

RESPONSIBLE PROCUREMENT

We focus on generating and protecting value for our member-owners at every stage of the Goods not for Resale (GNFR) Procurement lifecycle; across Category Planning, Strategic Sourcing, and Supplier Management. This means we're embedding responsible procurement in all of our day-to-day activities.

Effective due diligence and risk management

Before working with new suppliers, we ask a wide range of due-diligence questions, covering issues from sustainability and human rights to diversity and inclusion. This ensures we are partnering with like-minded organisations who share our values.

To support this, we've implemented [Ecovadis](#); a collaborative platform that allows organisations to evaluate how well they've integrated sustainability into their management systems. We also continue to use [SEDEX](#) Self-Assessment Questionnaires (SAQs) for Tier 2 suppliers considered to be high ethical risk from a human rights perspective.

Developing collaborative supplier relationships

We consider our suppliers to be an extension of our business, and our Supplier Management Framework provides category and contract managers with the tools they need to ensure that engagement not only focuses on operational and commercial performance but also drives collaborative behaviours across sustainability, diversity and inclusion, and social value.

This year, we refreshed several supplier-facing policies including:

- Supplier Anti-Bullying, Harassment and Discrimination Policy: This makes clear that bullying, harassment or discrimination of any kind is not tolerated, and how it should be reported. This has been refreshed to reflect the new Worker Protection Act.
- GNFR Supplier Guide to Ethical Trade: We expect our Goods Not for Resale (GNFR) suppliers to align with our principles on [ethics and sustainability](#).
- GNFR Sustainability Guidance for Suppliers: Refreshed guidance incorporates our new Co-op Vision and our Ecovadis requirements.



Working together to create social value

We also encourage our suppliers to align with our Vision to create social value for our member-owners in a variety of ways.

Our Social Value Charter encourages collaboration from our suppliers on activity to support our Vision, focusing on the issues that our member-owners care about.

In our Academies, for example, our suppliers have contributed over 1,000 hours to activities such as mock interviews, career fairs, volunteering, delivering workshops and distributing laptops.

You can see how we worked with Bunzl on a social value action plan below.

Over 1,000 hours

Our suppliers have contributed over 1,000 hours in support of our Co-op Academies

¹ [Image of Ecovadis presenting at the June GNFR Supplier Conference](#)

Diversity and inclusion

This year, we launched the Co-op Endless Inclusion Hub to our GNFR suppliers. You can read more on that [here](#).

We continue to push for increased diversity in our supply chain and are members of the Social Enterprise UK's 'Buy Social Corporate Challenge', spending £11.1m in 2024 with Social Enterprises (2023: £4.9m). We also work with Minority Supplier Development UK (MSDUK) and spent £170,000 in 2024 with Ethnic Minority Businesses.

We were also proud to be awarded the 'Buy Social' Market Builder award at the 2024 Social Enterprise UK Awards.

In 2024, our GNFR suppliers pledged over £2.2m (2023: £1.3m) to support our [Co-op Levy Share](#) scheme, changing the lives of young people from diverse backgrounds in the UK, supporting over 200 apprenticeships. You can hear more from one of our suppliers, Wincanton, and how they are supporting apprentices at William Hare Group.

Ethical trade and human rights

For 2024, we identified 100 suppliers from categories considered to be high risk, for our Ethical Trade programme. We monitor their approach to managing these risks via Ecovadis and SEDEX.

To continue to raise awareness, we partnered with [Unseen](#) and [Stronger Together](#) to deliver modern slavery awareness training, enhancing our team's understanding and helping category managers identify and address human rights risks across our supply chain.

At our [annual GNFR Supplier Conference](#), we invited both Unseen and Ecovadis to present to our suppliers about sustainability and modern slavery awareness, and our quarterly Ethical Trade Newsletter helps keep colleagues informed of risks highlighted in the media.

We also developed modern slavery awareness posters to mitigate risks in our depots and re-designed our Modern Slavery Awareness eLearning for business areas identified as potentially high risk for modern slavery.

Sustainability

This year, we also completed our own Ecovadis assessment, ranking in the top 15% of rated organisations and earning a silver medal.

This milestone demonstrates our commitment to leading by example, inspiring suppliers and partners to adopt similar sustainable and responsible practices.



Are you forced to live in accommodation against your will?

If you suspect someone is a victim of Modern Slavery you can:

1. Call the 24/7 Modern Slavery helpline on 08000 121 700
2. Report online on the Modern Slavery helpline website: www.modernslaveryhelpline.org/report
3. Call the Gangmasters and Labour Abuse Authority on 0800 432 0804

You can also use the Co-op whistleblowing process and escalate to our free and confidential whistleblowing line, "Speak up" operated by Safecall by calling 0800 915 1571, or online via www.safecall.co.uk/coop. All reports are treated confidentially.

Please speak up. You can find out more about Co-op's Modern Slavery statement [here](#) or by scanning the QR code.



Is someone controlling your identity documents or bank account?

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ENDLESS INCLUSION HUB

Along with our commitment to building inclusive partnerships, we're working to enable our supply chain to be truly inclusive. The Endless Inclusion Hub is an online platform providing our suppliers with access to resources, tools, case studies and events to progress inclusion, diversity, equity and belonging.

In February, we launched our Endless Inclusion Hub to our Goods Not for Resale (GNFR) suppliers, many of whom took part in 'A Gift to Give', which allows our Endless Inclusion members to support our [Co-op Apiary scheme](#), giving under-represented suppliers access to tools, resources, and time to support the development of their businesses. Since the launch, we've received over £425,000 and over 1,500 hours' worth of gifts donated. You can watch how one of our suppliers, Red Bull, took part in A Gift to Give below.

In 2024, we also delivered a Building a Diverse and Inclusive Supply Chain event with our partners, [SEUK](#) and [MSDUK](#). The event focused on encouraging diversity in the supply chain and within Co-op partnerships, and delivering products and services that are inclusive of the communities we serve.



Co-op was announced as the winner of the 'Best Initiative to Build a Diverse Supply Base' award at the [CIPS Excellence in Procurement & Supply Awards 2024](#), recognising our collaborative approach to inclusive buying and supplier diversity.

CIPS
Excellence in
Procurement & Supply
Awards 2024

WINNER

BEST INITIATIVE TO BUILD
A DIVERSE SUPPLY BASE

Co-op

We held our online Age Fest event which allowed attendees to hear from industry leaders about the latest trends in age diversity and empowerment.

We also hosted National Inclusion Week, with over 300 attendees joining us for collaborative learning on issues from inclusive marketing and diversity in the supply chain, to neuro-inclusion and social value delivery in branded products.

We continue to push for more diversity across our supply chain and are members of the Social Enterprise UK's (SEUK) 'Buy Social Corporate Challenge'.



£11.1m

spent with Social Enterprises in 2024
(2023: £4.9m)

We're also continuing to work in partnership with Minority Supplier Development UK (MSDUK) to achieve our supplier diversity strategy, and this year we have spent £170,000 with Ethnic Minority Businesses.

Looking to 2025, we'll formalise data on our supplier diversity to enhance support offerings and continue to embed inclusive buying into our everyday ways of working.

COMMUNITY BUYING

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

Local Sourcing

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



World Foods

Our World Foods range is designed to meet the cultural needs of our diverse communities, from products that celebrate cultural and religious traditions – such as Ramadan or Diwali – to everyday staples. For example, we're working to expand our Halal offering and, in 2025, we'll launch a trial across a number of stores, introducing a cross-category, culturally appropriate Halal range. We're committed to expanding and delivering this range in a way that's more convenient and accessible for the communities we serve.

The Apiary

Co-op's purpose-driven incubator and accelerator programme champions small businesses that align with our vision and values. Now in its fourth year, The Apiary has supported over 30 businesses as they navigate the world of retail. At its core is a vibrant community of founders, complemented by a network of mentors and ambassadors who provide collaborative skill-sharing, masterclasses, insights, and hands-on support. This year, the programme has grown to include an accelerator and has been enhanced by the innovative 'Gift to Give' Endless Inclusion scheme, where larger suppliers lend their support to purpose-led businesses and under-represented founders. See one of our suppliers in action below.

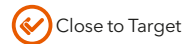
RESPONSIBLE PROCUREMENT DATA



Target Achieved



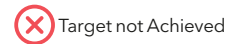
On Track



Close to Target



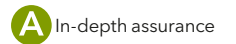
Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2024 Target	Performance against Target	KPIs	2021	2022	2023	2024	2025 Target	SDGs
Responsible Procurement	<p>In 2024, we will seek to understand the carbon reduction plans of our strategic and critical suppliers.</p> <p>We want to understand how many of these suppliers have:</p> <p>a) 1.5°C aligned science-based net zero targets</p> <p>b) a published inventory of scope 1, 2 and 3 GHG emissions</p> <p>c) a plan to reduce the carbon consumed in providing services to our Co-op</p>	<p>Our Carbon Survey, completed by strategic and critical suppliers revealed that:</p> <ul style="list-style-type: none"> • 56% had set 1.5°C degree aligned science-based net zero targets. • 73% would publish their scope 1, 2 and 3 GHG emissions inventory by the end of 2024. • 82% had a plan to reduce the carbon consumed in providing goods/ services to Co-op. 	Number of suppliers with valid Ecovadis Scorecards	N/A	N/A	N/A	146	<p>In 2025, we will:</p> <p>Support suppliers to contribute 500+ hours of social value activity to Co-op Academies</p> <p>Obtain product carbon data where available & agree a plan to support our Co-op net zero goal (for the top 80% of GHG emissions impacting suppliers)</p>	
			Spend with Social Enterprises across GFR and GNFR (£m)			4.9	11.1		
			Spend with Ethnic Minority Businesses (MSDUK suppliers) (£)			45,000	170,000		
			£ pledged to Levyshare by Co-op Suppliers for Levyshare (£m)			1.3	2.2		
			Number of apprenticeships supported by suppliers through Levyshare			100	200		
			Number of hours committed by suppliers supporting Social Value initiatives ¹			500	1,000		

¹ See p.99 for more detail