



Your Co-op's Sustainable Impact

Update report



Doing good together

Introduction

Sustainability is at the heart of what we set out to deliver for our members and the communities we serve. So much so that sustainability features in our Society Purpose and 'Sustainable Impact' is one of our strategic TRUST pillars. The five pillars guide everything we do as an organisation and ensure we are working towards our Purpose every day.

In the past year, we have achieved so much in partnership with our remarkable colleagues and uniquely engaged members. By doing good together, we have reduced our energy use by 11% in just one year and exceeded the sustainability commitments laid out by our banking partners. From investing in energy efficiency programmes to championing community energy, every action we take together makes a difference.

We are pleased to have received a handful of commendations this year in recognition of the steps we have taken, and continue to take, to create a more sustainable Society. This report highlights some of these actions, as well as our plans for the future.

I hope you will continue doing good together with us in the coming year.

Mike Pickering
Head of Sustainability



Recognition

UK Green Business Awards

Your Co-op nominated for 'Retailer of the Year'

Business in the Community Responsible Business Tracker 2024

Your Co-op achieved an outstanding 87% (2023: 81%)

The British Renewable Energy Awards

Younity shortlisted in 'Financial Leadership' and 'Community' categories

Energy Awards 2024

Your Co-op nominated for 'Energy Project of the Year (Retail & Commercial)', and Younity nominated for 'Energy Champion of the Year'

EDIE Sustainable Leaders Awards

Your Co-op shortlisted for 'Project of the Year'

Better Society Awards 2024

Younity shortlisted for 'National Commitment to the Community Award'

What we've achieved together in the 2023/24 financial year

<p>32% Greenhouse gas emissions down 32%*</p>	<p>Cut food waste by 21%*</p>	<p>11% Reduced energy use by 11%</p>
<p>Saved 5.2 million kWhs</p>	<p>Invested £8m in energy efficiency projects over the last 2 years</p>	<p>Saved 1,000 tonnes of CO₂</p>
<p>Supporting over 250 community energy producers through Younity</p>		<p>Reduced the number of food waste items across our stores by over 600,000*</p>



Cutting food waste

Working with our food waste partners Too Good To Go (TGTG) means we can find new homes for food that would otherwise go to waste. By improving our operational processes and working with TGTG, we have saved 600,000 items from going to waste compared to 2019 levels.

We also began offering bakery goods and hot food through TGTG, saving the equivalent of an additional 102,000 meals from going to waste. We're also trialling surplus food, which we'll look to roll out further if successful.

*compared to 2019 baseline

Sustainable steps

Saving energy

Over the last two years, we have invested over £8m into energy efficiency projects.

By replacing the fridges at 50 more stores and updating the lighting to LED at 139 sites, along with raising awareness among colleagues, we have cut energy use by 11%. This has saved 5.2 million kWhs (equivalent to £1.5m in electricity costs) and 1,000 tonnes of CO2.



Sustainability-linked banking targets

Last year, we agreed finance targets linked to sustainability for the first time.

The targets include reducing direct greenhouse gas (GHG) emissions by 40% by January 2026 compared to 2019 and reducing controllable food waste by 30% over the same timeframe. Our phased target for the 2023/24 year was to cut direct GHG emissions by 25%, and food waste by 20%.

We are pleased to report that we exceeded both targets, with a 32% reduction in GHG emissions and a 21% reduction in controllable food waste compared to the 2019 baseline.

Science-based targets towards Net Zero

As we continue to work towards Net Zero, we were pleased to announce that we had our science-based carbon reduction targets successfully validated by SBTi (science-based target initiative) at the start of this year, including the more complex 'scope 3' indirect emissions.

While 'scope 1' and 'scope 2' emissions are more controllable and include things like our electricity and gas use and emissions from transportation, 'scope 3' emissions cover the indirect emissions from business activities, usually occurring from sources the business does not own or control. For example, emissions created during the production and transportation of products we sell before they reach our distribution centres.

The following science-based targets have been validated by SBTi:

- Reduce absolute scope 1 and 2 greenhouse gas emissions by 50% by 2030 from the 2019 base year.
- Reduce absolute scope 3 greenhouse gas emissions covering purchased goods and services, upstream transportation and distribution, waste generated in operations and end-of-life treatment of sold products by 27.5% within the same timeframe.
- Reduce absolute scope 3 emissions from use of sold product emissions by 46.2% within the same timeframe.

We will be working toward these targets by continuing our focus on energy efficiency to drive down our scope 1 and 2 emissions and working closely with our co-operative buying group to reduce the scope 3 emissions associated with our products and services.

Renewable energy

Championing community energy

We have continued to help new community renewable energy projects to get off the ground through Younity, our joint venture with Octopus Energy. We do this by providing funding, setting up the Community Energy Connect platform to help them find volunteers and buying energy from them.

Through Younity, we are now supporting more than 270 community energy producers, equivalent to a third of the community energy sector, meaning we can provide more people than ever before with locally sourced renewable energy through the Co-op Energy Community Tariff.



Younity's new volunteering platform Community Energy Connect has already had 161 sign ups. Find out more at younity.coop/take-action

Working with Big Solar Co-op

We love working with other co-ops because we can drive positive change by doing good together. We've recently formed a partnership with Big Solar Co-op to do just that.

Over the coming year, Big Solar will install solar panels at a selection of Food, Travel and Childcare sites, as well as our head office in Warwick, providing enough renewable electricity to meet around 5% of the Society's electricity needs.

The idea for the partnership came about through a colleague competition. Sam Webb, Store Manager at Lydney, made the suggestion.

Case Study: Powering Communities Fund

For every customer that joins the Co-op Energy Community Tariff, £10 is donated into the Powering Communities Fund to support community energy groups making a social impact. Since 2019 we have distributed £50,000 to 17 groups.

The funding has already been used to:

- Add solar panels to community buildings
- Convert unused railway spaces into energy gardens
- Engage children in designing their own eco-friendly homes
- Increase community engagement with renewable energy

Find out more at younity.coop/funding.

Plans for 2024 and beyond

Looking ahead we plan to...

- Work towards our banking targets, which are to:
 - Reduce our direct greenhouse gas emissions by 40% by January 2026 (compared to 2019).
 - Reduce the number of food waste items across our food stores by 30% by January 2026 (compared to 2019).
- Reduce our indirect greenhouse gas emissions (scope 3 emissions) by 32% by 2030 (compared to 2019) in collaboration with the co-operative buying group FRTS.
- Invest more than £800,000 in energy efficiency property projects over the next year, focused on continuing to upgrade fridges and LED lighting at food stores. We will also be adding automation controls for our refrigeration and heating/cooling systems in selected stores.
- Work with Big Solar Co-op to roll out solar panels to more suitable sites across our estate.

Case Study:

Sharing best practice with small businesses

By doing good together, we can make an even bigger impact and do more to mitigate climate change.

To do this, we continue to share best practice around energy saving with others, including leading a session for members of the Plunkett Foundation who run community-owned businesses. At the session, we provided help and advice on minimising the environmental impact and energy costs of their operations.



The Midcounties
Co-operative