



The Co-op's Ethical Trade and Human Rights Policy Position Statement

1. Introduction

Ethical trade and respect for human rights are firmly rooted in our co-operative heritage and have been part of who we are since the Rochdale Pioneers in 1844. It was true of us then and it is true of us now when we state our purpose of 'Championing a better way of doing business for you and your communities'.

Our co-operative values and principles¹ underpin not just why we value ethical trade and human rights, but also how we seek to make it a reality.

As a consequence of our heritage and history, and our values and principles, we strongly support the Universal Declaration of Human Rights and our obligation to respect those human rights in the way we carry out our business. One of our seven core principles is 'concern for community'. Both locally and internationally, we seek to improve and develop the communities we trade with and have an impact on; doing the right thing and showing we care is how we demonstrate we are the Co-op.

2. Our commitment

At the Co-op, we are committed to ensuring that the people and communities providing the products and services we buy and sell are treated fairly, and that their fundamental human rights are protected and respected. We are committed to monitoring and reporting our progress to our members, and to demonstrating the positive impact of trading with us. Finally, we champion and campaign on ethical trade and human rights as a 'better way of doing business'.

¹ Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others. The co-operative principles are guidelines by which co-operatives put their values into practice: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; co-operation among cooperatives; concern for community (<https://ica.coop/en/what-co-operative>).

(i) Our focus

Our approach to ethical trade and human rights is primarily focused on the protection of fundamental rights of workers throughout our supply chains. These rights encompass the breadth of international labour rights, including fair reward, safe and decent working conditions, and protection from forced labour, modern slavery and harsh or inhumane treatment.

It includes our additional commitment to Fairtrade, to help support better prices, decent working conditions and fair terms of trade for farmers and workers. It also encompasses consideration of the wider reputational issues associated with human rights, in relation to potential suppliers and partners of the products and services we use within our own business.

And finally, our approach recognises the exceptional circumstances under which we may withdraw trade from a state or region.

(ii) Guiding principles and underlying standards

Our approach is fundamentally rooted in the principles of the Universal Declaration of Human Rights, core International Labour Organisation (ILO) standards, the Ethical Trading Initiative (ETI) Base Code, and national and international laws. We are also guided by the UN Guiding Principles on Business and Human Rights in the way we address our responsibilities as a business to protect and respect human rights associated with our operations.

(iii) Our policies on ethical trade and human rights

Our commitment is articulated in the following policies and procedures, which are used across our business to guide our purchasing of products and services, and our relationships with suppliers and partners along our supply chains:

- Ethical Trade Policy Position Statement
- Sound Sourcing Code of Conduct
- Supplier Guide to Ethical Trade
- Fairtrade Policy Position Statement
- Sustainable Procurement and Supplier Policy
- Human Rights and Trade Policy

3. Putting our commitment into practice

We expect our suppliers to share our commitment to ensuring fair treatment and respect for human rights of the people and communities in our supply chains, and our understanding of the fundamental rights they are entitled to.

We have a number of ways in which we try to ensure that these standards are being met. We put particular emphasis on those supply chains, products and services where we have the greatest responsibility (in particular, our Co-op branded products), where we can make the most difference, and where there is a higher risk that fundamental labour rights may not be realised.

(i) Co-op own-brand products and services

When it comes to our own Co-op brand products (whether for resale or our own use within the business), and to those services provided as part of our own-brand products, we aspire to the highest standards in our supply chains as our members and customers expect.

Therefore we:

- make clear to those we trade with that, as a minimum, we expect these fundamental labour standards to be applied throughout our supply chains;
- require visibility of our suppliers and supply chains, through their registration on a recognised collaborative platform for sharing ethical supply chain data, such as Sedex;
- put in place clear auditing and monitoring mechanisms for Co-op brand products we sell, using established and respected methods to give us a high degree of confidence that our standards are being met;
- work collaboratively with suppliers, and participate in wider industry and multi-stakeholder initiatives, to drive improvements and address ethical trade and human rights issues; and
- report the results of our activities to our members in a clear, transparent way.

We apply this overall approach to all Co-op brand goods and services. However, due to the nature of their supply chains, the methods we use to implement this approach differs between goods and services.

(ii) Third-party branded products and services

We sell a wide range of other branded products in our stores and online, as well as buying them for our own use. We also use a number of services in our business, and have a number

of third party partnerships. In line with our own expectations, as well as those of our members and customers, we aspire to the highest standards in these supply chains.

Notwithstanding the potential complexity and scale of third party supply chains, we are committed to doing what is reasonably practicable to ensure that the standards we expect are not systematically compromised. Therefore we:

- make clear to those we trade with that, as a minimum, we expect these fundamental labour standards to be applied throughout their supply chains;
- work to improve visibility of our third party suppliers and their supply chains, including through use of recognised collaborative platforms for sharing ethical supply chain data, where appropriate; and
- engage with suppliers where we are aware these standards are not being met, and participate in wider collaborative initiatives to help drive improvements and address ethical trade and human rights issues, where appropriate.

We apply this overall approach to all third-party branded goods we sell and use, services for our own use, and third-party partnerships. However, due to the nature of their supply chains and the way they are provided, the methods we use to implement this approach differs between goods and services.

4. Monitoring and reporting

Being open and honest is an inherent part of our Co-op difference, and has been the hallmark of the Co-op since 1844, when we ensured customers knew that they were buying unadulterated food.

We are committed to transparency, and our approach to ethical trade and human rights includes setting Key Performance Indicators (KPIs) and targets, monitoring performance against them, and reporting our progress to members in our Co-op Way Report in a way which clearly shows how we are implementing our policy and the difference it is making to workers in our supply chains.

Our KPIs encompass the following areas of performance:

- Progress in improving transparency of our suppliers and supply chains
- Implementation of our supplier auditing and ethical screening programmes; and improvements in supplier performance as a result of our auditing and monitoring activities

- The range and impact of our supplier programmes and collaborative engagement activities
- Our approach to tackling modern slavery and compliance with the Modern Slavery Act
- Our leadership in Fairtrade including wider promotion of FT and support for producers
- Our campaign activity and the impact it has had; and how and where we have shown leadership in ethical trade and human rights

5. Our Co-op difference

We have championed ethical trade and human rights since our creation, and our Co-op difference is clear:

- First, our members and customers understand that when they buy or use products or services bearing our iconic label, we have endeavoured to ensure that working conditions of the people producing or delivering them meet our high standards.
- Second, we are committed to openness and being radically transparent. Where we find failings or fall short of our commitments and expectations on ethical trade and human rights, we will report where these failings occur and how we are addressing them.
- Third, as seen from our work with Fairtrade in the 1990s and on countless other occasions, the Co-op has always championed and campaigned for 'a better way of doing business'. So when we find issues in our supply chains, we will lead the campaigns to make a difference. We've been successful in the past when we've been brave, and our campaigning will be brave in the future.