

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.