

Co-op Modern Slavery Statement 2023

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Introduction from our CEO

Doing the right thing in line with our Co-op values and principles has been at the heart of our business since we were founded in 1844. We're proud to use the power of co-operation to create a movement that can campaign and embed change and better rights for all in society.

Human rights matter. Modern slavery is incredibly hard to eradicate, we are all too aware how difficult it is to uncover, and during turbulent times this can be even harder. Labour shortages leading to more people moving around the globe makes exploitation a particular risk.

We want everyone, whether they work within our Co-op, or with us as one of our partners to be aware of the risks of modern slavery, to not be afraid to speak out if they uncover issues, and to have faith that we will deal with them responsibly. It's when we come together and co-operate on issues like this that we see what is truly possible through collaboration.

Bright Futures, founded by our Co-op in 2017 to offer work placements to survivors of modern slavery, and which became its own independent co-operative in 2020, is such a powerful example of this.

I'm very proud to introduce this statement about such an important issue, about which we can never become complacent, and about which we have continued to raise awareness both in our business and throughout our supply chain.

Modern slavery is a tough issue to address but doing so is absolutely the right thing to do. This is why during 2023 we also commissioned an independent third party to audit our internal processes to prevent and detect modern slavery taking place in our Co-op and supply chains.

The audit has given us positive assurance around our Food ethical trade programme and the comprehensiveness of the Modern Slavery statements, allowing our member-owners and stakeholders to hold us to account. It also provided valuable insight on areas to improve in 2024, which we will address.

There will always be more we can and will do. I'm grateful to my colleagues who work tirelessly to ensure we're doing the right thing and to create the right environment for us to continue to address this issue.

Shirine Khoury-Haq
CEO,
The Co-op Group



Our key achievements in 2023

- We worked collaboratively to carry out independent investigations and research in the UK, Turkey, Kenya and seafood supply chains covering issues including modern slavery, responsible recruitment, gender-based violence and child labour (see Food Case Studies 1, 2, 3 and 4)
- We signed the first UK Retailer Living Wage Commitment in Banana Supply Chains to close the living wage gap by 2027
- We reached 6,452 people in our global supplier engagement programme, and raised awareness of over 33,946 seasonal workers in the UK to prevent workplace exploitation
- We underwent an audit by a third party designed to improve our ability to identify, prevent and address modern slavery incidents effectively
- We supported over 8,000 improvements to working conditions through our robust monitoring programme. This covered over 3,300 sites and over 890,574 workers across Food, Goods Not for Resale (GNFR) and Funeralcare
- We brought our depots into the scope of our ethical auditing programme for the first time to raise awareness and develop training
- We conducted an end-to-end review of our GNFR ethical trade programme and, as a result, we delivered additional internal training, strengthened our due diligence processes and shared responsible sourcing resources with suppliers
- We strengthened our monitoring of more than 34 Funeralcare suppliers through increased due diligence, ethical audits and remediation activities

About the Co-op

Our Co-op is the UK's largest consumer co-operative, with more than five million active member-owners and a presence in every postal area in the country.

We're a major food retailer and wholesaler, the largest funeral 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 member-owners and the communities in which we trade and we can only do this by running a successful co-operative business.

How we run our business is important to us. We set ourselves high standards for responsible retailing and service. We have a responsibility to be a campaigning business, speaking out on the issues that matter to our member-owners.

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 2023 Annual Report and Co-operate Report at www.co-operative.coop

Our supply chains

At the Co-op, we buy products and services from thousands of suppliers across the globe. Our ethical teams review risks to human rights across everything we buy, whether physical goods for internal use or for resale, or services that we use or offer. In 2023, we observed, more than ever, the impact that climate change is having on our supply chains. This strengthens our resolve to source responsibly and sustainably.

Co-op Food own-brand products. Our food supply chains are complex and varied, including farms, abattoirs, fishing vessels, processing factories, finishing, canning, packing facilities and assembly units. 48% of the goods we sell in our food stores are own-brand products¹. We have the greatest leverage to tackle modern slavery with own-brand suppliers. Our [Food ethical trade monitoring programme](#) now covers 3,212 sites (682 Tier 1 and 2,530 Tier 2)², as well as 890,574 workers across six continents and 63 countries.

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 2023, we further increased transparency by mapping and publishing details of all tiers of [three high-risk supply chains](#).

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 own-brand products. We work with 34 key suppliers to provide these items. 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 Forest Stewardship Council (FSC) certified.

About 4% of our coffins are imported from outside the UK, mainly from East Asia and Canada. Of this figure, about 91% are manufactured by Traidcraft-certified manufacturers. Our masonry comes mainly from India and China. We value sourcing locally, so Funeralcare also offers wider services through local third-party suppliers, such as specialist vehicles and floristry.

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.

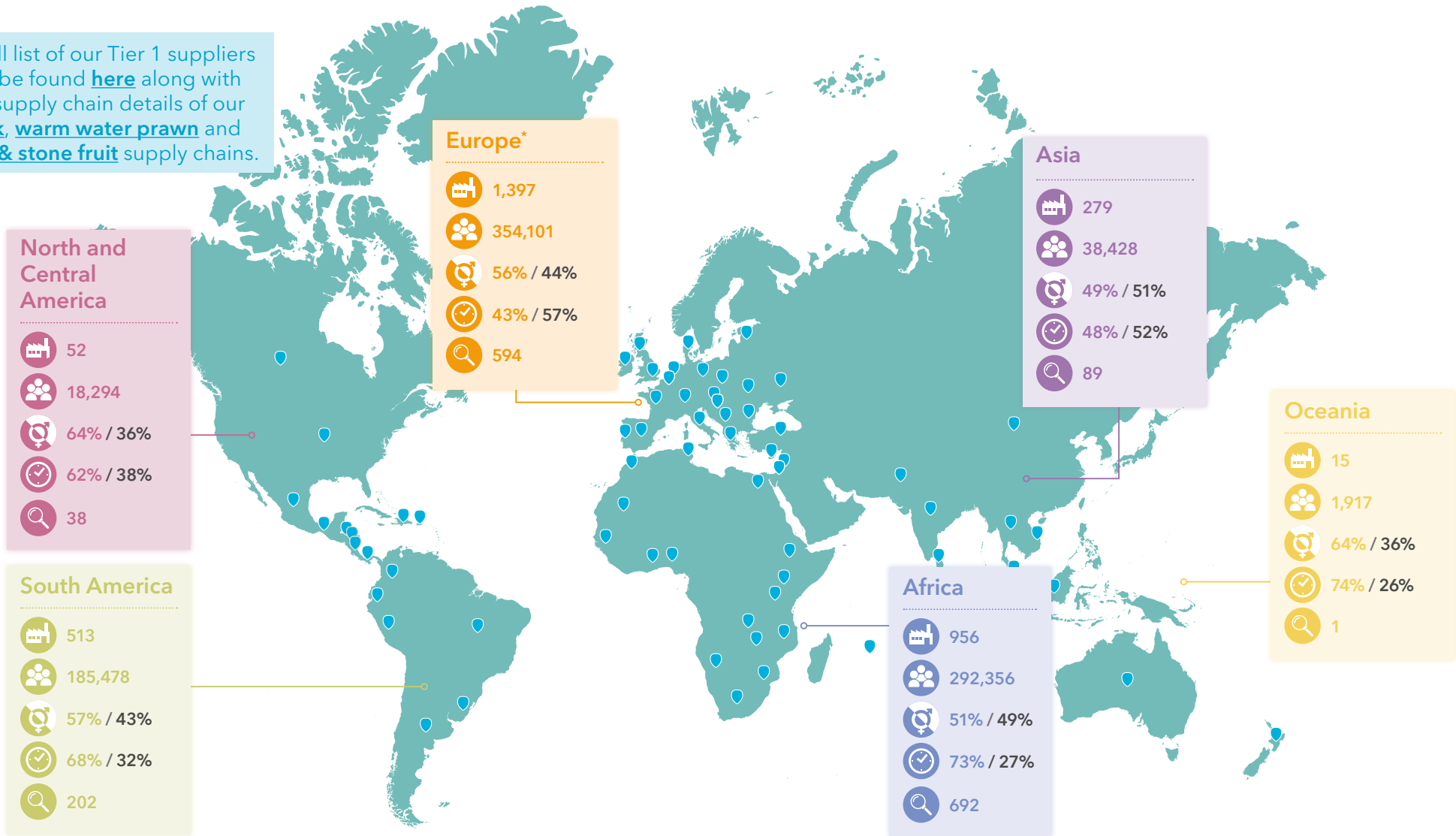
Goods and services not for resale (GNFR) are the goods and services we need to run our businesses and vary from services such as logistics, which accounts for 78% of our total spend, through to goods such as carrier bags for our Food stores, where we spend less – just 22%. These goods and services are sourced by our Procurement function. We buy from approximately 2,300 suppliers across five categories: Property, Logistics, HR & Professional Services, Technology and Marketing. In 2023, we spent over £1.1bn, mainly through our top 245 managed suppliers.

¹ 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. N.B. Nisa Heritage-brand products are included in the Co-op Food ethical trade monitoring programme.

² 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 [here](#) along with full supply chain details of our [pork](#), [warm water prawn](#) and [top & stone fruit](#) supply chains.



3,212 Total sites	890,574 Total workers	54% Female identifying workers	46% Male identifying workers	59% Temporary workers	41% Permanent workers	1,616 Valid audits
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In the UK specifically, the Co-op Food ethical trade monitoring programme covers 701 sites and 3,042 workers, of which 39% identify as female and 61% identify as male. 32.5% are temporary workers and 67.5% are permanent workers. There are 350 valid audits in the UK across all 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 the way we conduct our business, and are why ethical trade and human rights are so important.

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 Organization \(ILO\) 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, and expectations of, 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 to ensure that we are not engaging anyone who has been trafficked and cannot legally work in the UK. This is further supported by a 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 member-owners, customers, suppliers and the wider community.

Ethical trade guidance for colleagues: Separate guides to support both Co-op Food Technical team colleagues, as well as Group Procurement colleagues that buy and manage products and services for our own business. Our 'Buyer's guide' for colleagues in our Food business includes an escalation process to help address emerging risks and non-conformances.

Supplier & Supply Chain Policies

Co-op's Human Rights & Ethical Trade Position Statement: A Co-op wide approach to protecting the fundamental rights of workers in our supply chains. These rights cover all international labour rights, including protection from forced labour, modern slavery and harsh or inhumane treatment.

Sound Sourcing Code of Conduct (SSCC): The workplace and employment standards that we expect of all our suppliers based on the ETI Base Code and core International Labour Organization standards and includes checks for forced labour and modern slavery.

One Co-op Grievance and Remedy Policy: A Co-op wide approach to the responsibility Co-op shares with suppliers to identify grievances and provide remedy for human rights abuses in global supply chains.

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.

Third-Party Supply Management Policy:

Guidance for colleagues buying products and services for use in our business. This is supported by an ethical sourcing process, ethical screening and e-learning for all colleagues engaged in spending the Co-op's money.

Supplier Guides to Ethical Trade:

Co-op provides various guides and performance frameworks for our suppliers in Food and **GNFR**. These explain in detail what suppliers need to do to meet our ethical trade requirements and expectations.

NEW Sustainability Guidance for GNFR Suppliers:

Published in December 2023. This guidance is designed to support and guide suppliers to play a part in Co-op's Responsible Procurement for a Sustainable Future and make a difference for people and the planet. This guidance covers our Co-op position, and our asks and future priorities for key sustainability areas, including human rights and ethical trade.

Protocols on handling reported cases of modern slavery: Industry good practice guidance for the [food retail](#), supply chain and [construction sectors](#).

Co-op Supplier Management Framework:

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

Our supplier 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 the highest risk categories as part of our tenders. We also recognise the importance of longer-term contracts in supporting sustained improvements in working conditions.

Governance

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

Development and oversight of our ethical and sustainability policies takes place across various Co-op-wide forums, such as our Ethical Trade & Human Rights Group. Additionally, our Sustainability Steering Committee 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.

Ethical trade 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.

Modern slavery audit

In 2023, we commissioned an independent third party to audit our internal processes to prevent and detect modern slavery taking place in our Co-op and supply chains. The audit assessed our processes against the expectations of the Modern Slavery Act 2015 and Home Office statutory guidance around transparency in supply chains.

This has been a valuable learning exercise. The audit gives positive assurance on the depth and breadth of our Food ethical trade monitoring programme, whilst identifying opportunities to better align practice across our Co-op. In 2024 we'll implement our action plan to strengthen control, with delivery of this plan overseen by our Risk & Audit Committee.



Assessing and managing risk

Risks relating to modern slavery for people employed by the Co-op in our own stores and depots are managed primarily through our colleague policies, processes and guidance documents outlined above. Our Co-op ethical trade programmes ensure these policy frameworks are being implemented in our supply chains.

We have well-established programmes in place to ensure that workers making the products and services we sell or use are treated fairly, with specific safeguards and programmes to address the evolving risks of modern slavery, including climate change and labour shortages.

Our global supply chains have seen vulnerability to climate change increase in 2023, impacting suppliers from Malawi to the US to China. Expert organisations have identified that climate change and modern slavery are interlinked³. Whether environmental events are devastating or slow in their onset, they can force people into precarious situations that increase their vulnerability to trafficking and forced labour. Conflict adds another dimension of vulnerability to exploitation.

Labour shortages in food supply chains and beyond continued in 2023. These shortages are now being met by workers from a wider range of countries, presenting different labour exploitation risks and complexities of rules and visa schemes. As a result, we need to be even more diligent to ensure vulnerable workers are not being exploited by agencies charging unlawful recruitment fees.

Recruitment fees globally are a key cause of debt-bondage, a form of forced labour in which a person's labour is demanded as means of repaying a loan. This can trap the individual into working for little or no pay until the debt is repaid.

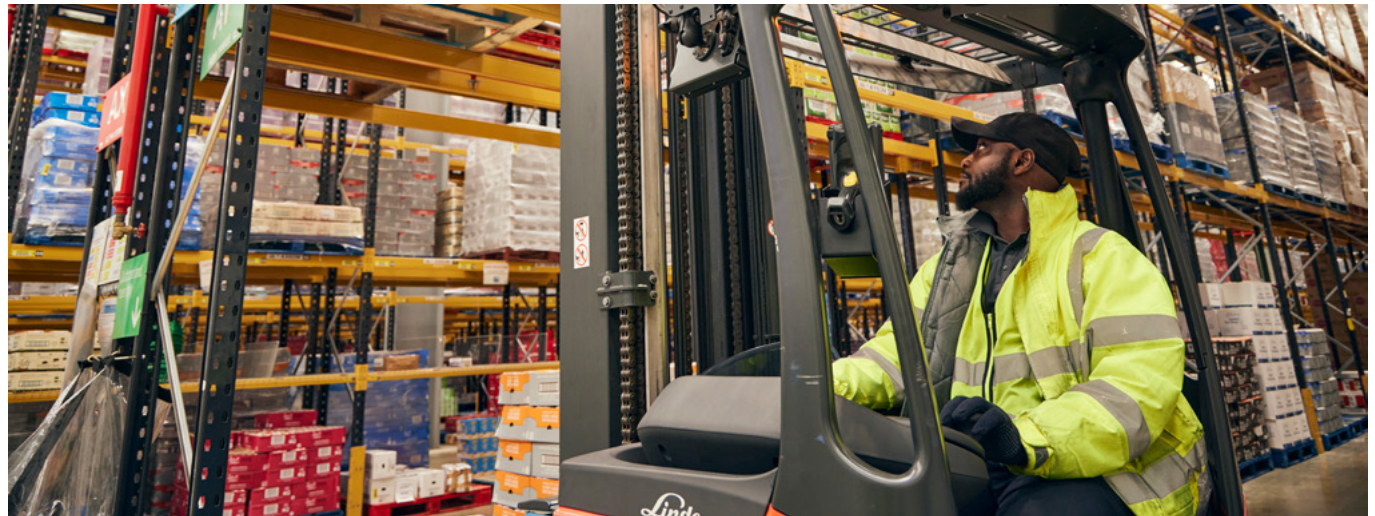
The cost of living crisis also continues to create real financial hardship for workers, forcing many to take out loans, or to take on more than one job, which increases their vulnerability to exploitation. We need to ensure workers are empowered and their livelihoods enhanced, so they receive a fair deal for providing the food we sell.

Transparency fosters accountability, and we've been working hard to achieve greater visibility at all tiers 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

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

Our processes for managing modern slavery and labour exploitation risks for our own-brand supply chains are detailed below. In addition, Co-op's Human Rights & Ethical Trade team are regularly involved in tender processes where, among other things, they assess the capability of suppliers to manage human rights in high-risk categories.



³ read more [here](#)

Assessing and managing risk

All Co-op Food own-brand Tier 1 sites must complete a self-assessment questionnaire (SAQ) on [Sedex](#), a data platform which stores, analyses and reports on sustainability practices. Tier 1 sites in high-risk countries must also have an independent social audit in place prior to approval. We use a variety of tools to assess and identify risk, including site assessments and audits, direct worker reporting through channels such as whistleblowing lines and grievance mechanisms.

In 2023, the Sedex SAQ has been revised to gather data on labour management and risks on sites more effectively and efficiently. We are supporting our suppliers to manage the transition to the new Sedex SAQ by working with other retailers to align on commonly agreed deadlines.

Site audits and assessments. Despite increased awareness of their limitations, social audits remain an important part of our monitoring programme as the first step in understanding risk across our supply chains at scale. We detail how our ethical trade monitoring programme supports the identification of modern slavery issues on page 4.

Supply chain transparency. We started the process last year of increasing 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. Beyond Tier 1, we now have 2,528 sites with 550,918 workers included in scope of the programme. In addition to publishing details of priority human risks (see page 12), last year we published two Human Rights Impact Assessments in our [warm water prawn](#) and [pork](#) supply chains.

Innovative investigation techniques. We have trialled innovative methods of investigating human rights issues in UK fisheries and child labour risks in Turkey in 2023. See [Food Case Study 1](#) and [Food Case Study 4](#).

We have also jointly commissioned in-depth research by human rights experts into the risk factors for systemic gender-based violence and harassment in the tea sector, an overview of which can be found [here](#). We have also been part of an independently facilitated Steering Group to investigate gender-based violence in our tea supply chain. Details of the innovative data collection and interview techniques used can be found in [Food Case Study 3](#).

Issues raised through non-audit channels. Given the limitations of audits alone for identifying potential cases of modern slavery and other labour rights issues, we also track issues through non-audit channels which are resolved and managed. [See Box 1](#) for relevant cases managed in 2023.

Supply chain visits. We regard supplier visits to be a vital part of our due diligence. They support us to build close, collaborative partnerships with suppliers as well as to understand human rights risks in our supply chains and viable steps to remediate human rights issues. In 2023, our Co-op Human Rights & Ethical Trade team:

- Spain - Joined over 200 delegates at [Spanish Ethical Trade Forum](#) (Foros Comercio Ético) events in Seville and Murcia, met with key stakeholders, visited growers and local projects to support migrant workers and improve accommodation standards

- Morocco- Cross-functional visit to berry growers which showcased lasting changes to workers' livelihoods and health and safety practices that are a result of over a decade of partnership between members of the [Better Strawberries group](#), which Co-op has supported and was facilitated by [Oxfam GB](#).
- UK Fishing - Joined multi-stakeholder visit to improve understanding of human rights and labour standard issues in the UK fishing sector.

Co-op Food ethical trade monitoring programme 2023

- 3,212 sites with 890,574 workers (682 Tier 1 and 2,530 Tier 2)⁴
- 100% of Tier 1 sites with completed Self-Assessment Questionnaires (SAQs)
- 100% of high-risk Tier 1 sites independently audited
- 1,624 valid audits
- 1,042 audits in 2023 (348 Tier 1, 694 Tier 2)

8,043 issues were raised in audits. Of those, 191 issues (2.4%) are breaches of the Sound Sourcing Principle 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). 189 (99%) of these issues had been addressed by suppliers at the end of 2023, resulting in changes such as policies to reduce workers' fees, revised terms and conditions in contracts and clearer payment processes. Two issues are overdue. See our [Co-operate report](#) for more details.

⁴ 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 1

Management of issues raised in our Food supply chains 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, suppliers and other independent sources of information. A key part of our work is building trust and encouraging suppliers to be transparent about human rights issues and steps taken to resolve them. In 2023, a number of issues were raised to us via the [Unseen Modern Slavery Helpline](#), (See Unseen update in [Wider collaboration and activity table](#)). We are also encouraged that a number of suppliers came to us directly with concerns, conveying the level of trust they have in us to support them with complex issues. By seeing these issues together, we can identify trends that enable us to put in place a proactive strategy of risk mitigation and capacity building, which supports workers and addresses the root causes of labour exploitation.

Examples of issues raised and how we responded.

No.	Source channel	Country	ETI Base Code	Summary overview of issue
1	Unseen Helpline	UK		A potential case of modern slavery and financial exploitation was raised to Co-op by Unseen. It involved a potential victim being brought to the UK by their exploiters and being made to work in a processing site. The case was referred to the police and it was agreed in a collaborative call to involve the supplier so they could investigate internally and review recruitment processes. Co-op continues to support the supplier, who is working with the police on the specific case, and implementing learnings and changes across their sites.
2	Unseen Helpline	UK		Allegations concerning excessive hours, underpayment and accommodation standards were brought to the attention of Co-op by the Unseen helpline. The supplier followed up with a robust investigation which included a review of pay documents, an accommodation tour, and worker interviews. Co-op took part in a collaborative call with other customers to review the investigation and any next steps. Despite this detailed investigation, the supplier was not able to substantiate the claims, but has ensured the existing robust processes are being adhered to.
3	Multi-Stakeholder Organisation	UK		Allegations of humiliation and discrimination on a UK farm were raised to Co-op by a multi-stakeholder organisation. It was collectively decided, as a result of a collaborative discussion with other customers, that a thorough investigation should be carried out by human rights experts. Notably, the investigation did not substantiate the specific allegations raised, but it did shed light on the underlying causes, attributing them to the mounting pressures within the industry. Encouragingly, the supplier acknowledged these findings and willingly committed to participating in industry-wide activities, demonstrating commitment to addressing and rectifying the identified issues.
4	Unseen Helpline	UK		Allegations of overworking and underpayment at a food manufacturer were raised to Co-op by Unseen. Co-op and other customers supported discussions between the supplier and Unseen, and a collaborative call revealed that the concerns could be explained by a contract dispute. The supplier shared plans of a ballot held by the trade union on a proposed contract that changed how overtime was to be calculated, which passed and has now been successfully implemented.
5	Direct Supplier	Turkey		A supplier shared information regarding a potential case of child labour on a horticultural site in Turkey. This followed a due diligence site visit by a member of staff, which found that families were being employed. The supplier proactively notified the Ethical Trading Initiative, who convened a series of calls with customers, and commissioned an independent social auditor to carry out an urgent review. (See Food Case Study 4 for more details).

The ETI Base Code



Employment is freely chosen



Working conditions are safe and hygienic



Living wages are paid



No discrimination is practised



No harsh or inhumane treatment is allowed



Freedom of association and the right to collective bargaining are respected



Child labour shall not be used



Working hours are not excessive



Regular employment is provided

Box 1 continued

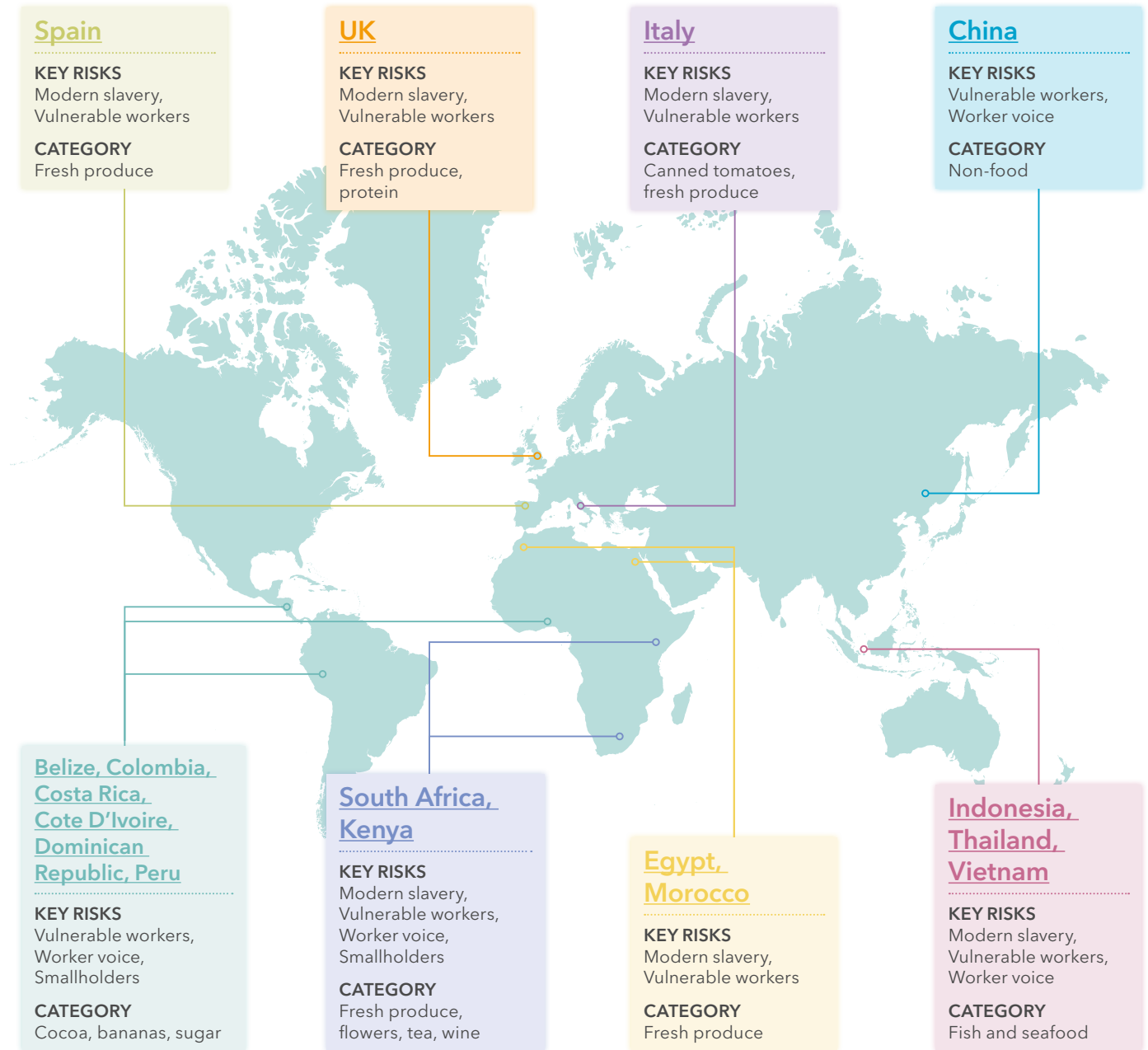
Management of issues raised in our Food supply chains through non-audit channels

No.	Source channel	Country	ETI Base Code	Summary overview of issue
6	Retailer	UK		Allegations were raised regarding non-payment of holiday pay and unfair dismissal by an agency supplying labour into a UK-based supplier. In a collaborative call with other customers, it was decided that an independent human rights expert should be commissioned to investigate. The investigation found that, while some of the allegations were unsubstantiated, holiday pay had indeed not been paid. The supplier was involved, who promptly ensured that the agency rectified the non-payment of holiday pay, reimbursing the affected worker for previous periods. The supplier implemented additional corrective measures to prevent any recurrence, demonstrating a commitment to fair labour practices.
7	Media	UK		Allegations of low standard and unsafe accommodation were made at a farm in Kent. Allegations were largely refuted by the site, while due diligence visits conducted by the supplier and labour provider showed accommodation met all relevant guidelines. Subsequent Home Office visits and a SMETA social audit did not support the allegations. Some other issues raised by workers during the visit were managed. Co-op continues to support where necessary.
8	Media	UK		Co-op were approached by a journalist investigating the recruitment and treatment of Nepalese workers who arrived in the UK via the Seasonal Workers' Scheme. The focus was on three farms and the allegations centred around work with strawberries and apples. The investigation looked into workers having their work placements cut short, leaving them with debt. Co-op confirmed it had not been supplied with fruit from the farms in question. However, Co-op continues to support improvements to the Seasonal Workers Scheme, through which the majority of workers in these horticultural sectors are employed, including through the Just Good Work app, and the SWS Taskforce (see pages 12 and 18).
9	Direct Supplier	Kenya		A supplier shared information regarding an accident in which a vehicle transporting workers overturned, injuring more than one hundred employees. The supplier notified Fairtrade, who triggered a safeguarding protocol. An internal investigation was also launched, which identified the condition of the roads and the number of people travelling together as a root cause. An action plan focusing on health and safety was developed and implemented, with Co-op supporting on an ongoing basis.
10	Unseen Helpline	UK		Complaints were raised on a UK farm of substandard accommodation and issues relating to pay. In a collaborative call, it was decided to involve the recruitment agency, who conducted an internal investigation. While it found no concerns with the accommodation, and no wrongdoing on pay, the investigation revealed clear communication issues surrounding piecework. Following the investigation, the recruitment agency and farm have committed to improving this communication using workers' native language during recruitment and induction stages.
11	Direct Supplier	Kenya		A supplier shared information regarding two tragic fatalities that happened on sites in Kenya, one regarding a security guard and the other the child of a worker. In both cases work was suspended while the fatalities were investigated and urgent collaborative calls were held between the supplier and customers. As a result of the investigations, revised health & safety strategies were launched in 2023 to create a more positive and proactive approach to safety and we are assured that efforts to deliver this plan are being redoubled following the incidents.
12	Multi-Stakeholder Organisation	UK		Allegations of harassment, intimidation and bullying were raised to Co-op by a Multi-Stakeholder Organisation. In a collaborative call it was decided to commission an investigation by an independent human rights expert. The investigation was unable to substantiate the specific allegations and concluded that all due processes had been followed. However, constructive suggestions for improvements were identified and shared with the supplier, who acknowledged the feedback and committed to implementing corrective measures for continuous improvement, which Co-op will monitor to ensure compliance.
13	Direct Supplier	UK		A supplier shared information regarding a potential case of modern slavery on a packing site in the UK. After a police investigation, arrests were made and the victim accessed Salvation Army support, who provided protection and assisted the individual to return to their home country. Sixty people lived in the same accommodation as the victim, and so welfare checks were carried out on all individuals. The supplier and other retailers conducted a joint briefing call to discuss next steps, share best practice, and understand lessons learned to help shape future strategy.

Our priority labour rights risks

In 2019, based on a rigorous process of analysing and prioritising our labour rights risks, and as part of our commitment to greater transparency, we identified the following eight priority areas of activity, covering 17 sourcing countries. The salient risk focus areas represent over 75% of all workers in the scope of the ethical trade programme.

On our [website](#), we explain what the issues are, the supply chains and products that are at risk and how we are responding to these issues. The map shows our eight priority labour rights countries and regions and highlights which products, issues and types of workers make them higher risk. These priorities are reviewed annually using insights from trusted partners and external sources to ensure they remain fit for purpose.



Advancing responsible recruitment in tuna

Co-op, alongside Members of the [British Retail Consortium \(BRC\)](#), [Food Network for Ethical Trade \(FNET\)](#), [Global Tuna Alliance \(GTA\)](#), [Seafood Business for Ocean Stewardship \(SeaBOS\)](#), [Seafood Ethics Action Alliance \(SEA Alliance\)](#) and other contributing partners in 2023 commissioned a study by responsible recruitment experts Impactt, to map existing commitments to responsible recruitment and the [Employer Pays Principle \(EPP\)](#) in the global tuna processing sector. It will evaluate the implementation of commitments, identify obstacles to adoption, propose individual and collective business actions to enhance responsible recruitment and EPP adoption, and recommend opportunities to strengthen relevant laws and regulatory enforcement processes supporting migrant workers. The study will be completed in 2024.

Food Case Study 1

Investigating responsible recruitment and transit visa risks in UK seafood

In 2023, Co-op, alongside other members of the Seafood Ethics Action (SEA) Alliance, commissioned a review of worker welfare in Northern Irish seafood supply chains. This arose as a result of a [Financial Times investigation](#) published in June 2023, which highlighted the experiences of Filipino fishers working on boats in Northern Ireland.

The review primarily sought to address whether the claims made about how the fishers' cases were handled could be substantiated, and to what extent they may indicate wider industry issues requiring broader engagement. It used in-depth research and stakeholder interviews with industry representatives, fishers, fishing companies, welfare organisations and workers' organisations. We are committed to working collaboratively to follow-up on recommendations at an industry level.

In 2023 we also joined a three-day visit to Scottish fishing vessels and ports, and participated in roundtable discussions with suppliers and Non-Governmental Organisations (NGOs), which improved our understanding of the human rights challenges facing the sector and fostered collaboration to drive improvements in labour standards.

Food Case Study 2

Collaborating to manage recruitment risks, UK Seasonal Workers Scheme Taskforce

Seasonal workers are one of the backbones of UK horticulture. The UK Government allows foreign workers to secure a Seasonal Worker Visa, which enables them to enter the UK temporarily and work in certain jobs, such as picking fruit, vegetables or flowers. There are additional visas for working in poultry. This is challenging manual labour which is not suitable for all workers. The UK Government estimates that between 50,000 and 60,000 seasonal workers are needed annually to bring in the wider harvest across the UK, and these workers are almost entirely recruited from outside the UK.

Independent human rights reports have highlighted high risks of exploitation amongst this workforce, and these risks continued in 2023⁵. In March 2023, over 50 organisations including retailers, growers, recruiters, industry bodies and non-profits came together to establish the [Seasonal Workers Scheme \(SWS\) Taskforce](#). The Taskforce's mission is to work collaboratively to develop and implement tangible actions to help safeguard and ensure access to workers' rights in the UK Seasonal Worker Scheme (SWS) and wider UK horticulture. The Taskforce is set out to do this in two key ways. First, by developing practical actions that can be implemented within the current Scheme to improve the responsible recruitment and employment of seasonal workers. Second, to engage relevant Government departments on potential changes to the Scheme that will address issues that exacerbate worker exploitation risks and undermine efforts to safeguard their rights. The SWS Taskforce's activities are co-ordinated by Stronger Together, as Secretariat, and governed by a multi-stakeholder Governance Committee of which Co-op is one of the two retailer representatives. The latest update on the work of the Taskforce is available [here](#).



⁵ Read more [here](#)

Food Case Study 3

Tackling the risks of gender-based violence and harassment in Kenya

In 2023, a BBC investigation uncovered allegations of systemic gender-based violence and harassment (GBVH) on tea farms in Kenya linked to a number of own-brand and branded tea suppliers to the Co-op, including those owned by [James Finlay Kenya \(JFK\)](#) (now known as Browns Plantation Kenya (BPK)). In February 2023, James Finlay Limited (Finlays) instructed a specialist NGO, [Partner Africa](#), to conduct an independent investigation at JFK on the allegations and potential endemic issues. Its goal was to provide a deeper understanding of the substance of the accusations, worker welfare and effectiveness of the systems in place for managing these issues. The investigation, specific to JFK, also identified measures that can be taken to cease, prevent and mitigate any adverse impacts identified, and determine how JFK can provide remediation to survivors. A steering group (SG), including the Co-op, tea brands and other retailers sourcing from JFK, [Ethical Tea Partnership \(ETP\)](#) and [ActionAid Kenya](#), chaired by the Ethical Trading Initiative (ETI), was established by Finlays, and funded by the Co-op and other brand and retailer members, to provide regular, ongoing, oversight and decision-making throughout the investigation process.

Over an eight-month period, through remote surveys, on-site assessment and interviews, the investigation engaged with around 950 stakeholders, including over 700 workers and their representatives. It identified direct impacts and root causes contributing to the risk of GBVH and abuse in the workplace, various forms of discrimination, and issues around overall working conditions, including wages and occupational safety and health (OSH). Partner Africa provided a robust set of recommendations, including cultural and organisational transformation, strengthened remediation, the improvement of human rights due diligence (HRDD) systems and stronger engagement with external organisations. Finlays and BPK, supported by the Steering Group, have established a comprehensive action plan to remediate the issues found. The Co-op has committed to promoting and actioning their support for the action plan and wider HRDD improvements, as well as supporting Finlays and BPK to work with an independent third-party organisation to undertake credible verification of the action plan's implementation. A full statement from the Steering Group can be found [here](#) and Finlays' statement action plan can be found [here](#).

Food Case Study 4

Child labour prevention and remediation in Turkey

In 2023, Co-op was informed by one of our suppliers about a heightened safety risk to workers in our flower supply chains in Turkey. We worked with other retail customers and suppliers, under the guidance of the Ethical Trading Initiative, to fund an onsite expert review of the conditions on farms where some workers live on-site and some work seasonally. Based on this innovative assessment, an action plan is now being put in place with the farms to ensure that they are family friendly and there is a safe environment for children while parents are working. This work is being undertaken by the international [Centre for Business and Child Rights](#) and Ethica, a Turkish-based expert on supply chain standards. The lessons from this work will feed into Co-op's ability to assess and reduce risks to children in this sector in order to inform future interventions and promote good practices more widely.



Goods and Services Not For Resale (GNFR)

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 (we would call these our "Tier 1" suppliers), we recognise that some of the most vulnerable workers are in our "Tier 2" supply chains - the suppliers that our direct suppliers have relationships with. We map these supply chains to help us identify where we need to look beyond Tier 1.

At the end of 2022, we recruited a new Responsible Sourcing Manager who conducted an end-to-end review of the GNFR ethical trade programme in 2023 and built in a number of changes to our processes with the support of our Procurement Leadership Team.

Assessing Risk (GNFR)

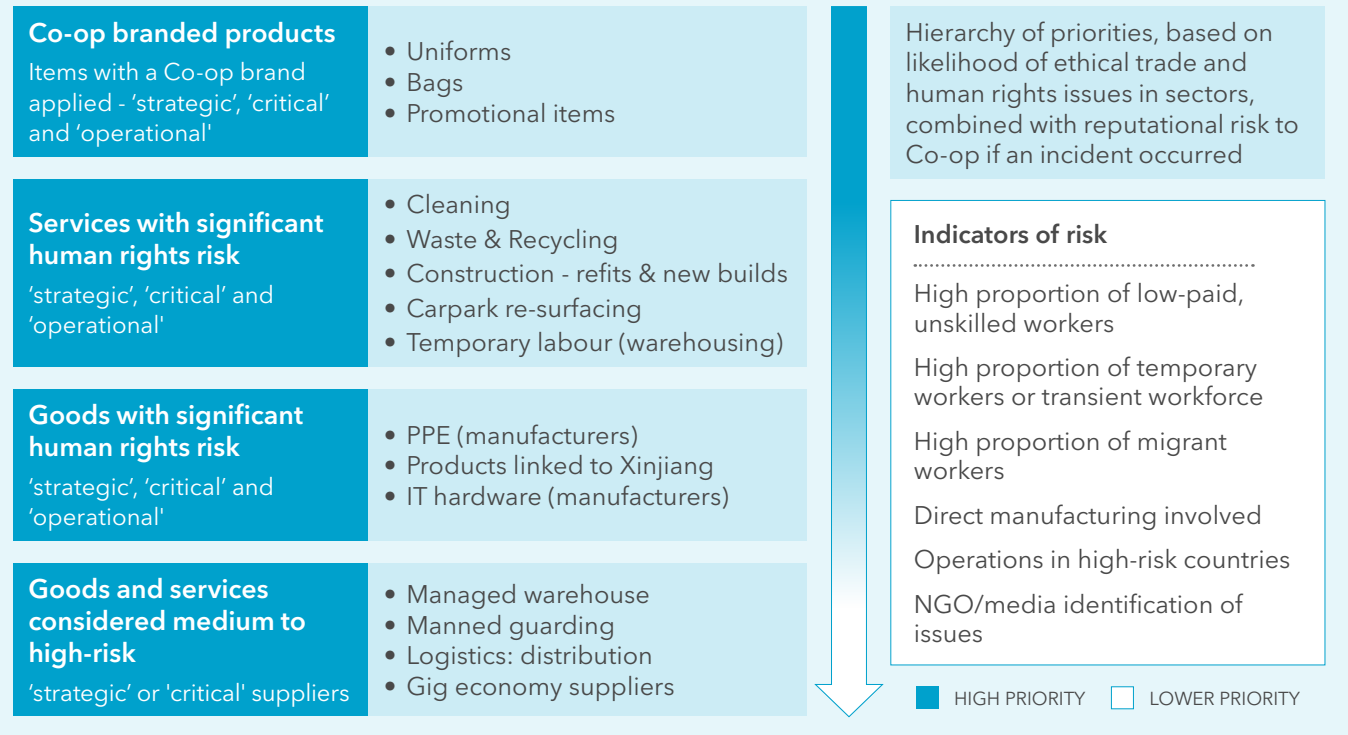
We have a well-established process for assessing and prioritising high-risk suppliers, in terms of modern slavery and human rights. We assess and prioritise risk for each GNFR category using criteria such as existing and emerging risks, and identifying the supply chains that we know are particularly 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; operations in high-risk countries and information from media and NGOs

Box 2

Some sectors are higher risk, and priority, than others

We review our GNFR categories annually to identify emerging risks and ensure that we are focused on the most appropriate categories



- Incorporating questions that flag ethical and sustainability risk factors in all Requests for Proposals (RfP) and asking tailored questions for the highest ethical risk categories. As of 2023, we have reviewed and strengthened our RfP questions, including now capturing responsible sourcing accreditations

Our focus areas in 2024 will continue to be own-brand goods, construction, facilities management, logistics, technology and temporary labour providers in our

warehousing. However, we are constantly horizon scanning for emerging risks. This year we have included a focus on high-risk countries and have included gig economy/last mile delivery partners within the scope of our ethical trade programme. We chose to include the gig economy as a result of ethical issues being highlighted by stakeholders including the media. Suppliers and partners from this sector will be asked to provide ethical information via Sedex or Ecovadis.

Managing and Mitigating Risk (GNFR)

As mentioned, our suppliers often have complex supply chains spanning multiple countries. To manage these suppliers, our GNFR ethical trade programme is underpinned by our Supplier Management Framework. The Framework provides a structured way to monitor and manage risk within our top 245 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. To achieve this, we draw on the following tools:

- **Sedex and ethical audits:** We use Sedex to gain supply chain visibility and manage and assess our supply chain risks. SMETA audits are used mainly for Co-op branded goods to gain visibility into working conditions.
- **Ecovadis:** [Ecovadis](#) is a collaborative platform that allows companies to evaluate how well they have integrated sustainability into their business operating model and management systems. Co-op are not members of Ecovadis, but in 2023, we proactively obtained Ecovadis scorecards from our suppliers as a viable alternative to a completed Sedex SAQ and we currently have nine suppliers using the Ecovadis platform.
- **Big picture and trend analysis:** We have used Sedex reports and data, Ecovadis scorecards and data analysis to develop our internal GNFR ethical trade programme reporting where we currently monitor 85 suppliers that fall under high-risk categories. The ethical trade programme reporting gives the team a centralised overview of suppliers' Sedex status, SAQ completion rate, site risk scores, SMETA non-conformities and Ecovadis site risk scores.
- **Dedicated resources for our Procurement teams:** We have a dedicated Ethical Trade and Human Rights SharePoint site on our Procurement Hub that contains guidance and resources for our category teams.

- **Newsletters:**
 - **GNFR Quarterly Supplier Newsletter:** This is circulated to our procurement supply base and can include a variety of articles such as policies, links to resources, Co-op updates etc. This year we shared responsible sourcing resources available via the Co-op's funding of [Stronger Together](#) and the [Responsible Recruitment Toolkit](#).
 - **GNFR Quarterly Ethical Trade Newsletter:** This is shared internally with our procurement teams and it highlights and summarises news stories and articles in order to increase understanding and support the identification of current or emerging risks.
- **Cross-functional working:** we work in partnership with our Goods for Resale teams to share intelligence, resources and knowledge.

GNFR Case Study 1

Finding an ethical security camera provider

In May 2023, we reviewed our security camera supplier, as part of a broader procurement exercise. Public human rights reports by a not-for-profit organisation based in China indicated that the Tier 2 supplier was linked to an intelligence programme aimed at tracking and detaining Uyghurs and other ethnic groups in Xinjiang, China. For this reason, we moved away from the supplier, and secured a new supplier who had conducted an independent 2 pillar SMETA ethical audit. Any new stores will be fitted with cameras from our new supplier. Our procurement teams decided that changing supplier was the right decision to fit with Co-op's strategy, despite incurring additional costs.

GNFR Case Study 2

Depot ethical audits

We continually review the way we look at modern slavery risks, not only in terms of how we investigate risks, but also where we need to look. We listen to workers in our supply chain as a key source of fresh information on how other workers are being treated. In 2023, we conducted our first ethical audits in our depots in Avonmouth and Thurrock - the warehouses where our products are stored, between manufacturing and being sent on to shops. This was as a result of a worker in one of our GFR suppliers' supply chain flagging up concerns about potential labour exploitation issues that dated all the way back to 2016.

Upon prompt investigation of the worker's concerns, we discovered that one of our warehouses had been working with a labour provider who employed a worker who had subsequently received a five-year Slavery and Trafficking Risk Order (STRO) in 2022. Whilst there was no link to Co-op colleagues or systems, and whilst no gaps were found in our processes, this prompted us to conduct our own ethical audits in two depots for the first time. The results did not highlight any major concerns, however there were some areas highlighted for review and improvement, such as agency and contractor holiday pay and raising modern slavery awareness and training at the depots.

In 2024, we plan to continue this work by bringing it in-house. However, we will firstly look to train our internal depot compliance team to the ethical audit standard.

Co-op GNFR Ethical Trade Monitoring Programme

North America



Tier 1	3	3	-
Tier 2	2	2	-
TOTAL	5	5	-

Europe



Tier 1	52	64	1
Tier 2	15	15	2
TOTAL	67	79	3

Asia



Tier 1	-	-	-
Tier 2	13	13	7
TOTAL	13	13	7

Total



Tier 1	55	67	1
Tier 2	30	30	9
TOTAL	85	97	10

Funeralcare

Our evolving Funeralcare ethical trade programme means we now have 34 Tier 1 centrally managed suppliers (also known as Category 3 - our key national suppliers) signed up to Sedex with a completed a Self-Assessment Questionnaire (SAQ).

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.

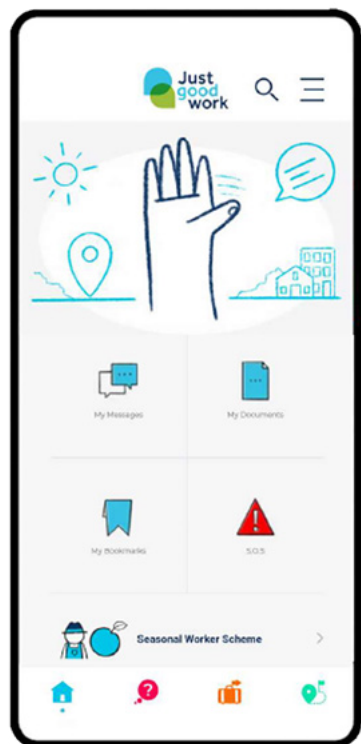
In 2023, our suppliers were asked to conduct one SMETA (Sedex members' ethical trade audit) audit in a higher risk area of their supply chain. We had two separate supplier audits carried out in early 2023 for jewellery suppliers in Thailand. Both suppliers have several minor ethical issues they are currently working to close off with support from the Co-op, our manufacturers and the auditors.

In 2024, we are asking suppliers to conduct one additional ethical audit in a higher risk supply chain. We will also be conducting a Fairtrade audit in our coffin supply chain.



Training and collaboration

Training and collaboration are pivotal in the efforts to prevent slavery and uphold human rights. We closely engage with our colleagues and suppliers, aiming to enhance their ability to recognise, handle, and address modern slavery risks. Throughout 2023, we sustained our collaborative approach, sharing insights and combining efforts. We see collaboration as essential in devising lasting solutions to working conditions.



Co-op Food Supplier Training

We maintain a well-established global ethical trade supplier engagement programme that allows us to actively listen to and assist our suppliers in addressing human rights issues affecting workers on a global scale.

Noteworthy activities in 2023 are outlined below and detailed in the [wider collaboration and activity table](#).

Sourcing seasonal labour responsibly

As [Food Case Study 2](#) highlighted, seasonal workers are at higher risk of exploitation and in the most severe cases are at higher risk of being victims of modern slavery. We provide our suppliers with a range of opportunities to deepen their understanding of the risks facing seasonal workforces, and how to proactively manage these risks.

We continue to sponsor and champion [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 2023, we have also continued our funding of the [Just Good Work app](#). The Just Good Work app was launched in 2022 by UK supermarkets, Seasonal Work Scheme operators and other stakeholders from across the horticultural sector. The app provides workers with information on what to expect of the recruitment process and working conditions on arrival, helping to prevent exploitation from occurring.

In 2023, over 29,026 jobseekers and workers downloaded the app – many in their home country while applying for a job.

We ran a UK-wide roadshow with the produce sector that reached over 380 delegates from 150 different growers (see [Training and collaboration: Case Study 1](#) below).

Training and collaboration: Case Study 1

Grower Roadshow & Toolkit

In March 2023, the Co-op, alongside other UK retailers, supported a UK-wide roadshow which was delivered by the ALP ([Association of Labour Providers](#)) and [Stronger Together](#), with FNET ([Food Network for Ethical Trade](#)), FPC ([Fresh Produce Consortium](#)) and BRC ([British Retail Consortium](#)). The roadshows enabled the sharing of good practice, open-source toolkits and checklists for the season, with the aim of seeking to reduce risks of exploitation, and to enhance the recruitment and on-farm experience of seasonal workers.

The roadshows reached over **380** delegates from **150** different growers – with **82%** of growers feeling very confident about managing seasonal workers after the workshop, compared to **59%** before. These sessions will be updated and rolled out ahead of the 2024 season.

Global supplier engagement programme

In 2023, we reached 6,452 people from 1,513 suppliers or sites in 121 events globally through roadshows, in-person events, training sessions and webinars. For further details, please see the [Wider Collaboration and Activity table](#) and our [Co-operate Report](#).

Treating People Fairly Awards - in 2022, we published [nine case studies](#) that were developed following the launch of our 2021 Treating People Fairly Awards. These awards and the development of further case studies will be re-run in 2024.



Human Rights Virtual Supplier Hub for suppliers in Africa

Co-op co-sponsored a two-day human rights event run by [Partner Africa](#) and [AIM-Progress](#) for suppliers in Africa in 2023. Over 270 suppliers signed up to understand how to grow sustainably, build robust human rights programmes and improve the lives of workers. Specific sessions focused on managing risk and going beyond compliance; how to spot, remediate and prevent child labour and how suppliers can respond to the impacts of climate change.



Training and collaboration: Case Study 2

Building supplier capacity through our Strategic Supplier Forums

Building the capacity of our suppliers is a critical pillar of our ethical trade programme, which we do by holding supplier conferences and workshops around the world to support, guide and share best practice. Twice a year, we hold a forum for our strategic suppliers at our head office, providing a safe space to discuss best practice for empowering workers and improving labour conditions in our supply chain.

In 2023, our key own suppliers participated in our Ethical Trade Supplier Strategic Forum. Sessions included:

- Sessions run by our senior leadership and the Human Rights & Ethical Trade team
- Deep dive sessions on: Human Rights Impact Assessments; ensuring decent work in an increasingly volatile world; and innovations in tackling modern slavery, with supplier case studies
- Discussion groups focused on how we, as an industry, can face into a changing risk landscape to improve processes and better protect workers



As always, an informative and well-presented forum with good and thought-provoking discussion.



Strategic Supplier Forum attendee 2023

GNFR Training and Engagement

The Co-op's Procurement team (GNFR)

Our Human Rights and Procurement teams have worked closely together to ensure that the latter possess the skills and knowledge they need to identify and manage potential human rights and modern slavery issues in the supply chain. This involves a new starter induction pack, e-learning, a dedicated ethical trade and human rights SharePoint page which contains guidance, resources and toolkits, category specific meetings, ethical trade newsletters and one-to-one support to upskill the team. We also run "spotlight" sessions for the team, in order to sustain focus on risks and what our team can do to help spot any potential issues.

This year, we delivered two modern slavery Spotlight Sessions via our partners, [Unseen](#) & [Stronger Together](#).

“ Really good reminder of why we're trying to step on in this space - loads of resources to share with our suppliers too. ”
Spotlight Session attendee 2023

“ Thanks so much for this session, very powerful. ”
Spotlight Session attendee 2023

GNFR supplier engagement

In March, we hosted the GNFR Co-op Difference Awards to recognise and acknowledge our suppliers by celebrating their hard work in supporting us to achieve our vision. We held our Procurement GNFR Supplier Conference in June, which centred around our existing vision of "Co-operating for a Fairer World".

Throughout 2023, we provided our GNFR suppliers with access to webinars, resources and training through our GNFR Quarterly Newsletter. Through our newsletter we have been able to communicate and build awareness on responsible sourcing. We have promoted the Responsible Recruitment Toolkit, Sedex, Ecovadis and Stronger Together training and resources to our suppliers.

In 2023, through our Supplier Management Framework, we started to capture and monitor how many ethical trade conversations have taken place in supplier management meetings in order to ensure that the Supplier Management Framework is being adhered to. Topics have included Sedex registration, audit follow ups, Ecovadis scorecards and discussing issues highlighted in the media. Next year, we hope to be able to report further on the impact this engagement has had.

Across our own businesses

Modern slavery training is mandatory for key members of our Human Resource & Resourcing Services team. The training module is also available to colleagues across the wider business through our Learning and Development system. The modules help colleagues understand, identify and report issues of modern slavery in our own business. To date, 387 colleagues have completed this training; 53 of these were completed in 2023. This module is also signposted on our new Development Hub (launched in May 2023) as well as being available on demand on our learning management system.

The training had an impact: 83% of participants felt the module improved their understanding of modern slavery and 93% were confident they can apply what they learned.

In 2024, we will be updating our modern slavery training module, and rolling it out to an even bigger audience across our business.

“ It brought home to me how some people are affected and the signs to look for. ”
Modern Slavery training attendee 2023

“ Be vigilant and raise concerns. ”
Modern Slavery training attendee 2023

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 how we've been involved in each collaboration in 2023.

Initiative	The Co-op's role	Key activity in 2023
Ethical Trading Initiative (ETI)	<p>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.</p> <p>We actively participate in a wide range of ETI working groups to address systemic issues.</p>	<p>The ETI's strategic focus areas include the impact of climate change on workers, business practices and gender. In 2023, we engaged in the ETI's "Grievance Mechanisms in Agriculture" project, focused on addressing migrant labour exploitation in supply chains in Italy and Spain and worked with other ETI Food, Farming & Fisheries (FFF) members on the identification of and response to gender-based violence and harassment in commercial agriculture and collaboration with trade unions on realising living wage commitments. With the ETI's support, we responded to crises including the Türkiye-Syria earthquake and the Israel-Hamas conflict.</p> <p>Our involvement with the ETI on Italian and Spanish agricultural supply chains reflects the strategic importance of collaborations focused on migrant workers who are at higher risk of labour exploitation.</p>
Food Network for Ethical Trade (FNET)	<p>FNET is a member-led initiative, which uses the collective leverage of suppliers and retailers to bring about positive change in working conditions in supply chains.</p> <p>Our goal is for FNET's collaborative work to improve labour conditions in agriculture and food processing, both in the UK and internationally, by setting industry-wide expectations and ensuring they are communicated and supported throughout supply chains.</p> <p>The Co-op's Senior Human Rights Manager is on the FNET Board as a Member Director.</p>	<p>We participated in over 20 fortnightly calls where members and external sectoral experts shared how they were managing current human rights risks, including risks of modern slavery.</p> <p>FNET co-organised over 15 working group meetings and additional sub-group meetings to gain a deeper understanding of, and develop appropriate tools and resources on, a range of topics critical to modern slavery and broader worker rights issues. This work included tackling illegal recruitment fees, improving worker representation, understanding the impact of climate change on human rights in food supply chains, grievance mechanisms, waste management and logistics.</p> <p>Through a combination of in-person and all member events we benefited from external presentations and member case studies on topics that included improving human rights due diligence, human rights impact assessments, mapping stakeholders, engaging senior leadership, gender in international supply chains, remediation for workers, and the interconnection between climate change and human rights.</p> <p>We collaborated with other members, NGOs, governments, industry bodies and others on specific risks including human rights in China and the UK fishing sector.</p>

Initiative	The Co-op's role	Key activity in 2023
The Sustainable Trade Initiative (IDH)	<p>We are a member of the UK Retailer Commitment on Living Wage in Banana Supply Chains, working with our partners, IDH, Fairtrade, and the other retailers to achieve living wages for all hired labour workers in our banana supply chains.</p>	<p>As a part of this group, we launched the Commitment and Principles of Engagement alongside eight other major UK supermarket chains on 1st March 2023.</p> <p>We then shared lessons on living wage commitments with business in other sectors at the Innovation Forum Responsible Sourcing and Ethical Trade Forum. We also participated in learning sessions with banana traders and producers, and alignment meetings with retailers in the Netherlands, Belgium, and Germany working on similar initiatives to build strategies to close living wage gaps, and we contributed to consultations on developing guidance for living wage claims and voluntary financial contributions to close living wage gaps.</p> <p>Our work has now shifted to an internal mapping of our banana supply chain and analysing living wage gap data.</p> <p>Our work in this initiative will contribute to the critical work needed in this sector, where living wages still evade workers in banana supply chains, despite decades of focus on this commodity.</p>
Modern Slavery Intelligence Network (MSIN)	<p>MSIN - a pioneering non-profit collaboration in the UK food sector that was created in 2020 in response to the findings of Operation Fort (the UK's largest ever modern slavery investigation). Its aim is to share intelligence across the UK's food industry to understand patterns and trends of modern slavery and use these to disrupt traffickers.</p>	<p>During 2023, MSIN has continued to grow its membership and work with data-sharing partner, Stop the Traffik, to run the MSIN intelligence-sharing platform.</p> <p>Members have been encouraged to input data on incidents which have occurred in their businesses or supply chains into the anonymised data-sharing platform, allowing other members to investigate similar issues or raise concerns within their own companies and supply chains. Over the year, MSIN generated at least one intelligence submission per week for review and action by members if needed. It also shared six "high priority" alerts with all members, for immediate action, which in one case helped to stop high-risk exploiters and in another led to members actively investigating to stop any potential issues in their own companies. Members have gathered at monthly working group meetings as well as for the MSIN Annual Conference in September 2023 to share insights and review trends in modern slavery. The conference was attended by more than 150 industry and NGO representatives and included a keynote speech from the Rt Hon Theresa May MP. In 2024, MSIN will continue to focus on increasing the quality and quantity of intelligence processed, expanding its membership, and driving value for its members in the increased sharing of trends and insights.</p>
Responsible Recruitment Toolkit (RRT)	<p>We are founding sponsors of the RRT, a collaborative approach to embed professional and ethical employee standards throughout supply chains.</p> <p>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.</p>	<p>In 2023, RRT supported the delivery of 23 online training courses to 359 individuals and 150 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.</p> <p>225 individuals completed one or more RRT training sessions from 150 suppliers. 52 of the 225 individuals have declared that they supply to Co-op. 29 of 150 suppliers declared that they supply to Co-op.</p>

Initiative	The Co-op's role	Key activity in 2023
<p>Seafish/SEA Alliance</p>	<p>Co-op is an active member of SEA Alliance to improve human rights due diligence carried out in global seafood supply chains and ensure respect for human rights.</p>	<p>As members of the SEA Alliance, we have supported the development of an action plan to address risks of exploitation and labour abuse in the UK fishing sector. This year, we have helped to update the Alliance Fishery Risk Tool covering 400+ fisheries around the world, to support members to identify risks as part of wider Human Rights Due Diligence (HRDD).</p> <p>We have continued work in line with the SEA Alliance advocacy strategy, advocating for the ratification and effective implementation of ILO's C.188 (the Work in Fishing Convention) and communicating with the Marine Stewardship Council on strengthening their inclusion of labour standards.</p> <p>We also sit on the Panel for the Change on the Water Fund - a fund designed to support improvement work at fishery and aquaculture farm level that drives improvements for workers. This year, we launched the second round of the SEA Alliance Change on the Water Fund, and continued engagement with 2022's applicants implementing projects in Thailand, the Maldives and the UK.</p> <p>We championed and helped to launch several collaborative projects and investigations into specific risk areas such as recruitment fees and the UK fishing sector, and commenced work on the SEA Alliance commitment to progress initiative which aims to improve worker welfare across global seafood supply chains.</p> <p>In 2023, we co-commissioned a SEA Alliance study into recruitment fees and practices within Tuna processing. (See page 12.)</p>
<p>Sedex</p>	<p>We use the Sedex platform to manage our ethical trade monitoring programmes.</p>	<p>Sedex continues to invest in improving its data-led platform, assessment tools and professional services to support businesses with driving more sustainable practices through global supply chains. This includes its Community events, with sessions to facilitate knowledge-sharing, insights, feedback and discussions on challenges and solutions between businesses. In 2023, Sedex revised its Self-Assessment Questionnaire (SAQ) to make this easier for suppliers to complete accurately while producing more focused insights; revised its SMETA audit methodology to improve critical issue detection (to be released in 2024); brought more than 600 experts and business representatives together at its Xplore Sustainability conference; and held over 30 other Community events for its members.</p>
<p>Seasonal Workers Scheme (SWS) Taskforce</p>	<p>In March 2023, over 50 organisations including retailers, growers, recruiters, industry bodies and non-profits came together to establish the Seasonal Workers Scheme (SWS) Taskforce. The SWS Taskforce's activities are co-ordinated by Stronger Together, as Secretariat, and governed by a multi-stakeholder Governance Committee of which Co-op is one of the two retailer representatives.</p>	<p>See Food Case Study 2.</p>

Initiative	The Co-op's role	Key activity in 2023
<p>Spanish Ethical Trade Forum (Foros Comercio Ético)</p>	<p>We played a key role in creating the Spain Ethical Trade Forum in 2012, and ensuring the forum's evolution to its current industry-run structure.</p>	<p>The Forum has held seven online seminars, three regional meetings and two international meetings in 2023 and has collaborated with sector organisations on workshops covering working conditions, environmental sustainability and due diligence.</p> <p>Training - During December, three in-person training sessions were delivered by the capacity building department to middle management and worker representatives to tackle issues related with poor social dialogue and management systems, lack of communication and leadership skills and addressing modern slavery situations at farms and packhouses. Some of the training materials used during these sessions have been developed and printed with Co-op funding.</p> <p>Grievance mechanism - The Forum is currently implementing its grievance mechanism, named "Canal Foros", with the aim of providing a common grievance channel to all workers in the Spanish fresh food industry. We have joined others in becoming a sponsor of Canal Foros. By the end of 2023, four grievance mechanisms had already been implemented, covering 1,650 workers, who are being trained on how to use it with additional sessions planned.</p> <p>Additional forum activities in 2023 included a worker information platform, launch of a health and safety working group and development and delivery of Occupational Risk Prevent culture and awareness sessions for farms and packhouses.</p>
<p>Stronger Together</p>	<p>Founding sponsor of Stronger Together, a multi-stakeholder initiative providing training and resources to help reduce modern slavery. As a sponsor, our suppliers have free access to workshops, workplace posters and leaflets.</p>	<p>In 2023, 63 Tackling Modern Slavery in UK Businesses workshops, 9 Advanced Tackling Modern Slavery in UK Businesses workshops and 2 Tackling Labour Exploitation in UK Warehousing workshops were delivered to 465 businesses and 1,032 individuals. Of these, 295 individuals and 137 businesses supplied Co-op.</p> <p>Over the years, 82 Co-op 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. 20% of Co-op suppliers increased their Progress Reporting Tool score in 2023.</p>
<p>Unseen</p>	<p>Unseen is a UK charity that provides safehouses and support in the community for survivors of trafficking and modern slavery. We are a member of Unseen's Helpline Business Portal, 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. As an associate member of Unseen's Business Hub, we also get access to Unseen's whole business network, expert live webinars, and latest insights.</p>	<p>Our partnership with Unseen helps support the 24/7 operation of the independent UK Modern Slavery & Exploitation Helpline, which provides a vital lifeline to potential victims, as well as expert guidance to frontline professionals.</p> <p>Between 1 January and 13 November, 80 cases were shared with Co-op through the portal, with 6 of those directly linked to the Co-op supply chain. Unseen has allowed us to work collaboratively with other portal members, law enforcement, suppliers, and recruitment agencies to investigate and remediate the issues reported.</p>

Campaigning and advocacy

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 2023, we continued to advocate for human rights, including through our work as part of the UK Seasonal Workers' Taskforce and collaboration on living wages as part of the UK Banana Living Wage Commitment.

Our Senior Human Rights & Ethical Trade Manager joined a Seasonal Worker Taskforce meeting with Home Office, Defra & the Gangmaster Labour Abuse Authority as a Governance Group Member in October to discuss due diligence activities in the season, steps to gather feedback from workers who have taken part in the scheme, the performance of scheme operators and collaboration between government, source countries and the industry.

We also signed up to the [UN Women's Empowerment Principles](#) (UN WEPs). The UN WEPs are a holistic framework for businesses to promote gender equality and women's empowerment in the workplace, marketplace and community. By joining the WEPs community, Co-op signals its commitment to this agenda at the highest levels of the company and to work collaboratively in multi-stakeholder networks to foster business practices that empower women. These include equal pay for work of equal value, gender-responsive supply chain practices and zero tolerance against sexual harassment in the workplace.

Box 3

Co-op supported external events and advocacy in 2023

Gender Sensitive Webinars - January

Following the publication of a [learning paper on Gender Sensitive Data by Sedex](#), our Senior Human Rights & Ethical Trade Manager spoke to almost 200 global delegates on two webinars about the context, findings and learnings of the our pilot on gender sensitive data. We will continue to support Sedex to integrate the findings of the pilot into their audit methodology to drive improvements to womens' experiences of work.

ETI Members Day - March

Our Director of Technical, Agriculture and Sustainability gave a well-received keynote speech on "Supply chains & workers' rights in a changing world" at the [ETI's Member Day](#) with over 200 delegates from companies, trade unions and NGOs in attendance.

Innovation Forum - March

Our Senior Human Rights & Ethical Trade Manager joined our banana supplier [Fyffes](#), and sustainability non-profit [IDH](#), on a panel at the [Innovation Forum's Responsible Sourcing and Ethical Trade Forum](#) on living wage commitments in bananas.

Seafood Ethical Action Alliance Annual Member Meeting (SEAA) - March

The Co-op hosted the [first ever in-person SEAA AGM](#), involving participants from

retailers, suppliers, academia, trade unions and NGOs. The event included updates on the SEAA strategy and workplan, keynote presentations, updates on key areas of action and benchmarking.

Food Network for Ethical Trade (FNET) Annual Member Meeting - November

The Co-op hosted over 70 retailer and supplier members of FNET, as well as external experts and stakeholders. The day saw a panel discussion on environmental and human rights due diligence, skills sessions on responsible business conduct in high-risk areas, the key learnings coming from recent Human Rights Impact Assessments and worker voice initiatives and an opportunity to input into the next phase of the FNET long term strategy.



Bright Future

Building Bright Future co-operative

Bright Future began as a project initiated by the Co-op in 2017. Following Bright Future's move to become an independent co-operative in 2020, work has continued to establish robust governance and procedures. During 2023 the provision of the National Matching Service for Bright Future was put out to tender for the first time since the co-operative was established. The successful applicant was [Causeway](#), formerly known as City Hearts. Bright Future began as a partnership between City Hearts and the Co-op.

A representative of the Co-op continues to serve as a Board Director and will continue in this post until at least November 2024. By the end of 2023 Bright Future 'partners' numbered 35 (12 businesses and 23 referrers). Current members include new employers such as Co-op supplier [Bakkavor](#) and another co-operative, [East of England Co-op](#). Bright Future can now offer placements in the following sectors:

- Warehousing and Manufacturing
- Cleaning
- Retail
- Food Manufacturing
- Administration (new for this year)
- Security (new for this year)

We are pleased to have been able to introduce charities and businesses alike to the potential of the co-operative model. In 2024, Bright Future expects to begin involving survivors in the running of Bright Future, potentially as Board Directors.

In 2023, the Co-op 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

For the Co-op, we continued to see challenges filling vacancies in our Food stores with Bright Future placements in 2023 because the business needs to fill vacancies quickly whereas Bright Future candidates need time to move into roles. To counter this challenge, in 2024 we have developed a plan to ringfence a number of vacancies in five stores where we believe there is likely to be demand for placements. Since Bright Future began in 2017, nearly one-third of all placements (86 in total) have been hosted by the Co-operative Group.



Tracking our progress

We set ourselves some challenging targets for addressing modern slavery risks and issues this year. Overall, we have achieved 4 of the 6 targets we set ourselves, and are on track/close to target on the remaining targets. We have included updates in this Statement, but for full transparency we have summarised our progress against each target in the table below.

Progress against our 2023 targets

	What we said we'd do in 2023	How have we done?	What have we done?
	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.	CLOSE TO TARGET	We continue to report against the steps we are taking to mitigate the risks in our supply chain on website in line with our commitment to transparency. In 2023 our risk assessment processes were independently reviewed through our modern slavery internal audits. We will continue to engage with wider group of stakeholders in 2024 to ensure that our priorities continue to reflect the changing human rights risks in our global supply chains.
	We will support our suppliers in improving human rights across our supply chains through the delivery of our global supplier engagement programme, reaching over 1,500 delegates in 25 events in 2023.	ACHIEVED	Through our global supplier engagement programme to build the capability and resilience of our suppliers to manage human rights risks, we reached over 6,452 people from 1,513 suppliers or sites in 121 events globally through roadshows, in-person events, training sessions and webinars. For further details, please see section on Training and Collaboration .
FOOD	We will champion the role of women and vulnerable people in our supply chains, and in 2023 we will roll-out training to address issues of gender-based violence in the supply chain	ON TRACK	We signed up to the UN Women's Empowerment Principles (UN WEPs). The UN WEPs are a holistic framework for businesses to promote gender equality and women's empowerment in the workplace, marketplace and community. In 2023, we continued our work to increase visibility of gender data across our supply chains. This included sharing the findings of a pilot to understand how standard audit methodologies can be more effective at identifying risks of gender discrimination in supply chains in collaboration with Tesco and Partner Africa. We have been engaging in various Ethical Trading Initiative (ETI) Working Groups on gender-based violence and gender data, as well as collaborating in sector-specific initiatives and investigations (See Food Case Study 3). Through our global supplier engagement programme, we embedded focused training to address gender inequality in key focus countries and continued to champion diversity and inclusion with suppliers. Finally we have continued to support gender empower programmes such Inua Dada which has reached up to 9000 female workers in our flower supply chain (See our Co-operative Report).
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.	ACHIEVED	Our ethical trade approach was reviewed through a new Responsible Sourcing Manager joining and feedback being provided to the Procurement Leadership Team with improvement areas. Work included Spotlight Training sessions delivered with Unseen and Stronger Together, audits of Avonmouth and Thurrock depots, due diligence reviews and strengthening of questions asked in RFP and review of Ethical Trade SharePoint Site & Ethical Trade Reporting (See Assessing and Managing Risk pages 16-17 above).
FUNERALCARE	We will ensure all key Category 3 suppliers are onboarded are signed up to Sedex with completion of Self-Assessment Questionnaire (SAQ) as minimum standard.	ACHIEVED	All 34 suppliers are now fully registered to Sedex, with a standard SAQ completed and the revised goods SAQ also completed.
FUNERALCARE	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.	ACHIEVED	Two of our memorial product suppliers conducted SMETA Tier 2 audits on their supply chains in 2023.

Indicators of impact for 2023 activities

	What we said we'd do in 2023	What have we done?
FOOD	Supply chain monitoring	<ul style="list-style-type: none"> • 3,212 sites (682 Tier 1, 2,530 Tier 2) • 100% Tier 1 sites with SAQ complete • 100% of high-risk Tier 1 sites have a valid audit • 1,616 sites with valid audits (513 Tier 1, 1,103 Tier 2) • 1,042 audits in 2023 (348 Tier 1, 694 Tier 2)
	Supply chain capacity building	<p>6,452 people from 1,513 suppliers or sites in 121 events globally through roadshows, in-person events, training sessions and webinars.</p> <p>1,735 people from 1,130 suppliers attended Stronger Together and Responsible Recruitment Toolkit courses aimed at up-skilling attendees to prevent and address modern slavery.</p>
	Workers impacted	29,026 jobseekers and workers downloaded the Just Good Work App in 2023, whilst 33,946 workers used the app to understand their rights.
	Supply chain grievances remediated	8,043 issues raised in valid audits. 93.2% of the 8,043 issues had been addressed by the suppliers by the end of 2023 15 supply chain grievances raised through non-audit channels and remediated by the Co-op or in collaboration with others.
GNFR	Supply chain monitoring	85 suppliers and 97 sites monitored, with 10 sites audited in 2023. 61 issues were raised through the 10 audits. 72% of the 61 issues had been addressed by the suppliers by the end of 2023.
FUNERALCARE	Supply chain monitoring	34 suppliers monitored and 2 sites audited.
ACROSS CO-OP		53 colleagues completed training in 2023. 83% felt the training improved their understanding of modern slavery and 93% were confident they can apply what they learned.

Targets for 2024 and beyond

We intend to build on the activities and progress we have made over the past year and have signalled some of our planned areas of focus in this statement. Specific targets for 2024 and beyond are shown below.

Business area	Proposed target
FOOD	<p>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 (carried over from 2023).</p> <p>We will support our suppliers in improving human rights across our supply chains through the delivery of our global supplier engagement programme, reaching over 2,000 delegates in 35 events in 2024.</p> <p>We will champion the role of women and vulnerable people in our supply chains, and in 2024 we will continue to roll out training to address issues of gender-based violence in the supply chain and support collaborative initiatives to address the root causes.</p> <p>We will continue to work collaboratively to eliminate illegal and unfair recruitment fees in our global supply chain.</p>
ACROSS OUR STAFF	<p>We will provide practical training and e-learning on mandatory human rights and modern slavery for our Goods Not for Resale colleagues and for sourcing staff working in Funeral care by the end of 2024.</p>
GNFR	<p>We will deepen efforts to understand the risks in the logistics section of our operations, by conducting further ethical audits in our depots in 2024.</p> <p>We will support the development of Modern Slavery e-learning which can be rolled out to both our Procurement colleagues and our GNFR suppliers.</p> <p>We will develop a Procurement specific SAQ by the end of 2024 in order to ensure we have ethical data for all suppliers either through Sedex, Ecovadis or our own data.</p>
FUNERALCARE	<p>We will strengthen our due diligence and supplier management framework to reflect our Food and GNFR programmes by: adding policies and methods to identify and address risks, improving ethical screening pre- and post-contract award, ensuring all key category 3 suppliers are onboarded and signed up to Sedex with completion of Self-Assessment Questionnaire (SAQ) as a minimum standard and expanding due diligence and supplier management to category 2 suppliers managed by the GFR commercial team above £100k p.a. spend.</p> <p>We will extend our standard modern slavery clauses within supply agreements to category 2 Flower providers.</p> <p>We will conduct additional audits in our Funeralcare supply chain including an audit of our Fairtrade coffin manufacturer and one new SMETA Tier 2 audit within our GNFR supply chain.</p> <p>We will create and cascade an information pack for all key existing suppliers on what modern slavery is, what it means to Co-op and what our expectations are of suppliers.</p>

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 (53 weeks) ending 6 January 2024.

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