

Co-op Modern Slavery Statement 2022

Contents

About the Co-op	3
Our Supply Chains	3
Policies and governance	5
Assessing and managing risk	7
Training and collaboration	15
Campaigning	20
Tracking our progress	22



It's what we do

Introduction from our CEO

As 2022 continued to call on organisations like ours to support the recovery of people so badly affected by the pandemic, our Co-op, and everyone who makes us who we are, faced new headwinds.

The devastating invasion of Ukraine, and its effects upon humanity and the economy, changed lives across the world. The resulting cost of living crisis presents tough new challenges to businesses like ours, but also domestic and international communities, including those supporting our supply chain. As no-one could have planned for this, they are felt deeply, making a profound impact.

Once again, some of the most vulnerable people found themselves in an even harder place. As 2022 ended, many of those people in the UK dependent upon our Co-op were seeing increases in the price of food and fuel across the market, but also fewer affordable mortgages and pensions stretched them to their limits.

Based upon our commitment and work to address modern slavery, we are only too aware that all this creates the perfect breeding ground for increased exploitation of innocent people in need. As part of our Vision, 'Co-operating for a Fairer World', we have continued to work to mitigate the risk of modern slavery as much as we can.

I'm very proud of our leaders and teams within our Co-op, for what's included within this report, and what we were able to achieve through working co-operatively with others.

This document includes initiatives where we came together with other operators and shared examples of best practice, to drive change and safeguard vulnerable people across our industries. Also, and as we know we still have work to do ourselves, this report includes detail around what we did to assess our own supply chain and take action.

I'm particularly in awe of the journey of Bright Future, which was launched by our Co-op in 2017 to offer work to those rescued from modern slavery. It has now flourished into a multi-membership co-operative and is a real testament to what can be done when we work co-operatively on the effects of modern slavery.

I sincerely hope what we're sharing here will offer real inspiration, while we will also draw upon it to refuel our momentum and create even more meaningful change in 2023.



Shirine Khoury-Haq
CEO,
The Co-op Group



Our key achievements in 2022

- We responded to the challenges of UK seasonal workers and their increased risk of exploitation, by supporting the [Just Good Work](#) app and played a key role in setting up industry roundtable events to address issues (page 15).
- We launched two Human Rights Impact Assessments in Co-op's food supply chains and published details of all tiers of three of our high-risk supply chains (page 11).
- We improved the lives of women in our supply chains through the launch of a gender empowerment programme, reaching up to 5,000 people in Kenya. For further information, please see page 35 of our [Co-operate Report](#).
- We reached 6,557 people in our global supplier engagement programme and published a series of supplier [case studies](#) to showcase excellence in human rights practice (page 16).
- Through our Goods Not for Resale (GNFR) function, we continued to work closely with the IPHR Forum¹ (Indirect Procurement Human Rights Forum) collaborating on the production of the [Waste & Recycling Sector Modern Slavery Protocol](#), a voluntary agreement and public pledge of commitment from organisations to work together to tackle modern slavery and prevent exploitation or abuse of workers (page 14, 16 & 18).
- We have driven the evolution of Bright Future into a multi-membership co-operative, using the co-operative model to promote a unique partnership between business and charities (page 20).

¹ The Indirect Procurement Human Rights (IPHR) Forum is a group of UK retailers, brands and manufacturers. We have a common vision to protect and respect human rights in our goods and services not for resale supply chains and facilitate collaborative responses to shared risks.

About the Co-op

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 country.

We're a major food retailer and wholesaler, we're the largest funerals services provider in the UK, a major provider of regulated consumer legal services, particularly probate and wills, and a major provider of life-planning and insurance products. 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. A stronger Co-op means stronger communities. We're here to create value for our members and the communities in which we trade 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. And 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 customer base, our membership and the positive Co-op impact and value we can bring to wider society.

You can read more information about our business in our 2022 Annual Report and Co-operate Report at www.co-operative.coop

Our supply chains

We buy products and services from thousands of suppliers across the globe. Some are for re-sale and others we use in our own business.

Co-op Food own-brand products. 45% of the goods we sell in our food stores are own-brand products, across a variety of categories.² Our supply chain is complex and varied, including farms, abattoirs, fishing vessels, processing factories, finishing, canning and packing facilities and assembly units. Our Food ethical trade monitoring programme³ now covers 2,838 sites (734 Tier 1 and 2,104 Tier 2)⁴, as well as almost 790,000 workers across six continents and 66 countries. [See map page 4].

We are committed to supply chain transparency. We publish details of our Co-op Food own-brand Tier 1 sites and disaggregated worker data on our website, and in 2022 we further increased transparency by mapping and publishing details of all tiers of our high-risk supply chains (see page 7).

Other own-brand and third-party products and services we sell. We also sell a range of third-party-branded products and services in Co-op Food, Co-op Funeralcare and Co-op Insurance.

Co-op Funeralcare sells coffins and caskets, headstones, memorial stones and flowers, some of which are Co-op brand products. We have around 31 key suppliers across these categories, which are centrally managed and contracted.

Our Co-op brand coffins are manufactured in the UK, as are the majority of those from third-party suppliers. 98% of the coffins we manufacture are also FSC certified.

4.5% of our total coffins are imported from outside the UK, mainly from the Far East and Canada. Of this figure, 95% of these are manufactured by Traidcraft-certified manufacturers. Our masonry comes mainly from India and China. Funeralcare also offers wider services through local third-party suppliers (e.g. for specialist vehicles and funeral flowers).

Co-op Legal Services is a major provider of regulated consumer legal services, particularly probate and wills.

Co-op Insurance works with a wide range of trusted partners to provide comprehensive and specialist coverage across car, van, home, travel, pet and life insurance.

Goods and services not for resale (GNFR).

Our procurement function is responsible for sourcing the goods and services we need to run our businesses, such as phones and computers, uniforms and cleaning services. We buy from approximately 2600 suppliers across five categories: Property, Logistics, HR & Professional Services, Technology and Marketing.

In 2022, we spent over £1.1bn, mainly through our top 271 managed suppliers. Our largest spend category is Logistics, which accounts for approximately 30% of our total spend.

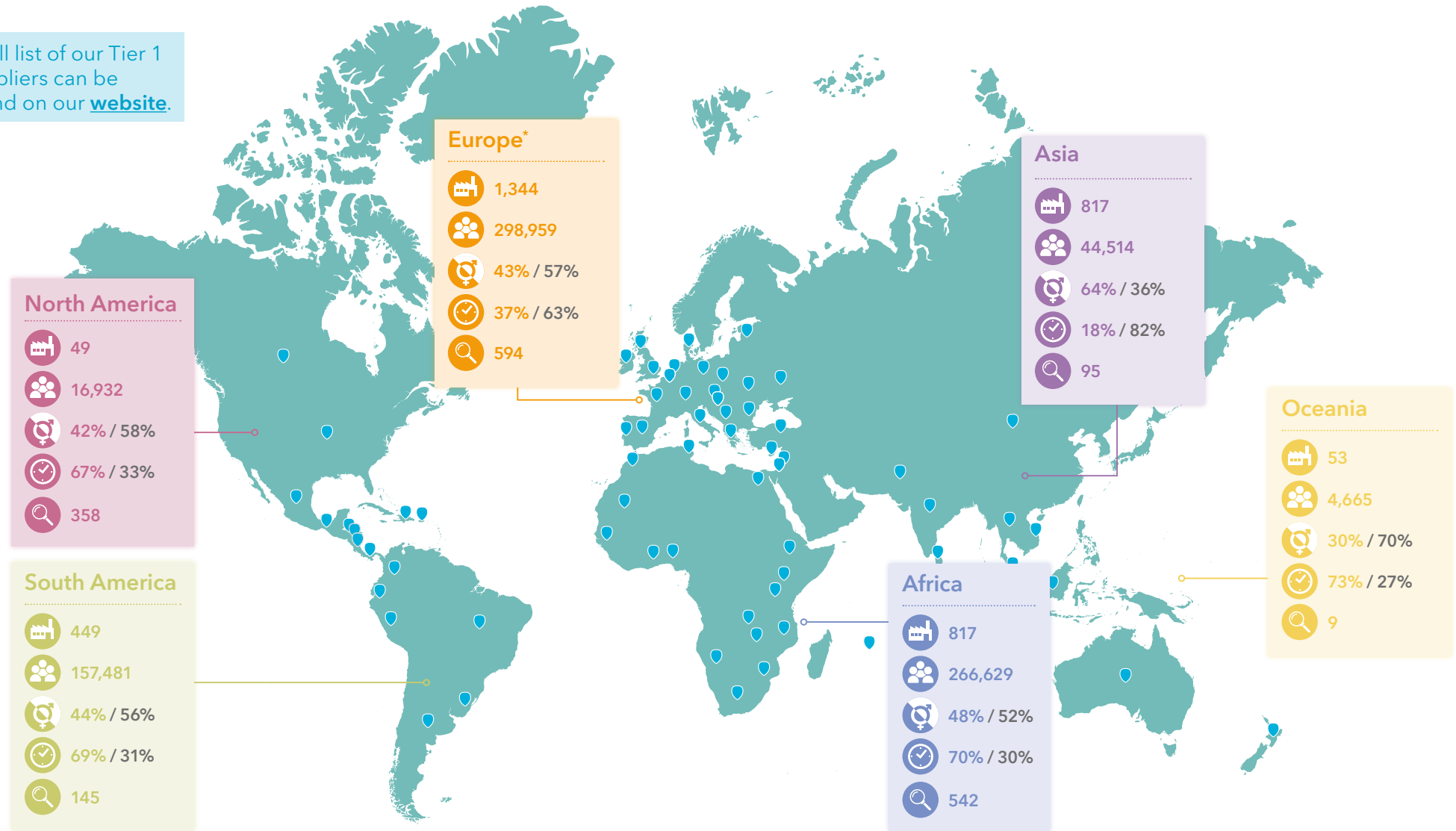
² Defined at Co-op as dairy & frozen, produce & protein, impulse, food to go & in-store bakery, bakery & local, meats & events, health and personal care, edibles, beers, wines, spirits & soft drinks and grocery staples.

³ Nisa Heritage-brand products are included in the Co-op Food ethical trade monitoring programme.

⁴ A Tier 1 site is a production site where goods are finished, ready for supply to, or be sold 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 products. 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.

Co-op Food ethical trade monitoring programme

A full list of our Tier 1 suppliers can be found on our [website](#).



2,838
Total sites



789,180
Total workers



46%

Female identifying workers

54%

Male identifying workers



54%

Temporary workers

46%

Permanent workers



1,415
Valid audits

*Europe includes all UK data. In the UK specifically, the Co-op Food ethical trade monitoring programme covers 742 sites and 161,336 workers, of which 37% identify as female and 63% identify as male. 29% are temporary workers and 71% are employed on a permanent basis. There are 366 valid audits in the UK across the 742 sites.

Policies and Governance

Ethical trade and respect for human rights are rooted in our co-operative heritage. Our Co-operative Values and Principles underpin why we value ethical trade and human rights, and how we do business.

Policies

Our approach to ethical trade and human rights focuses on protecting the fundamental rights of workers in our supply chains. These encompass all international labour rights, including protection from forced labour, modern slavery and harsh or inhumane treatment. Our work is 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 guided by the UN Guiding Principles on Business and Human Rights in how we protect and respect human rights across our operations.

Our commitments are set out in policies and protocols that guide the recruitment and behaviour of our colleagues, our sourcing of products and services and our relationships with suppliers and partners.

Colleague policies

Eligibility to work process: Ensures that everyone who works with us has a legal right to work in the UK. This also helps ensure that we are not engaging anyone who has been trafficked and cannot legally work in the UK. We updated our policy in 2021 to reflect changes associated with the UK's withdrawal from the European Union, and invested in a new Right to Work app that further reduces the risk of illegal working.

Whistleblowing policy: Encourages colleagues to speak up if they have concerns about illegal practices at Co-op, including possible modern slavery in our business or supply chain. Workers at our Tier 1 own-brand supplier sites in the UK also have access to this independent whistleblowing line.

Code of business conduct: Sets out expectations of how colleagues should engage with our members, customers, suppliers and the wider community.

Ethical trade guidance for colleagues: Separate guides to support both Co-op Food Technical team colleagues and [Group Procurement](#) colleagues buying and managing products and services for our own business. An updated 'Buyer's guide' for colleagues in our Food business includes a new escalation process to help address emerging risks and non-conformances.

Supplier & Supply Chain Policies

UPDATED Co-op's Human Rights & Ethical Trade

Position Statement: Originally published in 2016, the Position Statement was updated to reflect the ongoing evolution in international human rights frameworks and best practice.

Sound Sourcing Code of Conduct (SSCC): The workplace and employment standards that we expect of all our suppliers (Food and GNFR), based on the Ethical Trading Initiative (ETI) Base Code.

Sustainable Procurement and Supplier Policy

(SPSP): The sustainability and ethical/labour standards we expect of suppliers of goods and services not for resale. The SPSP underpins our GNFR ethical screening process (page 13).

Protocols on handling reported cases of modern slavery: Good practice guidance for the [Food Retail](#), supply chain and [Construction sectors](#).

Third-Party Supply Management Policy: Guidance for colleagues buying products and services for use in our business. The policy was reviewed in 2022 to strengthen Procurement's involvement at the earliest stage of sourcing. This is supported by an ethical sourcing process, ethical screening and e-learning for all colleagues engaged in spending the Co-op's money.

One Co-op Supplier Management Framework:

Governance requirements for managing GNFR suppliers, including regular ethical reviews with the highest-risk suppliers.

Contracts: Our expectation for suppliers to meet our ethical trade requirements is included in our supplier contracts and approval processes. We assess the ethical trade capability of suppliers in high-ethical-risk categories as part of our tenders. We also recognise the importance of longer-term contracts in supporting sustained improvements in working conditions.

NEW One Co-op Grievance and Remedy Policy:

New Co-op-wide policy laying out the responsibility Co-op shares with suppliers to identify grievances and provide remedy for human rights abuses in global supply chains.

NEW Co-op Anti-Bullying, Harassment and Discrimination Policy-Supplier Facing:

Our colleagues all have a responsibility to create a culture where bullying, harassment and discrimination don't happen, and to challenge and/or report it if they see it happening. We have an internal Co-op Bullying, Harassment and Discrimination Policy that applies to our colleagues, including agency workers and individual contractors, which sets out our standards and expectations. This policy extends those standards and expectations to our suppliers.

Governance

Development and oversight of our ethics and sustainability policies takes place across various Co-op-wide forums, such as our Ethical Trade & Human Rights Group. Additionally, our Ethics & Sustainability Leadership forum has oversight of ethical trade from both a Food and a GNFR perspective. In our GNFR Procurement team, the Procurement Risk and Audit Committee (PRAC) meets monthly to ensure that all key risks—including any ethical trade risks—are surfaced regularly and dealt with appropriately.

Ethics and human rights are also embedded in our risk framework, with consideration of modern slavery included in our Brand, Reputation and Ethical Risk category. Oversight of the risk categories sits with our Business Risk and Assurance Committee (BRAC), which reports directly to the Board.

Overall responsibility for modern slavery sits with our Board, and our Modern Slavery Statement is signed off by our CEO.



Assessing and managing risk

We have well-established programmes in place to ensure that workers making the products and services we sell or use are treated responsibly. In 2022, we continued to adapt our ways of working to ensure they are fit for purpose in the face of ongoing challenges.

We've continued to see labour shortages in our supply chains in 2022, as a result of the conflict in Ukraine and changes in immigration laws. We're also now seeing workers from a wider range of countries, with increased confusion over new rules and visa schemes, meaning we need to be extra diligent. We need to ensure vulnerable workers are not being taken advantage of by middlemen charging unlawful recruitment fees.

Workers are experiencing real financial hardship as a result of the cost-of-living crisis. Many have taken out loans that they are struggling to repay, with people taking on more than one job and being even more vulnerable to exploitation.

In a post-Covid environment, however, it has become easier to carry out site visits and see suppliers face to face. Virtual audits are still being used where required. We've been working hard to achieve greater visibility at all tiers of our high-risk supply chains, and this year we further increased transparency by mapping and publishing the details of all tiers of three of our high-risk supply chains. Sharing information and collaborating with peers continues to play a vital role in managing the risks of modern slavery.

Co-op Food own-brand supply chain

When managing the risk of modern slavery and wider labour abuses, our main responsibility and where we have our biggest impact is with our Co-op brand suppliers and supply chains.

Assessing and managing risk

All Co-op Food own-brand Tier 1 sites must complete a self-assessment questionnaire (SAQ) on Sedex,⁵ and Tier 1 sites in high-risk countries must have an independent audit in place prior to approval.⁶ Once trade has started, our ethical trade team carries out a quarterly risk assessment of all sites, with high-risk sites prioritised for audit.⁷

We use a variety of tools to assess and identify risk, including site assessments and audits, direct worker reporting and information raised through channels such as whistleblowing lines or grievance mechanisms.

Supply chain transparency. In 2022, we increased transparency by mapping and publishing details of all the tiers of three of our high-risk supply chains: top and stone fruit, warm water prawns and pork. This provides us with greater transparency, as well as the ability to identify and address potential labour abuses. Beyond our Tier 1, we have 2,103 sites with 538,754 workers included in the scope of the programme.



⁵ Supplier Ethical Data Exchange (Sedex) platform (www.sedex.com).

⁶ The list of high-risk countries has been informed by the frequency of issues, media coverage and academic research, local labour law and enforcement systems, and other expert knowledge.

⁷ The risk assessment process takes the following factors into account: country, SAQ information including worker profile (especially sites with a high proportion of agency/temporary labour), industry sector, commercial importance/leverage and previous audit results.

Site audits and assessments. Following the easing of Covid restrictions in 2021, we have returned to predominantly using site-based audits and assessments. Details of our ethical trade monitoring programme are shown in **Box 1**.

Gender-sensitive audits. This year we have completed a joint project with Tesco, Partner Africa and Sedex to pilot a gender-sensitive audit methodology in Africa. The results of the project showed how standard audit methodologies need to be more effective at identifying risks of gender discrimination in supply chains. We will engage in advocacy efforts to ensure uptake of this methodology in 2023. A [learning paper](#) and workshop have been delivered to share findings of the pilot.

Issues raised through non-audit channels. We don't rely upon audits alone to identify potential cases of modern slavery or other labour rights issues. We also use information raised by workers through grievance mechanisms and whistleblowing lines, along with other independent sources of information. See **Box 2** for examples of issues raised and how we responded.

Bringing our customers on a product journey for increased transparency. In January 2023, we launched a QR code on our Co-op own-brand Italian Chopped and Plum Tomatoes in collaboration with our supplier, Princes. By scanning the QR code, our customers will [learn more](#) about how we source our tomatoes by following the farm to fork journey, brought to life by an interactive sourcing map and worker story in our supply chain.

This QR code is providing our customers with greater transparency of our canned tomatoes supply chain, educating customers on how Co-op works with the industry to address human rights issues in this supply chain to deliver on our vision to Co-operate for a Fairer World.

Box 1

Co-op Food ethical trade monitoring programme 2022

- **2,838** sites with **789,180** workers (**734** Tier 1 and **2,103** Tier 2)⁸
- **100%** of Tier 1 sites with Self-Assessment Questionnaires (SAQ) complete
- **100%** of high-risk Tier 1 sites independently audited
- **1,415** sites with valid audits
- **882** audits in 2022 (**353** Tier 1 and **529** beyond Tier 1)

7,695 issues were raised in audits. Of those, **120** issues (**1.6%**) were breaches of the Sound Sourcing Code Principles of 'employment is freely chosen' (reflecting issues such as isolated occurrences of deductions taken from workers' wages, compulsory overtime and excessive fees paid upon termination of contract). **85%** of the 120 issues had been addressed by the supplier by the end of 2022, resulting in changes such as policies to reduce workers' fees, revised T&Cs in contracts and clearer payment processes. [See our 2022 Co-operate Report](#) for more details.

⁸ A Tier 1 site is a production site where goods are finished and ready for supply to/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 finished products. 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. Note: The Nisa Heritage brand is in scope of our Food ethical trade monitoring programme.

Box 2

Issues raised in our Food supply chains through non-audit channels

We can be alerted to potential modern slavery or other labour rights abuses through routes such as whistleblowing lines, independent helplines, grievance processes and media reports. In 2022, we became aware of a number of issues through various contact channels which indicated potential labour exploitation. Examples of these are shown below, along with actions we took in response. We take a collaborative approach to resolving issues where possible.

No.	Source channel	Country	Summary overview of issue
1	Direct supplier	Italy	Historical allegations that people working a farm in Italy have been acting as illegal 'caporale' (gangmasters), making unjustified pay deductions from workers. Police investigations are ongoing. The supplier, who already takes a leadership approach to mitigate known issues in the region, has further improved actions plans to limit known risks of exploitation. Co-op has joined other retailers in continuing to address wider issues in Italy, working with key suppliers in a systemic way to tackle root causes of issues.
2	Direct supplier	Kenya	Supplier shared information on worker strikes on a farm in response to implementation of a payroll system. In response, farm managers engaged in meaningful dialogue with the worker committee and union to understand issues, and more education was implemented to help build worker trust in the system. We continue to support and encourage the supplier to embed strong and effective workplace communication channels.
3	Media	Kenya	Allegations were made of an injury at work related to manual handling of tea in 2021. A court case is ongoing. An independent investigation was commissioned to examine current working practices, and regular high-level cross-functional meetings are taking place with the supplier to follow-up on allegations. In 2022, work commenced against the recommendations from the independent assessment. This included recruiting two further full-time employees in the health & safety (H&S) team alongside a new 'safe day' H&S strategy to engender a positive safety culture. There has also been widespread training of managers and employees and improved benefits and management of contracted workers. An independent review to assess progress made will be taking place in 2023.
4	Legal	Malawi	Allegations of gender-based violence were raised by our supplier in 2021. This led to retailer, NGO (Non governmental organisations) and ETI (Ethical Trade Initiative) engagement and an independent investigation. A remediation plan was put in place to support workers and address root causes. In 2022, this has led to increased resource in our HR department to support workers and continue improvements and embedding robust processes and strategy. We continue to be involved in industry-wide activity addressing systemic human rights issues such as gender-based violence.
5	Unseen Helpline	UK	Allegations relating to workers not understanding their rights related to sick pay on a UK vegetable farm. An investigation led by the supplier could not substantiate allegations. Co-op and other retailers supported the supplier to understand potential root causes for a lack of understanding of worker entitlements and a robust action plan to improve communications across the supply base was implemented.
6	Unseen Helpline	UK	Allegation raised regarding long working hours, verbal abuse and overcrowded accommodation were made by a whistleblower at a UK fruit farm. Independent investigations which involved worker interviews were carried out by the supplier and subsequently by the GLAA (Gangmasters and Labour Abuse Authority). Whilst none of the issues raised could be substantiated, an action plan was developed which included additional training around modern slavery and other internal policies.
7	Direct supplier	UK	A supplier shared information on a modern slavery case uncovered at a UK vegetable processing site. The case was reported to the police and GLAA and an independent investigation was conducted, concluding this was an isolated incident. We have worked with the supplier in agreeing an action plan to prevent further issues which includes, amongst other things, increased modern slavery training targeting management and workers.

Box 2

Issues raised in our Food supply chains through non-audit channels

No.	Source channel	Country	Summary overview of issue
8	Direct supplier	UK	A supplier shared information regarding alleged recruitment fees paid by migrant workers at a UK farm. Findings were also shared during an independent ethical audit and corroborated by the farm's findings. A corrective action plan was implemented to address these issues. In line with action supported by Co-op and other retailers and stakeholders to tackle root causes of issues, the supplier has used the Responsible Recruitment Toolkit to monitor recruitment practices and is engaging in action to improve worker communications through the Just Good Work app and prevent issues recurring.
9	Unseen Helpline	UK	Allegations of mismatches in payment and verbal abuse at a manufacturing site. The supplier investigated the claims but issues raised could not be substantiated. The supplier is monitoring the site on an ongoing basis and continues to implement their ethical trading programme according to the ETI Base Code.
10	Unseen Helpline	UK	Allegations of mismatches in payment and forced overtime at a UK fruit farm: isolated issues related to pay had been picked up through an independent ethical audit and a corrective action plan was implemented to address the findings. Allegations were made later in the season by a whistleblower, which led to an independent investigation by the GLAA. As the corrective audit plan had addressed issues, the GLAA found these allegations to be unsubstantiated.
11	Unseen Helpline	UK	Allegations of human trafficking in a localised area of the UK which could potentially have been affecting recruitment into a farm. Investigations by the supplier and the GLAA did not substantiate issues raised. Whilst no issues were found, retailers supported the supplier to take the precaution of reviewing and further strengthening modern slavery detection and remediation processes to respond to increased risk of exploitation in the local area. A new internal working group was also set up by the supplier to review and update due diligence policies and activities.
12	Direct supplier	UK	Issues relating to workers paying illegal recruitment fees on a UK farm were identified through the supplier's internal ethical management systems and escalated, and an independent investigation substantiated issues raised. The supplier has supported industry-wide action to address known risks of labour exploitation in recruiting source countries and monitors recruitment practices through the Responsible Recruitment Toolkit and third party labour provider audits. To improve awareness of recruitment practices, the supplier holds Ethical Forums for growers and Speak Up surveys for workers.
13	Direct supplier	UK	Our supplier advised on pay deductions being made in a worker's domestic setting by an exploiter in their shared accommodation. The supplier reported the incident to authorities and investigated directly but could not substantiate allegations made. The worker's welfare and wellbeing was supported throughout the process. The supplier continues to implement a high standard ethical trade programme to protect workers, aligning with ETI Base Code standards.
14	ETI	UK	Allegations that union engagement was being undermined by a supplier impacting wage negotiations. Co-op supported other retailers in writing a joint letter to the supplier to raise retailers' concerns and encourage dialogue, with ETI facilitating the process. We have worked with retailers and the ETI to support meaningful negotiations with the Union National Officer that hope to resolve outstanding disputes.
15	Unseen Helpline	UK	Allegations of exploitative recruitment practices, overcrowded accommodation and threatening behaviour on a UK manufacturing site led to engagement with retailers and an independent GLAA investigation at which no prosecutions were made. Retailers supported the site in adopting additional precautionary measures regardless, including improvements to labour agency practices and improved due diligence associated with hiring processes and improved reporting mechanisms for workers. Swift action of the site was commended.

Our priority labour rights risks

Following a rigorous process of analysing and prioritising our labour rights risks, we have identified eight priority human rights risk areas, covering 17 sourcing countries - see **Box 3**. You can read more about these issues and the actions we are taking to address them on our [website](#).

As part of our Future of Food ambition to 'ensure a fair deal and resilient livelihoods for everyone in

our supply chain', we are committed to carrying out and publishing independent HRIAs (Human Rights Impact Assessments) in high-risk food supply chains and using our findings to drive change.

In 2022, we published two independent HRIAs covering two of our priority focus areas - pork in the UK and prawns in Vietnam (see **Box 4**).

Box 3

Our priority labour rights risks (Food)

Priority risk area	Category	Sourcing country
Modern slavery, Vulnerable workers	Fresh produce, protein	UK
Modern slavery, Vulnerable workers, Worker voice	Fish and seafood	Indonesia, Thailand, Vietnam
Modern slavery, Vulnerable workers	Fresh produce	Spain
Modern slavery, Vulnerable workers	Canned tomatoes, Fresh produce	Italy
Vulnerable workers, Worker voice	Fresh produce	Egypt, Morocco
Modern slavery, Vulnerable workers, Worker voice, Smallholders	Fresh produce, Flowers, Tea, Wine	South Africa, Kenya
Vulnerable workers, Worker voice	Non-food	China
Vulnerable workers, Worker voice, Smallholders	Cocoa, Bananas, Sugar	Belize, Colombia, Costa Rica, Cote D'Ivoire, Dominican Republic, Peru

Box 4

Human Rights Impact Assessments

Recent years have seen an increasing industry awareness that a compliance-focused approach is limited in addressing the root causes of human rights issues. This is because the audits on which such an approach depends do not always identify the hidden or systemic issues that workers face, such as modern slavery, and because more serious human rights risks often occur further down the supply chain where we don't have direct commercial relationships, and our leverage to drive change is often more difficult.

It is for this reason that we have been driving innovation in due diligence and transparency, and one of the tools for achieving this is the Human Rights Impact Assessment (HRIA). HRIAs are a process for identifying, understanding, assessing and addressing the negative impacts of commercial activities on rights-holders, such as workers and communities. They involve a mixture of desktop research and fieldwork with stakeholders on the ground.

We have carried out two HRIAs, in [pork](#) (UK) and [prawns](#) (Vietnam). The Co-op and project partners developed time-bound action plans for [pork](#) and [prawns](#) based on the recommendations of the report, to mitigate, prevent or remediate any negative impacts and to amplify any positive ones. We will continue collaborating to ensure that these recommendations are fulfilled.

Funeralcare

We continued to evolve our Funeralcare ethical sourcing programme through 2022. We now have 34 Tier 1 centrally managed suppliers signed up to SEDEX with a completed SAQ (Self-Assessment Questionnaire).

Information from the SAQs is helping us to better identify and manage potential risks in our supply chain, and all new Category 3 suppliers are required to complete SEDEX registration prior to commencing trade with Funeralcare.

As part of our memorial product relaunch, we tasked suppliers with a minimum of one SMETA (SEDEX members' ethical trade audit) 2 Pillar audit in higher-risk areas of their supply chain in 2022.

This is a significant step in supply chain transparency for the Funeralcare business. Due to significant delays in range launch dates, which have pushed back contract commencement dates, these audits are due to be completed by the end of May 2023.



Products and services we use in our own business

We work with a broad range of goods and service providers, often with complex supply chains spanning multiple countries. While we prioritise managing suppliers with whom we have direct contracts (our Tier 1 suppliers), we recognise that some of the most vulnerable workers are in our Tier 2 supply chains. Our GNFR risk mapping helps us identify where we need to look beyond Tier 1.

In 2022, we continued to be an active member of the Sedex Service Provider Working Group, which was created to improve the approach to supplier profiling and risk management of supply chains. By providing vital feedback on how we use the Sedex portal to manage our high-risk suppliers, we are helping to shape the assessment of suppliers earlier in the process, and more specifically to the goods/services they provide.

We have further developed our internal reporting so that we now actively monitor 121 suppliers that fall under high-risk categories.

We have continued to develop and improve our team's knowledge by providing Ethical Trade training, ensuring that our category managers feel equipped to manage identified ethical risks across our supply chain.

Assessing Risk (GNFR)

We have a well-established process for assessing and prioritising high-risk suppliers, in terms of modern slavery and human rights.

We assess and prioritise risk for each GNFR category using criteria such as existing and emerging risks, and the supply chains that we know are particularly vulnerable to exploitation. The process for identifying high-ethical-risk suppliers includes:

- Desk-based risk assessment and screening of new GNFR ethical high-risk suppliers against our Sustainable Procurement and Supplier Policy (SPSP)
- Prioritisation of risk for each category, based on criteria such as: the amount of temporary and migrant labour typically used in the sector; the proportion of low-paid, unskilled labour involved; and information from media and NGOs
- Incorporating questions that flag ethical and sustainability risk factors in all Requests for Proposals, and asking tailored questions for the highest ethical risk categories

Our focus areas in 2023 will continue to be Co-op branded goods, construction, facilities management, IT and electronics and temporary labour providers in our warehousing.

Box 5

Ethical risk assessment and high-risk categories (GNFR)

Co-op branded products

Items with a Co-op brand applied - 'strategic', 'critical' and 'operational'

- Uniforms
- Bags
- Promotional items

Services with significant human rights risk

'strategic', 'critical' and 'operational'

- Cleaning
- Waste & Recycling
- Construction - refits & new builds
- Carpark re-surfacing
- Temporary labour (warehousing)

Goods with significant human rights risk

'strategic', 'critical' and 'operational'

- PPE (manufacturers)
- Products linked to Xinjiang
- IT hardware (manufacturers)

Goods and services considered medium to high-risk

'strategic' or 'critical' suppliers

- Managed warehouse
- Manned guarding
- Logistics: distribution
- Gig economy suppliers

Hierarchy of priorities, based on likelihood of ethical trade and human rights issues in sectors, combined with reputational risk if an incident occurred

Indicators of risk

.....

High proportion of low-paid, unskilled workers

High proportion of temporary workers or transient workforce

High proportion of migrant workers

Direct manufacturing involved

Operations win high-risk countries

NGO/media identification of issues

■ HIGH PRIORITY □ LOWER PRIORITY

Managing and Mitigating Risk (GNFR)

We use a range of tools and approaches to manage and mitigate risk, including the use of:

- Sedex and ethical audits: We've been an active member of the early access group to help shape the development of improvements to Sedex's service provider assessment. We have held off from extending the use of SMETA audits into categories we may have otherwise done until the project is complete; this will ensure we are carrying out assessments on specific categories in the most meaningful way.
- Direct Worker Reporting: In 2022, we worked with our five waste management suppliers via the IPHR Waste and Recycling Direct Worker Reporting project, using nGaje. This has strengthened our belief that as a tool, direct worker reporting is valuable, and has provided insights we would not have otherwise seen.

Use of these tools is underpinned by our Supplier Management Framework, which provides a structured way to monitor and manage risk within our top 271 suppliers, including minimum standards to be followed depending on their segmentation.

The Framework also helps to ensure that identified risks and actions are tracked and performance is monitored.

Box 6

GNFR ethical trade monitoring programme 2022

92 suppliers in scope*

(76 Tier 1, 16 Tier 2)

80 SAQs complete

(65 Tier 1, 15 Tier 2)

122 sites linked on Sedex

(100 Tier 1, 22 Tier 2)

12 audits

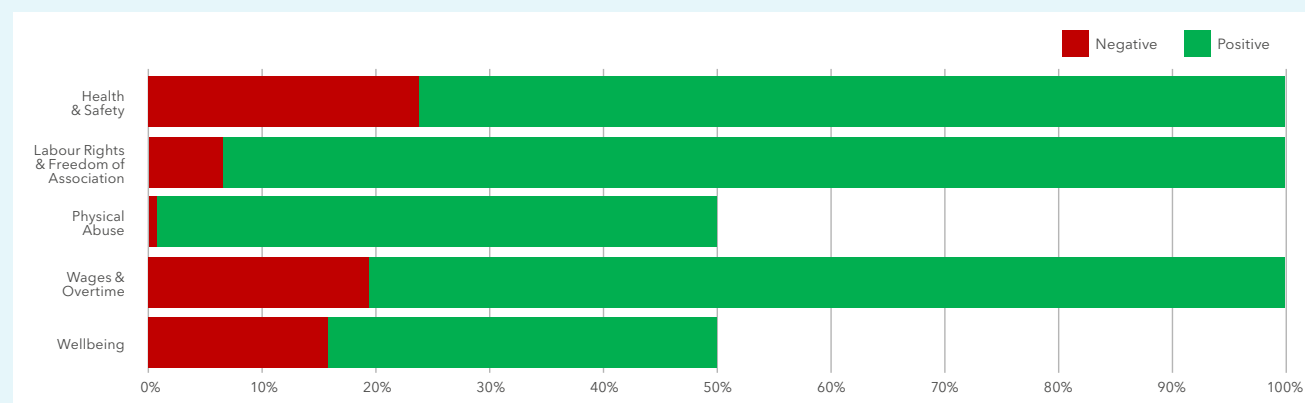
(1 Tier 1, 11 Tier 2)

*Including three suppliers that are engaging with us via a similar ethical monitoring programme, which provides us with a satisfactory view of their due diligence process.

Box 7

Direct worker reporting 2022 (Waste & Recycling)

In 2022, we completed our waste and recycling direct worker voice survey with eight organisations (of which five were Co-op direct GNFR suppliers). The results of this survey were shared back into the IPHR Forum. In 2022, 276 workers from eight waste & recycling suppliers (of which five are direct to the Co-op) participated in an independent direct worker voice survey. The graph below shows issues workers reported in five key areas. Results of the survey were shared back into the IPHR Forum.



Training and collaboration

Training and collaboration play a major role in helping prevent slavery and human rights abuses. We work closely with our colleagues and suppliers to help build their capacity to identify, manage and deal with risks of modern slavery. In 2022, we continued to collaborate in initiatives—to share what we know and combine our efforts. We believe collaboration is essential to developing sustainable solutions to issues that put workers' interests first.



Co-op Food Supplier Training

We have a well-established ethical trade supplier engagement programme, which enables us to listen to and support our suppliers in tackling human rights issues affecting workers globally. Key activities in 2022 are shown below and in the stakeholder collaboration table (page 17, 18 and 19).

Sourcing seasonal labour responsibly

We provided a range of opportunities for our suppliers to better understand and manage these risks. These included supporting a collaborative webinar ahead of the 'Sourcing Labour Responsibly this Season' campaign, which provided information on changes to immigration rules and potential impacts on businesses. We also continued to provide free training and tools to support suppliers and labour providers in our supply chain through our sponsorship of Stronger Together, a not for profit organisation that provides businesses with practical training, resources, and collaborative programmes and the Responsible Recruitment Toolkit (please see "Wider collaboration and activity" table).

In 2022, we worked collaboratively with key stakeholders to tackle growing risks associated with the UK Seasonal Worker Scheme (SWS). We are proud of the active role we have played in setting up two multi-stakeholder Seasonal Worker Roundtables that sought to review how the SWS operated in 2022, develop a common understanding of issues and identify opportunities for collaborative action. This has led a wide range of activities and the establishment of the [Seasonal Worker Scheme Taskforce](#).

We also joined UK supermarkets, SWS operators, the Gangmasters and Labour Abuse Authority, the Association of Labour Providers (ALP) and others from across the horticultural sector to launch the [Just Good Work App](#) - an innovative mobile solution to help workers gain quality and safe seasonal work in the UK. The app helps to prevent issues from occurring in the first place through worker education, and raising awareness of what they should expect of the recruitment process and working conditions upon arrival. In 2022, over 19,000 jobseekers and workers downloaded the app—many in their home country while applying for a job.

Global supplier engagement programme

In 2022, we reached over 6,500 delegates and over 1,100 suppliers in a global supplier capacity-building programme covering UK, Spain, Italy, Kenya & Egypt. For further details, please see the Wider Collaboration and Activity table on pages 17 to 18 and page 37 of our Co-operate Report.

Strategic Forum

In 2022, we returned to in-person Ethical Trade Strategic Supplier Forums. The event focused on the themes of Slavery, Gender, Diversity and Inclusion and Supplier Progression Journeys. Group discussions focused on working together to address the increased risk of forced labour and exploitation, hearing the concerns of vulnerable workers and building resilience in attracting and retaining workers. Our interactive event with an expert speaker panel reached over 60 participants from 27 suppliers and included practical tools, resources for suppliers and supplier case studies.

Treating People Fairly Awards:

In 2022, we published nine case studies that were developed following the launch of our 2021 Treating People Fairly Awards. The awards (assessed by an independent expert panel) celebrate excellence in human rights practises, encourage suppliers to learn from each other and inspire new ways of mitigating future threats to worker welfare.

FNET worker representation

We supported a project to increase the number of effective worker representation committees in the UK. This involved the training of 40 delegates to support the establishment of effective worker committees and representatives at their sites. Worker representation training materials, including a video and training manual, were developed to support the training of participants, and made publicly available.

GNFR Training and Engagement

The Co-op's Procurement team (GNFR)

We have developed a comprehensive engagement programme for our GNFR Procurement team, in order to provide them with the skills and knowledge they need to identify and manage potential human rights issues in the supply chain, including modern slavery. This involves spotlight training sessions, a resource toolkit, focus groups, bi-monthly ethical trade newsletters and one-to-one support to upskill the team.

GNFR supplier engagement

We provided our GNFR suppliers with access to webinars and training through some of our collaborative networks and groups in 2022.

We held our Procurement GNFR Supplier Conference in April, which centred around our vision of Co-operating for a Fairer World.

We have been able to communicate and build awareness on ethical trade with our suppliers through our quarterly Supply Chain Newsletter. We have promoted training and resources available to suppliers, such as the Responsible Recruitment Toolkit.

Through the IPHR Forum, a webinar was held that shared feedback from the waste & recycling worker voice survey, and the launch of the Waste Modern Slavery Protocol.

We also had the opportunity to talk directly at the Property Functions conference, where we spotlighted ethical trade and human rights. We shared insights into some of the current labour market risks and challenges, reviewed some known modern slavery cases relevant to the sector, and shared learnings and outputs from a direct worker reporting programme conducted with cleaning suppliers.

Across our own businesses

- Modern slavery training is mandatory for key members of our HR & Resourcing Services team. The training module is also available to colleagues across the wider business through our L&D system. The modules help colleagues understand, identify and report issues of modern slavery in our own business. To date, 360 colleagues have completed this training.

Wider collaboration and activity

We're committed to working collaboratively to help increase our effectiveness in tackling modern slavery. We are active members of a range of collaborative initiatives across the food sector and others. See the table below for an overview of the groups we are involved in, as well as a snapshot of our activities in 2022.

Initiative	The Co-op's role	Key activity in 2022
Egyptian Suppliers Ethical Trade Forum (ESET)	Members of the Egyptian Suppliers Ethical Trade Forum (ESET) are committed to working together to improve working conditions in Egypt. The Co-op played a key role in creating the Egypt Ethical Trade Forum (in 2010).	In 2022, Egypt Ethical Trade Forums ran two events reaching 59 participants from 36 organisations. Output from working groups includes success stories that can provide insight into common challenges that have an impact on social risks associated with labour providers and seasonal workers, gender equality and the prevention of child labour.
Ethical Trading Initiative (ETI)	The Co-op is a founding member of the ETI, an alliance of companies, trade unions and voluntary organisations working in partnership to improve the lives of workers across the globe who make or grow consumer goods. We actively participate in a wide range of ETI working groups to address systemic issues.	2022 activities included: <ul style="list-style-type: none"> • Annual ETI progression meeting to provide an update on our progress and gain feedback against our work on human rights issues • Continued engagement in the Italy working group; the initiative plans to expand this work in 2023 • Engaging with ETI members on concerns around migrant visas and working conditions in UK fisheries and agriculture • Consulting on ETI's new Corporate Transparency Framework • Engaging with ETI's support for members on crisis response, including Xinjiang, Ukraine, Portugal and Sri Lanka • Engaging within ETI's strategic focus areas, including the impact of climate change on workers, business practices and gender
Food Network for Ethical Trade (FNET)	Participant in this member-led initiative, which uses the collective leverage of suppliers and retailers to bring about positive change in working conditions in supply chains. The Co-op's Senior Human Rights Manager was re-elected on the FNET Board as a Member Director.	2022 activities included: <ul style="list-style-type: none"> • 30+ fortnightly calls where members shared how they were managing current human rights risks • 18+ working group meetings and many sub-group meetings to develop tools/resources to tackle recruitment fees, improve worker representation and mitigate human rights issues • Two in-person all-member events, which included external presenters and members sharing case studies to improve human rights due diligence and grievance mechanisms • A range of webinars on topics such as living wages, gender, diversity and inclusion • Support for members on issues such as managing Ukraine and seasonal/skilled worker labour risks, driving alignment on remediation, recruitment and supply chain management practices in the UK, Italy and Spain, and on raw materials • Collaboration with NGOs, governments, industry bodies and others to improve labour conditions in UK agriculture and tackle workers' rights in warehousing and logistics, as well as other issues
IDH Banana Commitment	Participant in pre-competitive discussions with IDH and other UK retailers and stakeholders to advance living wages in the banana sector.	Took part in pre-competitive discussions, convened by IDH, with other UK retailers and stakeholders to advance living wages in the banana sector. This has led to the launch of the UK Retail Commitment on Living Wage in the Banana supply chain .

Initiative	The Co-op's role	Key activity in 2022
Indirect Procurement Human Rights Forum (IPHR)	Founding member of the Forum, comprising of UK retailers, brands and manufacturers working to protect and respect human rights in their GNFR supply chains.	Following on from the publication of the Waste & Recycling Modern Slavery Toolkit in October 2021, we collaborated with the other members of the IPHR to create the Waste & Recycling Sector Modern Slavery Protocol.
Modern Slavery Intelligence Network (MSIN)	Member of MSIN, a pioneering non-profit collaboration in the UK food sector that was created in 2020 in response to the findings of <i>Operation Fort</i> (the UK's largest ever modern slavery investigation).	During 2022, the systems, guidance and legal structures which underpin the Network were fully established and implemented. Stop the Traffik was formally appointed as the data sharing partner and analyst for the network, and the MSIN intelligence sharing platform was launched. Sharing of intelligence commenced in March 2022 and MSIN was formally launched at a conference in June 2022, which was attended by more than 200 representatives within the industry, as well as NGOs and law enforcement. In 2023, the MSIN will focus on increasing the quality and quantity of intelligence processed, alongside expanding its membership.
Responsible Recruitment Toolkit (RRT)	Founding sponsors of the RRT, a collaborative approach to embed professional and ethical employee standards throughout supply chains. As a sponsor, our suppliers can access unlimited free places on new online training courses, as well as free tools and guidance on responsible recruitment practices.	In 2022, RRT supported the delivery of 23 online training courses to 367 individuals and 158 suppliers. These training courses covered issues such as elimination of recruitment fees, labour supply chain due diligence and safe work for agency and contract workers.
Seafood Ethical Action (SEA) Alliance	The Co-op is an active member of this initiative to improve human rights due diligence carried out in global seafood supply chains and ensure respect for human rights. The Co-op sits on the Panel for the <i>Change on the Water Fund</i> , which is designed to support improvement work at the fishery and aquaculture farm level that drives improvement for workers. The Co-op has supported the development of a SEA Alliance action plan to address risks of exploitation and labour abuse in the UK fishing sector.	In 2022, the SEA Alliance: <ul style="list-style-type: none"> Finalised the SEA Alliance Fishery Risk Tool, covering 400+ fisheries around the world, to support members in identifying risks as part of wider Human Rights Due Diligence (HRDD) Developed and launched a series of six webinars in partnership with FishWise, the Global Tuna Alliance and the World Benchmarking Alliance to support member companies to undertake HRDD in seafood supply chains Engaged with over 40 governments of key sourcing countries regarding the importance of ratifying and implementing the Cape Town Agreement on the Safety of Fishing Vessels Launched the SEA Alliance <i>Change on the Water Fund</i>, with support to be provided to projects in Thailand, the Maldives and the UK Developed and launched an advocacy strategy to support the SEA Alliance and its members to call for improved regulation and enforcement of labour standards in the global seafood sector
Sedex	We use the Sedex platform to manage our ethical trade monitoring programmes. The Co-op's Senior Human Rights & Ethical Trade Manager served as an elected Member Director on the Sedex Board for six years (up to May 2021).	Sedex continues to facilitate community sessions for members to share challenges and learnings, pilot new solutions for supply chain assessment and test sophisticated risk tools to support businesses with their sustainability due diligence efforts. This included testing new systems on their audit methodology SMETA, to improve identifying hard-to-detect issues such as modern slavery.
Ethical Trade Forums (ETF) - Spain	The Ethical Trade Forums (ETF) is a multi-stakeholder collaborative initiative, which was established in 2015 in response to a recognised need to promote better working conditions within the Spanish agri-food sector. The Co-op played a pivotal role in the creation of ETF, and continues to provide active support.	In 2022, the forums reached over 750 representatives through 16 events: eight face-to-face themed meetings, including an International Event in Granada, and eight webinars that addressed a range of labour, environmental, economic and human rights issues in Spain. Outputs from SETF Working Groups include the development of new tools such as automated worker surveys, supplier best practice guidance and checklists to support adherence to the SETF Guiding Principles, Carbon Footprinting guide and best practices, as well as a pilot project addressing Social Dialogue and the establishment of a new Accountancy Firms and Labour Consultant working group.

Initiative	The Co-op's role	Key activity in 2022
<u>Stronger Together</u>	<p>Founding sponsor of Stronger Together, a multi-stakeholder initiative providing training and resources to help reduce modern slavery.</p> <p>As a sponsor, our suppliers have free access to workshops, workplace posters and leaflets.</p>	<p>In 2022, 32 workshops for 'Tackling Modern Slavery in UK Businesses' and seven 'Advanced' workshops were delivered to 354 businesses and 837 individuals; of these, 167 individuals and 104 businesses were supplying to the Co-op. 68 Co-op key strategic suppliers have completed the Progress Reporting Tool, an online self-assessment tool that supports companies globally to measure progress made in addressing modern slavery risks, and to highlight the next steps for their businesses and supply chains.</p>
<u>Unseen⁹</u>	<p>Member of Unseen's <u>Helpline Business Portal</u>, which gives us access to Helpline reports of modern slavery or labour abuse within our operations and supply chains, as well as unique trend analysis.</p> <p>Furthermore, as an associate member of Unseen's Business Hub, we receive access to Unseen's whole business network, expert live webinars and latest insights.</p>	<p>This partnership helps support the 24/7 operation. Operation of the independent Modern Slavery & Exploitation Helpline, which provides a vital lifeline to potential victims, as well as expert guidance to frontline professionals.</p> <ul style="list-style-type: none"> • In 2022, 111 cases were shared, of which 12 directly linked to the Co-op supply chain. We have worked collaboratively with Unseen, law enforcement and other portal members to investigate and remediate the issues reported • We also attended Hub webinars covering topics such as the impact of labour shortages, responsible recruitment practices and climate change

⁹ Unseen is a UK charity that provides safehouses and support in the community for survivors of trafficking and modern slavery. They also run the UK Modern Slavery & Exploitation Helpline, which gives us access to reports of modern slavery or labour abuse within our operations and supply chains, as well as unique trend analysis.

Campaigning

In all our efforts to help prevent modern slavery in our business and supply chains, we never lose sight of those affected by modern slavery.

In 2022, we continued to advocate for human rights to be respected, as well as for stronger legislation to help protect workers and prevent modern slavery, including:

- Joining other businesses, investors and civil society organisations in supporting a letter written to the Prime Minister calling for a new law to protect people and the environment from abuse in supply chains.
- Campaigning for climate justice as part of our Climate Plan.

Although several strands of our modern slavery campaign (2017-2020) have now come to an end, we have continued to support initiatives that help survivors build their confidence and move into secure, paid employment. Through our continued involvement in Bright Future, we play a practical role in providing work opportunities for those rescued from slavery, and encourage others to do the same.

Bright Future

We launched our Bright Future programme in 2017, working with the charity Causeway (formerly known as City Hearts) to offer the chance of a paid work placement and job in our business to those who have been rescued from modern slavery. Following on from its establishment as a fully functioning, independent co-operative, Bright Future continued to develop and grow during 2022.



Building Bright Future co-operative

Following Bright Future's move to become an independent co-operative, work has continued to establish robust governance and procedures. A representative of the Co-op continues to serve as a Board Director, and will continue in this post until at least November 2023.

The process of transitioning former Bright Future 'partners' into members has now been completed and by the end of 2022 there were 31 members (12 businesses and 19 referrers). Current members include not only former 'partners', but also new employers such as Morrisons and Balfour Beatty.

We are pleased to have been able to introduce charities and businesses alike to the potential of the co-operative model. In 2023, Bright Future expects to begin involving survivors in the running of Bright Future, potentially as Board Directors.

In 2022, we provided £10,000 of funding to Bright Future in the form of a membership subscription. Along with other business members, we expect to continue to pay an annual subscription to fund the running of this organisation.

Bright Future Placements

It continued to be a challenge to support Bright Future placements in 2022. In the early part of the year, many candidates continued to be nervous about working in a public-facing role due to the impacts of the pandemic. In the latter part of 2022, whilst the number of vacancies available at the Co-op grew, it proved challenging to match candidates to opportunities quickly, meaning that on a few occasions, vacancies were filled by others before a Bright Future candidate was ready to start. In 2023, we will seek to make the process more efficient so that candidates can start placements more quickly.

Since Bright Future began in 2017, nearly one-third of all placements (86 in total) have been hosted by the Co-operative Group.

Further Advocacy on Human Rights Due Diligence Legislation

It is estimated that more than 3 million workers die every year due to their work, and tens of millions are injured.

In March, the Co-op joined the Ethical Trade Initiative and other brands in supporting a letter to the International Labour Organisations (ILO) and the International Organisation of Employers (IOE) to advocate the importance of Occupational Safety & Health (OSH) being part of the Fundamental Principles and Rights at work, and to put in place a road map to drive improvements in health and safety in workplaces globally. On 10 June, the ILO decided to include a safe and healthy working environment in the framework of fundamental principles and rights at work (FPRW) – the first extension of workers' fundamental human rights since their adoption in 1998.



Tracking our progress

We set ourselves some challenging targets on modern slavery last year. Overall, we have achieved or are on track with 6 of the 7 targets we set ourselves, and close to target on the remaining target.. We've included updates in this Statement, but for full transparency we have summarised our progress against each target in the table on pages 24 and 25.

Targets for 2023 and beyond

We intend to build on the activities and progress we've made over the past year, and have signalled some of our planned areas of focus in this statement. Specific targets for 2023 and beyond are shown below.

Business area	Proposed target
Food	We will carry out an independent review of our priority human rights focus areas and continue to publish the steps we are taking to mitigate the root causes of issues identified.
Food	We will support our suppliers in improving human rights across our supply chains through the delivery of our global capacity building programme, reaching over 1,500 delegates in 25 events in 2023.
Food	We will champion the role of women and vulnerable people in our supply chains, and in 2023 we will support roll-out training to address issues of gender-based violence in the supply chain .
Food	We will continue to work collaboratively to eliminate illegal and unfair recruitment fees in our global supply chain.
GNFR	In 2023, we will review our approach to our Ethical Trade Programme to further improve our understanding of areas of risk across our supply chain.
Funerals	We will ensure all key Category 3 suppliers are onboarded and signed up to SEDEX with completion of Self Assessment Questionnaire (SAQ) as minimum standard.
Funerals	As part of re-contracting with memorial suppliers, we will ensure there is agreement on 2 pillar SMETA audits for high-risk areas of their memorial supply chain, with a minimum of one audit in 2023.

Progress against our 2022 targets

Business/ function	What we said we'd do in 2022	How have we done?	What have we done?
1. Managing the risk of modern slavery			
(a) In our Food business			
Food	We will support our suppliers to improve human rights across our supply chains through the delivery of our global capacity building programme, reaching over 1,500 delegates in 25 events in 2022.	Achieved	Through our global supplier engagement programme to build the capacity and resilience of our suppliers to manage human rights risks, we reached 6,557 attendees through 91 events across five countries. For further details, please see page 15 on Training and Collaboration.
	We will improve the lives of workers by carrying out and publishing independent human rights impact assessments in three high-risk food supply chains in 2022, using our findings to drive change.	Close to target	In 2022, we completed two independent Human Right Impact Assessments (HRIA) in our pork and seafood supply chains. These have been published along with steps that will be taken to address findings. These in-depth assessments engaged a wide range of stakeholders with a strong focus on worker interviews. For further details, please see Box 4 in the Modern Slavery Statement. Due to impacts of an internal re-structure in 2022 and changing issues and priorities in our supply chain, we did not commence work on the third planned HRIA. We have refocussed our resources to working collaboratively and improving our understanding of the issues impacting seasonal workers in the UK and their root causes (see Box 4 of Modern Slavery Statement).
	We will champion the role of women and vulnerable people in our supply chains, and in 2022 we will join two new projects to address gender issues in our supply chain.	Achieved	In 2022, we continued our work to increase visibility of gender data across our supply chains and completed a pilot to understand how standard audit methodologies can be more effective at identifying risks of gender discrimination in supply chains. This was down in collaboration with Tesco and Partner Africa. The learnings from this pilot have been published and shared at industry events to help inform future development of the SMETA methodology (page 8). We also launched a two-year gender empowerment programme in Kenya in our flower supply chain which aims to economically empower female flower farm workers, both at the workplace and in the community. For more information, please see the case study on page 35 of our Co-operate Report . Through our global supplier engagement programme, we have embedded focussed training to address gender inequality in key focus countries such as Egypt and Kenya and continue to champion diversity and inclusion with suppliers in the UK. Finally, we have strengthened our Human Rights & Ethical Trade Position Statement to share our commitment to women's empowerment and signed up to the UN Women Empowerment Principles . We will be sharing greater details of future priorities with the launch of Future of Food 2 in 2023.
	We will continue to work collaboratively to eliminate illegal and unfair recruitment fees in our global supply chain by 2025.	Achieved	We continued our work to understand and map the use of recruitment fees in our supply chains. A key focus in 2022 has been the impact of the seasonal workers scheme on workers in the UK and we are working collaboratively to address growing issues we have been identifying (See Box 2). We rolled out free training on responsible recruitment through our ongoing support of the Responsible Recruitment Toolkit, reaching 367 supplier delegates in 23 training sessions and global events in key sourcing countries, including Egypt, Spain and Kenya.

Progress against our 2022 targets

Business/ function	What we said we'd do in 2022	How have we done?	What have we done?
(b) In our other operations			
Procurement	We will undertake a review of our Direct Worker Reporting pilot (page 11) and explore the possibility of using this approach in our waste and recycling supply chain in 2022.	Achieved	We worked with our cleaning suppliers to understand the effectiveness of our pilot direct worker reporting project in 2021, both in terms of meaningful outputs and suppliers' experiences of running the activity. Following this, we shared lessons with the IPHR Waste and Recycling Working Group and collaboratively ran an industry direct worker reporting programme with eight waste companies participating, including five of our own suppliers.
	We will review the use of the Responsible Recruitment Toolkit, learning from our labour providers' responses and experiences, and will explore its suitability for use in other sectors with a high use of temporary labour in 2022.	Achieved, although not progressing to other sectors	We worked with our suppliers to review their experiences of the Responsible Recruitment Toolkit online assessment. At this stage, we don't feel it appropriate to extend it beyond our labour providers, due to our use of other tools such as Sedex.
	We will increase our engagement with high-risk categories, identifying opportunities to foster collaboration and shared learning between suppliers on common ethical trade risks and challenges.	Achieved	We have utilised standard supplier management governance meetings with suppliers to address ethical trade risks in our higher-risk areas, as well as building specific relationships with relevant responsible business leads within supplier organisations.

This Statement was approved
by the Board of the Co-op¹⁰



Shirine Khoury-Haq
CEO, The Co-operative Group
April 2023

¹⁰ The terms 'Co-op Group', 'Group' or 'Co-op' are all used to refer to the Co-operative Group Limited, which consists of Co-operative Group Food Limited, Co-operative Foodstores Limited, Funeral Services Limited and Nisa Retail Limited The Manx Co-operative Society Limited (among others). The Statement covers the financial year (52 weeks) ending 31 December 2022

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It's what we do