark

We received '**Three Trees**' (the highest score) in the most recent WWF UK Timber 2019 Scorecard Benchmark for our commitments to FSC and recycled timber, timber products and reporting.

¹ Excluding packaging.

² FSC® C008811.

Case study: Peatland restoration

Damaged peatlands mean they're emitting – rather than absorbing – carbon dioxide. Restoring these areas into saturated wetlands will trap additional carbon through the laying down of organic matter, as well as reducing biodegradation and associated greenhouse gas emissions. These carbon capture benefits are almost immediate, allowing peatlands to deliver significant amounts of emission reductions soon after restoration.

Building on activity in 2020, this year we've worked with ClimateCare and Bell's Whisky to support the restoration of Scottish peatlands e.g. through repairing eroded areas and installing dams.

Read more about the project [here](#).



Fields and orchards

We work with producers and growers, focusing on protecting our natural resources, water, soil, and biodiversity, and building resilience in the changing climate. We understand that, whilst doing this, we must also consider impacts on people and their livelihoods. See our commitments on [Fairtrade](#) and [Ethical trade](#).

Water stewardship

Water represents a material risk in food supply chains – 86% of English rivers don't hold 'good' ecological status; and 8 of the top 10 countries for food sourced to the UK are prone to drought.

We've supported the call for collaborative action regarding water in key sourcing areas through the Courtauld 2025 commitment. In 2021, we've strengthened our commitments to water security by becoming a signatory of the [Courtauld 2030 Water Roadmap](#). This sets out a collective industry ambition to attain sustainable water management to improve the quality and availability of water at catchment scale. It focusses on the top 20 most important product and ingredient sourcing areas in the UK and overseas, and sets a target for 50% of fresh food to be sourced from areas with sustainable water management by 2030.

We've continued to support catchment projects in the UK and South Africa, supporting farmers and growers with better water management.

Crop protection

Crop protection plays a role in food production but must be implemented responsibly. Currently, pesticide application is the most common method of protecting crops from diseases, but we acknowledge the consequences pesticide use can have on the environment and the health of workers in our supply chains.

During 2021, we've been implementing our new [Crop Protection Policy](#), building transparency and collaboration. As part of this, we've launched the Co-op Crop Protection Board which includes supplier representation. In line with the policy's risk-assessment process, we've changed various products we sell in store during 2021¹.

Performance Benchmark

We were **ranked 3rd** in [Pesticide Action Network UK's 2021 scorecard](#) of UK supermarkets on pesticides (2019: 4th).

Livestock

Respecting animal welfare is an important part of our work in agriculture. For all our Co-op branded fresh, frozen, and prepared meat and poultry products, our minimum welfare standard and our main focus is Red Tractor. For higher welfare, we use RSPCA Assured certifications or equivalent.

Since 2008, all shell-eggs sold (Co-op brand and branded) have been free-range as a minimum, and we only use free-range eggs as ingredients in our Co-op brand products (see [here](#) for more detail).



Monitoring animal welfare

More than 4,000 farmers and growers feed into our own-brand fresh supply chain, supplying us with meat, dairy, poultry, fresh produce, and prepared products for our Co-op brand products. All farms, whether they're part of our [Farming Groups](#) or not, may be subject to announced and unannounced visits or audits by us or an appointed independent audit body to check compliance with our animal welfare requirements.

Performance Benchmark

Tier 2 achieved in the Business Benchmark on Farm Animal Welfare (BBFAW) in 2021, for the tenth year running².

Antibiotics

Antimicrobial resistance is an increasing global challenge and threat, and food retailers have a responsibility to act. We're a member of the [Food Industry Initiative on Antimicrobials \(FIIA\)](#) and have signed a code of conduct to work pre-competitively as an industry to reduce antibiotic use. We're also supporting research, through membership of [Responsible Use of Medicines in Agriculture \(RUMA\)](#) that helps identify alternatives to antibiotics. Our antibiotics strategy, in line with the industry approach, is based on the '3Rs' framework to Reduce, Replace and Refine the use of medicines.

Read more about our [animal welfare and antibiotics policies](#).

¹ Our gardening range now only includes benign, low-risk pesticides; glyphosate and 2, 4 D products have been removed from sale; and we're removing pet care products which contain Fipronil from our range and replacing with benign alternatives.

² 1-6 scale, where 1 is the highest. BBFAW classes businesses that reach Tier 2 as having 'farm animal welfare as an integral part of business strategy'.

Animal testing

We are proud to have carried the Cruelty Free International (CFI) certification since 2004. We believe using animals to test toiletry and household products and their ingredients is inhumane and unnecessary and we will continue to follow CFI's programmes, ensuring none of our Co-op branded products and ingredients are tested on animals.

All Co-op branded toiletry and household products are approved cruelty free under the Leaping Bunny programme, managed by Cruelty Free International (CFI).



Leaping Bunny is the only internationally recognised programme that requires approved businesses to implement a supplier monitoring system, checking

for animal testing right down to ingredient level. It requires adherence to a fixed cut-off date policy and ongoing independent auditing to ensure and safeguard compliance.

Our commitment, systems and processes were most recently independently audited, against both Leaping Bunny programmes for toiletries and household products, in October 2020. This endorsed our new processes which incorporated the updated CFI criteria from 2019.

In August 2021, we signed an open letter from CFI to the Home Secretary calling for the UK to use a progressive animal-free approach with its new Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) system, alongside 83 other cruelty free brands.










🎯 2022 targets

100% of soy in our Co-op products, including that embedded in animal feed, will be deforestation-free and sustainable by 2025.






We will develop risk-based strategies to reduce the impacts of sourcing our 30 key ingredients by the end of 2022.

We will develop action plans for our restorative approach to nature by the end of 2022.







Sustainable sourcing data

 Target Achieved
  On Track
  Close to Target
  Behind Schedule
  Target not Achieved
  Restatement
  In-depth assurance

Key Performance data icons


Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs		
Aquaculture and fisheries			% fish used in Co-op branded food products from farmed sources	48	53	37	51				
			% fish used in Co-op branded food products wild caught	52	47	63	49				
			Number of Marine Stewardship Council (MSC)-certified Co-op branded food products	55	63	67	55				
			% wild-captured seafood is sourced from MSC fisheries (by volume)	70 (70% of wild capture seafood products)	68 (79% of wild capture seafood products)	64 (75% of wild capture seafood products)	63				
			The Atlantic mackerel fishery lost its MSC certification which resulted in fewer MSC-certified mackerel products on Co-op shelves. We are collaborating with the seafood industry through the North Atlantic Pelagic Advocacy (NAPA) group to advocate for better management measures in order for the fishery to evidence it is catching fish responsibly and working towards regaining MSC certification.								
			% fish used to supply wild fish and seafood products from low-risk, medium-risk and high-risk fisheries	Low-risk: 70% Medium-risk: 29% High-risk and data-deficient: 1%	Low-risk: 68% Medium-risk: 31% High-risk: <1%	Low-risk: 64% Medium-risk: 36% High-risk: <1%	-				
			No longer recorded due to high risk sources being minimal in our supply chain and medium risk moving to low risk.								
			% of wild captured seafood is sourced from FIP (Fisheries Improvement Project) Fisheries (by volume)	N/A	N/A	29	37				
			Not calculated prior to 2020.								
Livestock			BBFAW Tier 2 maintained	Yes	Yes	Yes	Yes				
			Number of combined visits by our Farming & Fisheries Team and the Technical Team to monitor animal welfare at Hatcheries, Farms, Abattoirs and Factories	500	341	74	305				
			Higher welfare sales (£m)	114	171	188	164 				
			% 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	94	94	95	94 				
			The remainder are classified as organic.								
			% Co-op milk Red Tractor Dairy Scheme assured	94	94	94	93 				
			The remainder are classified as organic.								
			2021 % fresh protein sales, by welfare standard	See table > 							

Sustainable sourcing data continued

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Palm Oil	100% of palm oil in Co-op products will be segregated RSPO certified, with the vast majority of this being achieved by the end of 2021. We will report on our 2021 progress towards this target.	 In 2021 93% of the palm oil used in our products was segregated. This represents continued progress towards our ambition of 100%, and we will continue to report on this annually. There remain challenges around the availability of supply and where segregated solutions do not currently exist. Our work through collaborative groups such as the Retailers’ Palm Oil Group and engagement with Traders via the Palm Oil Transparency Coalition will remain an important part of working to address these.	% 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)	6,206 (in 793 products)	7,135 (in 753 products)	7,431 (in 795 products)	5,487 (in 610 products)		
			% Segregated and Identity Preserved	57	73	78	93		
			% Mass Balance	34	25	21	7		
			% GreenPalm/ RSPO credits	9	2	1	0		
			Palm Oil Importer	See Palm Oil Importer table >					
Soy	We will develop risk based strategies to reduce the impacts of sourcing our 30 key ingredients by the end of 2022.	 We've developed an approach for the majority (26 out of 30) of our key ingredients . Having signed up to the WWF Retailers’ Commitment for Nature we are reviewing our sourcing approach and strategy to support WWF’s ambition of halving the environmental impact of the average basket by 2030.	Soy used in our food products (directly and indirectly through animal feed) (tonnes)	80,000	80,000 (R)	71,500	56,100	We will develop risk-based strategies to reduce the impacts of sourcing our 30 key ingredients by the end of 2022.	
			% soy linked to an origin	-	-	32%	61.9%*		
			% soy linked to an importer	-	-	35%	36.5%*	100% of soy in our Co-op products, including that embedded in animal feed, will be deforestation-free and sustainable by 2025.	
	 In November 2021 we joined the UK Soy Manifesto. As a result of this we are reviewing our approach on soy to ensure alignment and will share our updated policy in 2022. We will report on this in next year’s Report.	Soy footprint breakdown	See Soy footprint breakdown table >						
Peat	We will ban use of peat in compost sold in Co-op stores, reviewing use across our supply base in 2021.	 All bagged growing media sold in Co-op stores is now peat-free. We are developing our approach on wider peat use and responding to the Defra consultation in 2022.	% Peat making up growing media sold	Co-op brand: 20	Co-op brand: 1 peat-free product; 2 products containing 20% peat	Branded: 2 peat-free products within a range of 5	No peat in bagged growing media sold from April 2021		

*These numbers include when multiple origins and importers have been named, even if these are not split out to specific volumes of supply. As such the importer number does not match up exactly with the 'Multiple/Not yet attributable' figure.

Sustainable sourcing data continued

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Wood & Paper			Wood and paper products purchased by Co-op Food (m³)	40,415	52,559	57,995	47,399		
			Co-op Food: sourcing of wood and paper, by origin						
			% Post and pre-consumer recycled waste	2	2	2	0		
			% Known legal source virgin material such as PEFC	3	3	1	5		
			% Wood and paper purchased for Co-op Food that was (FSC-certified) or recycled	97 (95 FSC)	97 (95 FSC)	99 (97 FSC)	95		
			% 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-certified¹ wood	96	97	98	95		
			Sales overall have decreased post Covid and decrease in sales of traditional (full chain of custody) FSC products. There is an increase of FSC or PEFC virgin material source as plastic is replaced with paper.						
Crop Protection			Number of product samples tested	470	480	402	373		
			Sample with zero residues	133 (28%)	168 (35%)	126 (31%)	155 (42%)		
			Samples with 1 residue below Maximum Residue Limit - European Food Safety Authority (MRL)	110 (23%)	110 (23%)	82 (20%)	70 (19%)		
			Samples with multiple residues all below MRL	218 (46%)	191 (40%)	181 (45%)	138 (37%)		
			Samples with at least 1 MRL exceedance	9 (2%)	11 (2%)	13 (3%)	10 (3%)		
			Number of pesticide actives detected	949	842	748	668		
			Average detections per sample	2.02	1.75	1.86	1.79		
			Number of these classified by the World Health Organization Recommended Classification of Pesticides by Hazard (Categories 1A and 1B)	0 (1A); 7 (1B)	0 (1A); 4 (1B)	0 (1A); 4 (1B)	0 (1A); 2 (1B)		
			Number of these classified on PAN International List of Highly Hazardous Pesticides	278	228	167	141		
	We will develop action plans for our restorative approach to nature by the end of 2022.	<p>In 2021 we carried out a piece of research with Forum for the Future to support us in developing our position on biodiversity, which we will share publicly in 2022; we've signed the Get Nature Positive Pledge and joined WWF's Retailers' Commitment for Nature. We've also supported:</p> <ul style="list-style-type: none"> • Reforestation of plantations with Chester Zoo. • Peatland restoration. • Programmes in Fairtrade producer communities - bananas in Dominican Republic and Colombia, and through our partnership with Fairtrade Africa we are supporting good agricultural practice in tea, flower and coffee supply chains. 						We will develop action plans for our restorative approach to nature by the end of 2022.	

¹ FSC® C008811

Sustainable sourcing data continued

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.

Ingredient	Sourcing standard
Forests 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.

Sustainable sourcing data continued

% of fresh protein sales by welfare standard^A

Own label	Red Tractor	RSPCA Assured / Higher Welfare	Commentary
Turkey	100.0%	0.0%	
Chicken	97.9%	2.1%	
Beef	100.0%	0.0%	
Lamb	100.0%	0.0%	
Bacon	2.3%	97.7%	
Pork	0.0%	100.0%	
Ham	1.8%	98.2%	
Sausage	0.0%	100.0%	
Eggs	0.0%	96.0%	4% is Organic.
Milk	100.0%	0.0%	
Salmon	0.0%	8.8%	91.2% sourced from other welfare standards. Red Tractor is not used in Salmon production.
Fish	N/A	N/A	
Cooked Meats	100.0%	0.0%	
Continental Meats	100.0%	0.0%	All sourced from Europe but must be Red Tractor equivalent.
Cheese	66.0%	0.0%	34% sourced from Europe but must be Red Tractor equivalent.
Cream	93.0%	0.0%	7% sourced from Europe but must be Red Tractor equivalent.
Butters and Fats	25.0%	0.0%	Remaining lines are mixed with other sources so can't claim British.
Ready To Cook	100.0%	0.0%	

% of sales

Proportion of fresh protein sales, by protein type	
Turkey	0.1%
Chicken	8.9%
Beef	7.8%
Lamb	0.8%
Bacon	5.2%
Pork	1.2%
Ham	5.5%
Sausage	3.8%
Eggs	4.9%
Milk	21.0%
Salmon	3.2%
Fish	3.6%
Cooked Meats	8.2%
Continental Meats	2.5%
Cheese	13.1%
Cream	2.4%
Butters and Fats	6.0%
Ready To Cook	1.9%
TOTAL	100%

Palm oil

Palm Oil Importer	% of 2021 Supply	Link Importer mill lists	2021 Co-op Engagement
Sime Darby	33%	Link	POTC engagement
AAK	16%	Link	POTC engagement
Multiple Top 10	12%	-	
Olenex	4%	Link	POTC engagement
Stepan	3%	Not disclosed	POTC engagement
Bunge	3%	Link	POTC engagement
Not attributable	15%	-	Supplier engagement

Soy footprint

Soy footprint by protein type	%	Soy Importer	% footprint	Soy sourcing region	% footprint
Beef	4.6	Cargill	19.7%	Asia	<0.1%
Dairy	9.2	Cefetra	8.5%	Europe	<0.1%
Eggs	10.0	ADM	3.7%	North America	2.0%
Lamb	3.0	Others	4.1%	South America	33.2%
Pork	30.8	Multiple / Not yet attributable	64.0%	Multi-region	25.7%
Poultry	39.4			Not yet attributable	39.1%
Seafood	2.9				
Other	<1				



Fairer Business

Fairer business

Our Vision is *"Co-operating for a Fairer World"*. This means that 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 use of technology and personal data to the impacts of our investment and financing decisions, we aim to thread the concept of "better business" through everything we do.

Responsible Finance and Investments

We look for opportunities to align our investment and financing decisions with our values and ethics where possible. One way of doing this is through sustainability-linked financial products, where we link the achievement of our sustainability targets to a financial incentive or penalty – reinforcing our commitment to future sustainability outcomes.

Sustainable Credit Facility

In 2019, we agreed a £400m 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.

Under the RCF, the interest charged by our bank is linked to KPIs on our greenhouse gas (GHG) reduction programme. We benefit from lower interest rates for hitting our GHG targets but pay a penalty fee if we miss them.

That additional fee would then be ringfenced to fund other sustainability projects – a feature that was unique in the market when we first agreed it (and is now a market norm).

Under our Green RCF agreement, our Scope 1 and 2 GHG emissions for 2021 should be no more than 389 ktCO₂e ('000 tonnes of CO₂-equivalent emissions). In 2021, our emissions were 320 ktCO₂e (as reported on [page 83](#)). Our sustainable RCF runs for an additional year to September 2023.

Sustainable foreign exchange agreement

In 2021, we set up a new sustainability-linked foreign exchange (FX) agreement, through which we have aligned our Co-op's carbon emissions targets with our FX trading.

As a business, we buy some goods from overseas suppliers and pay for them in foreign currency. We manage the risk of currency volatility through a hedging programme with our banks.

Our new FX agreement specifies that if we meet our approved science-based target to reduce the Co-op's operational emissions by 2025 (i.e. an absolute 50% reduction in scope 1 and 2 emissions in 2025, compared to 2016), then we will qualify for a sustainability-linked rebate correlated to the volume of FX trades made during the financial year.

Task force on climate-related Financial Disclosures (TCFD)

Climate change poses both risks and opportunities for businesses. [The Task Force on Climate-Related Financial Disclosures \(TCFD\)](#) has set out a framework for identifying and reporting how climate-related risks and opportunities are measured, monitored, and managed by companies and others.

We already recognise environment and sustainability – including climate change – as a Key Priority Risk, and report on it in our [Annual Report](#) and Accounts. We've committed to identifying and reporting on our climate-related risk exposure in line with leading practice.

In 2022, we will be working to identify both the physical risks to our business and supply chains from the changing climate, and the potential impacts of policy, technology, and market changes as we transition to a lower-carbon future. We will be exploring what this means for our business and what plans we need to put in place to ensure we are fit for the future.

Pension Funds

In 2021, the trustees of the Co-op pension schemes undertook an exercise with their investment consultants to benchmark their approach to responsible investment against comparable schemes. Looking at beliefs, the articulation of policies, governance processes, and investment portfolios, the approach of 'Pace', the Co-op's largest pension scheme, scored an 'A+' rating, which is in the top 3% of UK pension schemes; and our two smaller schemes were rated 'A' (top 7%).

At the start of 2021, we introduced a new equity fund as a self-select option in our defined contribution (DC) pension scheme. The new fund is more diversified and has over 50% lower exposure to fossil fuel reserves than the old fund. At 30 September 2021, the new fund held over £140m of colleagues' pension contributions. You can read more on this [here](#).

We've continued our path to set evidence-based targets around the carbon impact of our pension schemes, establishing a specific trustee sub-committee for Pace to consider climate risk, ahead of formally reporting in line with TCFD requirements in 2022.

As part of this, in September, Pace formally published its ambition to manage investments in line with achieving net zero greenhouse gas emissions by 2050 or sooner, and in October, the Co-op was announced as a supporter of Make My Money Matter's Green Pensions Charter, committing to work with trustees to align its pension schemes with net zero targets.

Business Integrity and Responsible Governance

Responsible Technology

We are committed to ensuring our technology is accessible for all of our colleagues, members and customers.

In 2021, we ran over 200 accessibility tests across more than 30 digital projects and included people with disabilities into our research and design of products and services. Our website continues to rank as the number one UK supermarket website for accessibility.

We have recently established an Assistive Technology Service which supports colleagues with disabilities using a suite of solutions for bespoke access needs. There is also activity underway throughout 2022 to develop standards and guidelines by which all our internally facing technology will be assessed to meet the basic access needs that we expect.

In December 2020, we made the decision to implement Ecosia - the award-winning green search engine - as our standard internet search engine on more than 14,000 devices used by Co-op employees. So far, this has resulted in 57,816 trees being planted across the world. 100% of profits generated by Ecosia go towards fighting climate change, with at least 80% invested into tree-planting projects in biodiversity hotspots and areas affected by deforestation.

Additionally, our Cloud first strategy enables us to run our technology services with a much lower carbon footprint by hosting them in data centres run by global leaders such as Microsoft Azure and Amazon Web Services. Typically, these centres offer at least 75% reduction in carbon footprint.

We are collaborating with the Responsible Tech Collective which, together with other technology business leaders, helps to shape an agenda that includes focus areas such as people-powered smart cities.

Data Ethics

Data Ethics puts the impact of the data we collect, analyse, or share at the centre of decisions we make about data. Co-op's Data Ethics Advisory Group oversees data ethics for monitoring ethical risks, education, awareness and developing policies, engaging on issues such as cookie policy and CCTV data use.

In 2021, our Data Ethics Policy was updated around the principles of accountability, openness, respect and trust and we launched Data Ethics training to over 600 people in our data, digital and marketing teams. We promote sharing data for wider benefits to society such as collaborating with The University of Nottingham on food insecurity modelling, and generating ideas to 'Do Good With Data' through our internal competition.

We're also working with external organisations to share best practice, signing up to Open Data Manchester's 'Declaration for responsible and intelligent data practice', and collaborating with Open Data Institute to develop an Ethics Maturity Model. Ethical Artificial Intelligence is an emerging area for which we've written guidelines, and are now seeking expert advice from our partner Microsoft.

These activities will continue in 2022, when we will look to further embed Data Ethics into our ways of working.

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 perspective.

In 2021, all Board papers requiring a material decision¹ were accompanied by a paper summarising the EDTM considerations.

In 2021, the Board Secretariat team reviewed the EDTM as part of a wider review of Board processes. The EDTM remains fit for purpose – providing a useful decision-making framework, and is being used consistently when material decisions are being considered by the Board.

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](#).



Our broader economic impact

We're open and transparent in our tax affairs and were awarded the Fair Tax Mark for the 7th consecutive year in 2021.

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](#).

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, and 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. All of 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.

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 Co-op 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's trading relationships with groceries suppliers are regulated by the Groceries Supply Code of Practice. Our Co-op is one of [13 designated retailers](#) in the UK that the Code applies to. During 2021, we have continued to demonstrate our compliance with the Code. The GCA Annual Survey 2021 concluded that our Co-op was the 'most improved retailer' for the third consecutive year. For more detail, see our [Annual Report](#).

Performance Benchmark

Most improved retailer and ranked joint 2nd overall in GCA annual survey 2021.

2022 targets

We will retain Fair Tax Mark accreditation in 2022.








Our pension arrangements will operate leading Responsible Investment Policies and Reporting, and be recognised as a signatory of the revised UK Stewardship Code.

We will publish carbon reduction targets for Pace 2030 aligned with achieving net zero by 2050 or sooner.








In line with our Co-op Values of openness and honesty, we will deliver world-class open and honest reporting on our ethics and sustainability performance in our Co-operate Report annually.

¹ A 'material decision' is defined as a Material Transaction (i.e., an acquisition, disposal, or new business venture) or a Material Contract/Capital Expenditure – as defined in the 'Matters Reserved for the Board'.

Fairer Business data


 Target Achieved
  On Track
  Close to Target
  Behind Schedule
  Target not Achieved
  Restatement
  In-depth assurance

Key Performance data icons

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Economic Impact	We will retain Fair Tax Mark accreditation in 2021.	 We retained Fair Tax Mark Accreditation.	Fair Tax Mark accreditation	Yes	Yes	Yes	Yes	We will retain Fair Tax Mark accreditation in 2022.	
Responsible data and technology	We will refresh our Data Governance Policies and publish these externally, where it is appropriate to do so – in order to share best practice openly and transparently.	 We have refreshed our Data Governance policies and are working with various external organisations to share best practice.	Number of colleagues trained on Data Ethics	-	12	12	580		
			New Data Ethics eLearning module introduced in 2021 - completed by data, marketing and digital teams. Launched to over 600 colleagues with 580 completing.						
			Number of activities (including project & BAU) that have been assessed against Data Ethics principles	-	7	7	5		
			We promoted the tool that we use to assess Data Ethics principles with project and change teams which will lead to increased uptake in 2022. 14 sessions were delivered in 2021.						
Responsible finance	Our pension arrangements will operate leading Responsible Investment Policies and Reporting.	 Our pension arrangements have continued to operate leading Responsible Investment Policies and Reporting as set out on page 103.						Our pension arrangements will operate leading Responsible Investment Policies and Reporting, and be recognised as a signatory of the revised UK Stewardship Code.	
	All material Board-level decisions are informed by our Ethical Decision Making Tool.	 All material decisions ¹ made by the Board were informed by the EDMT in 2021							
	We will develop a Task Force on Climate-related Financial Disclosures (TCFD) reporting framework for our largest pension scheme, including an evidence-based target on the carbon impact of our pension schemes.	 In 2021, the Trustee of our largest pension scheme, Pace, announced its ambition to manage its investments in line with achieving net zero greenhouse gas (GHG) emissions by 2050 or sooner. The Trustee has established a working group to review the risks and opportunities of the low carbon transition, and will be publishing its first formal TCFD report in 2022.						We will publish carbon reduction targets for Pace for 2030 aligned with achieving net zero by 2050 or sooner.	

¹ A 'material decision' is defined as a Material Transaction (i.e., an acquisition, disposal, or new business venture) or a Material Contract/Capital Expenditure – as defined in the 'Matters Reserved for the Board'.

Fairer Business data continued

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Our reporting	In line with our Co-op Values of openness and honesty, we will deliver world-class open and honest reporting on our ethics and sustainability performance in our Co-operate Report annually.	 Our reporting is published, externally audited, and aligned with leading standards (GRI Core, UNGC 'advanced')						In line with our Co-op Values of openness and honesty, we will deliver world-class open and honest reporting on our ethics and sustainability performance in our Co-operate Report annually.	

Distribution of economic value added (£m)

Donations and subscriptions (£)	2018	2019	2020	2021
Colleague wages and pension benefits	1,332	1,362	1,425	1,398
Payments to Government (mainly business rates, employers' National Insurance and irrecoverable VAT)	195	207	150	166
Distribution to members	60 (members' 5% reward)	54 (members' 5% reward)	45	21
Community investment	32	35	47	41
Payments to providers of capital (interest paid to bankers or bondholders for loans)	64	64	63	56
Payments to providers of capital (interest paid on leases) ¹		74	72	76
Set aside for capital maintenance and future growth (i.e. after accounting for other payments, including payments to Government, members and community investment) ²	94	266	357	261
Total	1,777	2,062	2,159	2,019

Public Policy Engagement

For reporting purposes, 'engagement' is restricted to instances where we've raised or supported a significant initiative, for instance responding to a Government or Parliamentary consultation, or a significant campaigning activation.

In addition to the public policy engagement noted below, we have also engaged directly with elected representatives in order to support them in representing their constituents' interests, and to use our insight and perspective to develop effective public policy. Over the course of 2021, we responded to 240 pieces of correspondence with elected representatives.

Issue	Audience	Engagement	Policy Position
Corporate			
Business Rates	HM Treasury and Members of the House of Commons	Sponsorship of research and engagement with HM Treasury and key elected representatives to explain the importance of Business Rates reform	Call on Government to reform Business Rates and level the playing field between 'bricks and mortar' and 'clicks and mortar' businesses, for the benefit of local communities
Communities and 'Levelling Up'	Conservative and Labour Party Members	Sponsorship of fringe meetings at the Conservative and Labour Party Conferences (September and October 2021)	Communities needs to be at the heart of any discussion about levelling up
Community Wellbeing Index	Local Authority leaders and Members of the House of Commons	Letters explaining the insight available to community leaders in the Co-op Community Wellbeing Index	The data and insight tool that we have developed has been made freely available online to local community leaders
Coronavirus Response	The UK Government, Devolved Administrations and Local Authorities, and Elected Representatives	Extensive engagement on the Government's handling of the outbreak of Covid-19, and the Co-op's response	Throughout the pandemic, it's been vital that we understand the evolving public policy landscape in order to continue to serve our members and customers whilst keeping them and all our colleagues safe
Modern Slavery Bright Future - employment opportunities for victims	NGOs and Businesses	Bright Future continues as an independent co-operative with its first AGM in November 2021 - marking the culmination of more than 4 years of work - moving from the formal announcement of Bright Future as a Co-op Group / City Hearts in March 2017 to a new co-operative	Call on businesses and government to do more to support victims of slavery in the UK
Modern Slavery Campaign Evaluation	NGOs and Businesses	We commissioned an independent review of the Co-op's Modern Slavery campaign from the Rights Lab at the University of Nottingham. Campaigning for Change, commended the 'asset-based approach' to campaigning	Call on businesses to campaign more effectively on Modern Slavery
Modern Slavery - right to work for survivors	Government, Home Office	We participated in a coalition of NGOs campaigning to secure the right to work for survivors of Modern Slavery and to a report published in March 2021	Survivors of Modern Slavery should be given the right to work in the UK
Nightclub	Members of the House of Commons	Engagement with Parliamentarians to highlight the importance of nights shift workers and their health and wellbeing	Call on MPs to take action to protect the health and wellbeing of night shift workers and support our Night Club manifesto
Regional economic development and skills	Members of the Commons and Lords	Sponsorship of the All Party Group for Greater Manchester	Greater Manchester requires support and investment

Issue	Audience	Engagement	Policy Position
Food			
Animal Welfare	Department for the Environment, Food and Rural Affairs	Submission of a written response to the Government's consultation, labelling for animal welfare	Copy tbc
Carrier Bag Policy	Department for the Environment, Food and Rural Affairs; key elected representatives; the Devolved Administrations	Publication of our Bag to Rights report on the impact of the carrier bag levy and proposals for further reform	Call for an extension of the existing carrier bag measures in operation across the UK, and for more to be asked of all businesses who sell carrier bags to their customers
	Department for Agriculture, Environment and Rural Affairs	Submission of a written response to Daera's consultation, Carrier Bag Levy NI	Support the proposal to increase the carrier bag levy in NI, but call for further more progressive measures as outlined in our Bag to Rights report
Green Claims	Competition and Markets Authority	Submission of a written response to the Government's consultation, on draft consumer law guidance on environmental claims on goods and services	Call for more robust and consistent guidance in line with existing Government policy
National Food Strategy Independent Review	Department for the Environment, Food and Rural Affairs	Engagement with the National Food Strategy Independent Review team	Welcome the National Food Strategy Independent Review, and the urgent need for a comprehensive National Food Strategy, including supporting the proposed measures to drive increased transparency across the sector
National Lottery	Department for Digital, Culture, Media and Sport	Submission of a written response to the Government's consultation on introducing an approved sale mechanism for the sale of National Lottery products by 16- and 17-year-olds	Support the introduction of an 'Approved Sales' approach
Single Use Plastics	Department for Agriculture, Environment and Rural Affairs	Submission of a written response to Daera's consultation on the reduction of Single-Use Plastic Beverage Cups and Food Containers	Call on the NI Assembly to focus on implementing the UK-wide Extended Producer Responsibility proposals
	Scottish Government	Submission of a written response to the Scottish Government's consultation, Introducing Market Restrictions on Problematic Single-Use Plastic Items in Scotland	Welcome the Scottish Government's intention to ban the listed single use plastics and oxo-degradable plastics
Waste & Resources - Deposit Return Scheme	Department for the Environment, Food and Rural Affairs	Submission of a written response to the Government's consultation, introducing a Deposit Return Scheme in England, Wales and Northern Ireland	Welcome the introduction of a Deposit Return Scheme, but calling for alignment in approach and timing across the four nations of the UK
Waste & Resources - Extended Producer Responsibility	Department for the Environment, Food and Rural Affairs	Submission of a written response to the Government's consultation, Extended Producer Responsibility for Packaging	Welcome the continued development of the Extended Producer Responsibility proposals, and call for improvements in domestic recycling infrastructure
Waste & Resources - Consistency in kerbside collections	Department for the Environment, Food and Rural Affairs	Submission of a written response to the Government's consultation, consistency in household and business recycling in England	That consistency of kerbside collections should be in place in line with the introduction of Extended Producer Responsibility, and be broadened to include the collection of plastic film
Waste & Resources - Waste Prevention Programme	Department for the Environment, Food and Rural Affairs	Submission of a written response to the Government's consultation, Waste Prevention Programme for England	Welcome the Government's proposals, and encourage evidenced-based policy-making including drawing on expertise that industry can offer

Issue	Audience	Engagement	Policy Position
Funeralcare			
Funeral Sector Covid-19 Vaccination Priority	Government and DHSC	Engagement with Parliamentarians to highlight the importance of vaccinating funeral sector colleagues as a priority	Sector staff should be prioritised for vaccination at the same time as health and social care sector
Funeral Plans Regulation	Government HM Treasury and FCA, Members of the House of Commons, NGOs	Engagement to discuss regulation of funeral plans	Better regulation of funeral plan market to protect consumers and promote consumer confidence
Funeral Sector Regulation	Ministry of Justice	Engagement to discuss regulation of quality standards in light of CMA recommendations	Better regulation of quality standards is needed to ensure bereaved families can be confident in the services provided by the sector
Bereavement Support	Government, NGOs and businesses	Participation in UK Bereavement Commission	Bereaved families need access to the right support at the right time
Fairer for our colleagues (Safer Colleagues, Safer Communities Campaign)			
Safer Colleagues, Safer Communities	Home Affairs Select Committee	Paul Gerrard, Co-op Director of Campaigning and Current Affairs, provided evidence to the Home Affairs Select Committee on 14 April 2021	Call on Government to prioritise retail crime to protect our colleagues and to legislate to protect them
	Members of the House of Commons	Launch of Dr Emmeline Taylor's research Th with an online parliamentary event offering a response to the white paper 'A Smarter Approach to Sentencing and the Police, Crime, Sentencing and Courts Bill' on 12th May 2021	Call on Government to prioritise retail crime to protect our colleagues and to legislate to protect them
	Members of the House of Commons	The House considered the Protection of Retail Workers debate arising from e-petition 328621 on the 7th June	Call on Government to prioritise retail crime to protect our colleagues and to legislate to protect them
	Members of the House of Commons	Co-ordination of a letter campaign from our Colleagues to their local MPs as the Police, Crime, Sentencing and Courts Bill reached report stage on the 5th July	Call on Government to prioritise retail crime to protect our colleagues and to legislate to protect them
	Members of the Scottish Parliament	The Protection of Workers (Scotland) Act came in force in Scotland on 24th August, making it a specific offence to assault, threaten or abuse retail workers	Supporting the Scottish Government to legislate to protect our colleagues as retail workers with standalone legislation
	Members of the House of Commons	The Home Affairs Select Committee published their report on violence and abuse towards retail workers with recommendations that the Government should legislate on this issue. The report featured significant testimony from our Co-op highlighting a number of areas including the experiences of our colleagues and also some of the best practise initiatives we've been involved in. This was published on the 9th September	Call on Government to prioritise retail crime to protect our colleagues and to legislate to protect them
	Home Office Ministers and Officials	Led work of multi-business Task & Finish Groups - data protection and substance misuse - as part of National Retail Crime Steering Group	Call on Government to prioritise retail crime to protect our colleagues and to legislate to protect them
	Members of the House of Commons	Supported USDAW's National Respect for Shopworkers Week via organising over 70 MPs from across the House to visit our Food Estate	Call on Government to prioritise retail crime to protect our colleagues and to legislate to protect them
	Deputy Prime Minister and Lord Chancellor, Home Secretary and Attorney General Members of the House of Commons Home Office, Ministry of Justice and Attorney General Office Officials	Meeting with Ministers to confirm detail and plans for amendments to Police, Crime, Sentencing and Courts Bill which will make aggravated offences against those performing a public duty or service	Call on Government to prioritise retail crime to protect our colleagues and to legislate to protect them

Issue	Audience	Engagement	Policy Position
Fairer for our communities (Social Mobility Campaign)			
Apprenticeships	Members of Parliament and Peers	Presentations to the APPG on apprenticeships as topics of interest (February and April 2021) and contribution to annual report (July 2021)	Apprenticeships can be a route to social mobility and opportunities for individuals
	Department for Education	Response to DfE (ESFA) consultation on apprenticeships and eligible and ineligible costs review (January 2021)	Apprenticeships funding needs to cover the true costs to an employer of delivering an apprenticeship
	Members of the House of Commons and Lords	Sponsorship of the All Party Group on apprenticeships as a forum to promote better policy (throughout 2021)	Apprenticeships can be a route to social mobility and opportunities for individuals
	Department for Education, EFSA and Members of the House of Commons and Lords	Briefings on the creation of the Co-op Apprenticeship Levy Share scheme (April-December 2021)	Apprenticeship Levy funds can be shared to promote new opportunities for under-represented groups
	Social Mobility Commission and businesses	Presentation at SMC masterclass (September 2021)	Apprenticeships can be a route to social mobility and opportunities for individuals
	DfE Ministers and Officials	Visit to Co-op Support Centre by Gillian Keegan MP (September 2021) and meeting of Alex Burghart MP with Co-op Apprentices (October 2021)	Apprenticeships can be a route to social mobility and opportunities for individuals
Lifelong Skills	Department for Education	Steve Murrells' membership of the DfE Business Engagement Forum	Lifelong skills are key to individual's working life progression
Employment	Public Accounts Committee	Submission to 'DWP Employment Support' inquiry, focusing on Kickstart (May 2021)	Government needs to work in closer partnership with employers to deliver employment support schemes
Free Schools Meals and Healthy Start Vouchers Eligibility #endchildfoodpoverty	Government, HM Treasury and Prime Minister	Open letter to The Times co-signed with other food retailers and Marcus Rashford (October 2021)	Children need access to nutritious food to thrive and learn
	Members of the House of Commons and Government	Members email to encourage them to contact their MP (September 2021)	Children need access to nutritious food to thrive and learn
Community Access to Food	Members of Parliament	Members of Parliament visits to Co-op / Hubbub Community Fridges (throughout 2021)	Communities need access to food with dignity and without stigma
Mental Health and Wellbeing	Members of Parliament	Engaged with Parliamentarians to share our Together Through Tough Times report and offer visits to services in local constituencies with our charity partners, Mind, SAMH and Inspire	Communities should be at the heart of improving mental health and wellbeing, and there is a need to level up on the mental health agenda

Issue	Audience	Engagement	Policy Position
Fairer for our planet (Climate Justice campaign)			
UNFCCC Conference of the Parties 26	HM Government	Engagement with the Prime Minister and COP President in the run-up to COP26, directly and in coalition with others	That the UK Government should pursue an ambitious agreement at COP26 for the sake of people and planet
	HM Government	Support for the Climate Coalition's Great Big Green Week including encouraging our members to sign their declaration to the Prime Minister	That the UK Government should pursue an ambitious agreement at COP26 for the sake of people and planet
	Members of the House of Commons; Members of the Scottish Parliament; Members of the Senedd; and Members of the Northern Ireland Assembly	'Co-op 26' campaign (in partnership with Count Us In) included equipping our members and customers to engage with their elected representatives	That we all have a part to play in tackling the climate crisis, but ambitious political leadership is needed given the structural and systemic transformation that will be required to reach Net Zero
	COP26 Delegates	The role of business in delivering climate justice	That ambitious collective political and business leadership is needed worldwide to tackle the climate crisis
Official Development Assistance	Foreign, Commonwealth & Development Office	Submission to the International Development Strategy Call for Evidence	That the UK Government should return to spending 0.7% of Gross National Income on Official Development Assistance without delay
	International Development Select Committee	Submission to the Future of UK Aid Inquiry	That the UK Government should return to spending 0.7% of Gross National Income on Official Development Assistance without delay
	Members of the House of Commons	All MPs contacted ahead of the Official Development Assistance vote with a copy of our Climate Justice for People & Planet report	That the UK Government should return to spending 0.7% of Gross National Income on Official Development Assistance without delay
Task Force on Climate Related Financial Disclosures	BEIS	Submission to the mandatory climate-related financial disclosures by publicly quoted companies, large private companies and LLPs Consultation Document	Welcome the Government's proposals, and call for further regulation to introduce mandatory end-to-end carbon footprint reporting for all large business



WHEN TRUST MATTERS

Independent Assurance Statement

The Co-operative Group Limited (“the Co-op”) commissioned DNV Business Assurance Services UK Limited (“DNV”, “we”, or “us”) to undertake independent assurance of the Co-op Sustainability Report 2021 (the “Report”) for the year ended 31st December 2021.



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 of stakeholder inclusiveness, materiality, sustainability context and completeness.
- In terms of reliability of the performance data, nothing came to our attention to suggest that these data have not been 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 process for determining the issues that are most relevant to an organisation and its stakeholders.

The Co-op undertook a thorough review of material issues in 2021. The review assisted in confirming that the Report covered all material issues, and will support the development of the social value framework in 2022. Within the scope of our work, we found that the management approach for priority issues was well embedded within the business.

Co-op’s commitment to their Vision was reinforced in 2021, progressing Responsible business-related strategies and launching the Ten-point Climate plan. The Co-op should ensure that these strategies are well integrated, supported by a business-wide approach to Responsible Business governance that provides prioritisation and oversight of the commitments and targets made in the different strategies, in both the food and non-food businesses.

Sustainability context

The presentation of the organisation’s performance in the wider context of sustainability.

The Report continues to include a significant number of short and medium term targets, which is a strength. This year the Co-op used the outcomes from its materiality process to identify priority areas and headline targets. New targets and metrics developed in 2022 should become part of regular reporting and monitoring of progress internally.

The early achievement of the 2025 target for greenhouse gas (“GHG”) emission reductions from own operations was positive. Co-op will confirm their new medium-term target towards their overall net-zero commitment in 2022.

The commitment to the WWF Basket will help the Co-op ensure its programme is aligned with the industry focus on halving the environmental impact of UK Baskets by 2030.

Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

This year the Co-op sought input from a range of stakeholders as part of its materiality review and the outputs were used to identify topics and headline targets in the report. This stakeholder engagement helped confirm that the Co-op’s Responsible business-related strategies and Report have considered relevant material issues.

Completeness

How much of all the information that has been identified as material to the organisation and its stakeholders is reported.

The Report continued to be comprehensive, offering stakeholders confidence that the issues in scope are managed appropriately. This year the report structure was updated and the new summary, including headline targets and progress, helped to provide improved clarity on the overall priorities of the Responsible business programme.

Quality

The accuracy and comparability of information presented in the Report, as well as the quality of underlying data management systems.

Overall, for the data in scope and based on the work we performed, we had confidence in the processes and systems to ensure the information presented in the Report was correct. The published basis of reporting continued to add transparency to the Report by providing clarity for the definitions that applied to the data in scope. Data collection processes were documented in some areas and as recommended in prior years, this should be extended to cover all of the complex data sets, to help ensure continuity and consistency in reporting.



WHEN TRUST MATTERS

Scope and approach

We performed our work using DNV’s assurance methodology VeriSustain™, which is based on our professional experience, international assurance best practice including the International Standard on Assurance Engagements 3000 (“ISAE 3000”), and the Global Reporting Initiative (“GRI”) Sustainability Reporting Guidelines. We evaluated the Report for adherence to the GRI Principles for defining report content of stakeholder inclusiveness, materiality, sustainability context and completeness (the “Principles”). We understand that the reported financial data and information are based on data from the Co-op’s Annual Report and Accounts, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report and Accounts is not within the scope of our work.

Performance data

The scope of our work covers the following disclosures (“Performance data”) from the Report, as identified with the symbol: 

- **Community:** Total investment in UK and international communities; total UK community investment split by cash, colleague time, gifts in kind, leverage (page 70); Colleagues involved in community activity during work time KPIs (page 72)
- **Our People, Diversity KPIs:** % female colleagues; % colleagues by age; % colleagues identified as belonging to an ethnic minority group (page 31)
- **Ethical Trade and Human Rights:** Supply Chain Transparency KPIs (page 38); Supplier Capacity Building KPIs (page 38); Number of sites and workers on Sedex and location of audits in 2020/21 (page 39); Fairtrade ingredients sold via Fairtrade products (page 43)
- **Climate Change:** Total energy use; Direct GHG emissions: Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions; % electricity from renewables; % reduction in GHG emissions (page 83)
- **Sustainable Sourcing:** Higher welfare sales (£m); % fresh protein sales by welfare standard; % Co-op branded shell-egg sales RSPCA Assured; % Co-op milk National Dairy Farm Assured Scheme assured (page 96)

We evaluated the Performance data using the GRI Reporting Principles for defining report quality (accuracy, balance, clarity, comparability, reliability and timeliness) together with [the Co-op’s basis of reporting](#) that describes how the data are measured, recorded and reported. This year we continued to rotate some data in scope. We continued to review key claims throughout the report including the outputs of data systems outside the Performance data but didn’t 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).

Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at head office level. We undertook the following activities:

- Review of the current responsible business issues that could affect the Co-op and are of interest to stakeholders;
- Review of the Co-op’s approach to stakeholder engagement and recent outputs;
- Review of information provided to us by the Co-op on its reporting and management processes relating to the Principles;
- Interviews with ten selected Directors and senior managers responsible for management of responsible business issues and review of selected evidence to support issues discussed. We were free to choose interviewees and functions covered community, policy and campaigns, food sustainability policy and one member of the board;
- Review of supporting evidence for selected claims in the Report, including reported performance against all 2021 targets. 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 at head office. For energy and food waste, where data is consolidated from site level, we tested a sample back to source sites remotely.

DNV Business Assurance Services UK Limited

London, UK
7th April 2022



Responsibilities of the Directors of Co-op and of the assurance providers

The Directors of the Co-op have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of Co-op; however, our statement 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 Assurance Statement.

DNV’s assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Level of assurance

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our Assurance Opinion. We are providing a ‘limited level’ of assurance. A ‘reasonable level’ of assurance would have required additional work at Group and site level to gain further evidence to support the basis of our Assurance Opinion.

Independence

DNV’s 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. We have no other contract with the Co-op which would constitute a conflict of interest with this assurance work.

DNV Business Assurance

DNV Business Assurance Services UK Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.co.uk/BetterAssurance

Co-operative Group Limited

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It's what we do