

Co-op Modern Slavery Statement 2019

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It's what we do

Key achievements in 2019

In our Food business we:

- Launched the **Effective Communication Toolkit**, to help address the challenges faced in multi-language workforces in food supply chains (page 7).
- Provided food suppliers with access to training on **Responsible Recruitment** and supported the development of guidance for suppliers on **tackling modern slavery in Spain** (page 10).
- Signed up to the **EJF Transparency Charter** joining their campaign for greater transparency in seafood supply chains (page 10).

In our wider procurement we:

- Started implementing our GNFR Sustainability Strategy for the goods and services we use in our own business (page 6).
- Continued to steer the work of the Indirect Procurement Human Rights (IPHR) Forum, and to lead the working group on improving standards in the waste and recycling sector (page 7).

Through our campaign we:

- Continued as a member of the Home Office’s Business Against Slavery Forum, using our experience with Bright Future to establish victim support as an area of focus for the Forum (page 8).
- Lobbied for enhanced victim support – helping co-ordinate a ‘victim support’ petition hand-in at No 10 and the Home Office (page 8).
- Won two awards for our campaigning activity (page 8).

Introduction



There’s a human cost to putting profits ahead of people, and modern slavery is one of the most glaring and outrageous examples of that cost. Lives are ruined and futures are lost through the exploitation of people’s labour. There is no place for these callous shortcuts at the Co-op. We’re a business owned by people for people. As a business founded on ethical responsibility, tackling this blight on global commerce is of huge concern to us.

That’s why throughout 2019 we continued to work closely with our food suppliers, improving their ability to identify and manage the risks of modern slavery, and providing new tools and training. However, our Co-op by itself can’t hope to address this injustice alone, and so co-operation with others is at the heart of our approach. For example, we’ve joined forces with other retailers to develop a modern slavery toolkit for suppliers in Spain (page 10). We’re also embedding ethical trade in our wider procurement, and playing a leading role in a new working group to help manage the risk of modern slavery in the waste and recycling sector (page 10).

A particular focus for our modern slavery campaign in 2019 was to lobby for better support for survivors from the Government. We worked with our Co-op members and with NGOs to organise a petition urging the Government to increase its help. We welcomed the outcome of a judicial review in April which resulted in an extension of support to 12 months. However, we remain concerned that many victims in the UK still aren’t receiving the support they need to rebuild their lives.

We understand that we must lead by example if we want others to co-operate with us. That’s why we continued to grow our Bright Future programme, which has helped survivors of slavery to train and find paid work (page 9). The businesses and charities that make up Bright Future plan to set the programme up as a new co-operative in 2020. I’m delighted that the ground-breaking support our Co-op has been able to offer to survivors has been a catalyst for this new partnership, and particularly that our partners have seen the opportunities provided by the co-operative model.

Our work to address modern slavery throughout our supply chain, and our efforts to help the survivors of slavery in the UK, are powerful expressions of how we’re working towards our vision of ‘Co-operating for a Fairer World’.

Steve Murrells
CEO, Co-op Group, April 2020

This Statement was approved by the Board of the Co-op¹

¹The 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, CFS Management Services Limited, Funeral Services Limited and CIS General Insurance Limited, Nisa Retail Limited, Manx Co-operative Society Limited (among others). The Statement covers the financial year (52 weeks) ending 4 January 2020.

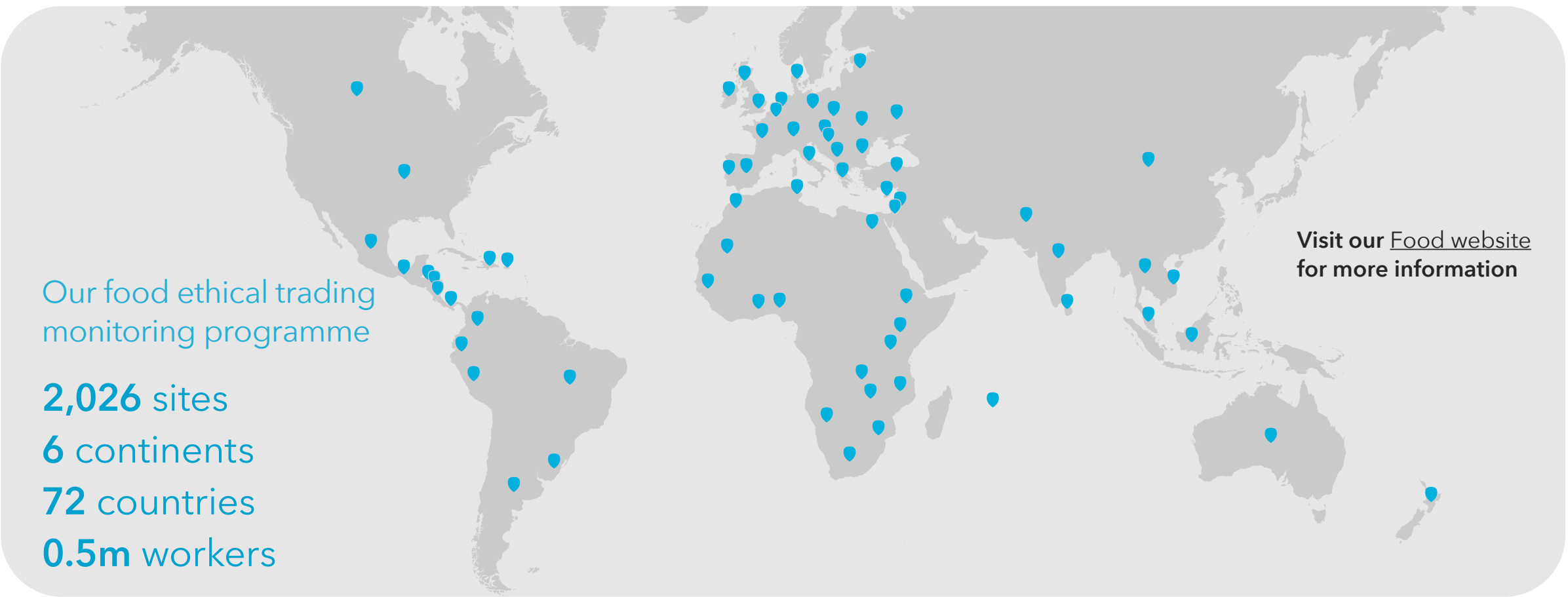
Our business

We're the UK's largest consumer co-operative, with 4.6 million active members. We're a major food retailer and wholesaler, the largest funerals provider in the UK, the largest probate provider, we provide life planning services and sell insurance products. In 2019 we launched a new business - Co-op Health. Our businesses are all UK based and our main support centre is in Manchester.

In 2019 we continued to grow our Co-op business, looking for new and better ways to reach more customers with Co-op products and services. Our Food store estate continued to grow, with 80 shops opening in 2019. We significantly expanded our Wholesale business through the acquisition of Nisa. We have developed our Co-op franchise proposition, and by the end of 2019 had eight franchise stores. We've been developing solutions and services to meet changing customer needs, recognising the importance of convenience across all parts of the Co-op's offer - including increasing our online presence to support bereaved families and to offer legal products and services, as well as launching our new online food delivery service.

- 4.6 million members
- 2,600 food stores
- 1,000 funeral homes
- 63,027 people employed across the Co-op Group²

More information on our business can be found in our [2019 Annual Report](#).



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. Just under half (47% by turnover) of the goods we sell in our food stores are own-brand products, in a variety of categories.³ Our supply chain is complex and varied, and includes farms, abattoirs, fishing vessels, processing factories, finishing, canning, packing facilities and assembly units. Our Food ethical trade monitoring programme now covers 2,026 sites (824 Tier 1 and 1,202 beyond Tier 1) and over half a million workers across 6 continents and 72 countries.

Other own-brand and third party products and services we sell. We also sell a wide range of third-party branded products and services in Co-op Food, Co-op Funeralcare, Co-op Insurance and other parts of our business. For example:

- **Co-op Funeralcare** sells coffins and caskets, headstones, memorial stones and flowers, some of which are Co-op brand products, as well as offering wider services (eg through suppliers of specialist vehicles). Funeralcare products are sourced from a variety of countries. Our masonry comes mainly from India and China; over 95% of the coffins we manufacture are FSC certified.
- **Co-op Legal Services** provides inheritance planning, probate, personal injury, employment and family law services in England and Wales. All colleagues and direct service providers are based in the UK.
- **Co-op Insurance** sells car, home, travel and pet insurance policies, and provides claims fulfilment services through a number of suppliers. The majority of our ~150 Tier 1 suppliers are based in the UK.

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 3,600 suppliers across five categories - Property, Logistics, HR & Professional Services, IT & Telecommunications, and Marketing. In 2019 we spent over £1bn, mainly through our top 218 suppliers. Our largest spend category is Construction and Facilities Management, which accounts for 40% of our total spend.⁴

²In 2019 we directly employed 62,616 colleagues, and also engaged around 411 contractors via agencies. ³Defined at the Co-op as bakery, beer, wine and spirits, dairy, food to go, grocery (impulse/staples), prepared, non-food, produce, and protein. ⁴Excluding rents, rates, energy and property management.

Policies and governance

Policies

Our commitments on ethical trade, human rights and modern slavery are set out in a number of policies and protocols, including the following.

- **People policies:** Cover all aspects of colleagues’ employment, including recruitment and eligibility to work, colleague wellbeing and conduct at work. The following policies are key to helping us address any risk of modern slavery.
- **Eligibility to Work:** The process we use to ensure everyone who works with us has a legal right to work in the UK. This safeguards that we are not engaging anyone who has been trafficked and can’t legally work in the UK.
- **Whistleblowing:** Encourages colleagues to speak up if they have any concerns about illegal practices going on at Co-op, and provides a clear process for doing so. It specifically mentions that this includes any concerns that modern slavery is happening in our business or our supply chain.
- **Code of Business Conduct:** Sets out our expectations of how our colleagues should engage with our members, customers, suppliers and the wider community. It signposts our Whistleblowing process if colleagues have any concerns about the behaviour of others.
- **Future of Food:** Our ‘Treating people fairly’ human rights ambitions to 2030, which includes our commitments to supply chain transparency, eliminating recruitment fees from our global supply chains, and championing the role of women and vulnerable workers.
- **Ethical Trade and Human Rights Policy Position Statement:** Our Co-op-wide approach to protecting the fundamental rights of workers in our supply chains. These rights include all international labour rights, including protection from forced labour, modern slavery and harsh or inhumane treatment. The UN Guiding Principles on Business and Human Rights inform the way we address our responsibilities to protect and respect human rights associated with our operations.

- **Sound Sourcing Code of Conduct (SSCC):** The workplace and employment standards that we expect of all our suppliers. The SSCC is based on the Ethical Trading Initiative (ETI) Base Code and core international labour standards, and includes checks on forced labour and modern slavery. It is endorsed by our Chief Executive.
- **Retailer Protocol for Handling Reported Cases of Modern Slavery in the UK Supply Chain:** A protocol to drive good practice in handling reported cases of modern slavery.⁵
- **Sustainable Procurement and Supplier Policy (SPSP):** The sustainability and ethical standards we expect of our suppliers of goods and services not for resale (GNFR), including on labour standards in our supply chain – as defined in our Sound Sourcing Code. The SPSP is part of the ethical due diligence checks we carry out when sourcing GNFR.
- **Buying Goods and Services Policy (GNFR):** Guides colleagues buying products and services we use in our own business; supported by an ethical sourcing process and ethical screening.
- **GNFR One Co-op Supplier Management Framework:** A framework for segmenting our suppliers, and setting out how to engage with our critical and strategic supplier partners, including regular review meetings that incorporate ethical trade management review.
- **Supplier guides to ethical trade:** Detailed guidance documents setting out our expectations of food and non-food suppliers in meeting our ethical standards.

Contracts: Our expectation for food own-brand suppliers to meet ethical trade requirements is included in supplier contracts and approval processes. GNFR contracts typically contain a standard clause requiring compliance with Co-op policies, including on ethics; we also include specific clauses on modern slavery in new contracts and a requirement to register on Sedex if requested.

Governance

Development and oversight of ethics and sustainability policies takes place in different Co-op-wide forums, including our Ethical Trade & Human Rights Steering Group. Ethics and human rights are also embedded in our risk framework, with consideration of modern slavery falling under our ethical risk category. Oversight of the risk categories sits with our Business Risk and Audit Committee, which reports directly to the Board. Overall responsibility for modern slavery sits with our Board.



⁵ Developed collaboratively with the British Retail Consortium (BRC), GLAA, Stronger Together and retail partners.

Box 1

Co-op Food ethical trade monitoring programme in 2019

- 2,026 sites with over half a million workers (824 Tier and 1,202 Tier 2*)
- 100% of Tier 1 sites with Self-Assessment Questionnaire (SAQ) complete
- 100% of high-risk Tier 1 sites independently audited
- 1,197 Tier 2 sites and beyond now in our monitoring programme with SAQs complete
- 918 sites with valid audits
- 627 audits in 2019 (364 Tier 1 and 263 beyond Tier 1)

3,821 issues were raised from valid audits. Of those, 31 issues (0.8%) were categorized as a breach of the Sound Sourcing Code Principle of ‘employment is freely chosen’ (reflecting issues such as policies on forced or bonded labour being in place but not communicated to workers, occurrence of restricted toilet and rest breaks, and inadequate checks on documentation, for example). 77% of the 31 issues had been addressed by the supplier by end of 2019, resulting in changes such as new and more robust policies, and clearer contracts and payment processes. See our [2019 Sustainability Report](#) (page 69) for more details. We don’t rely on audits alone to identify modern slavery, and also work through initiatives like Stronger Together and the Sedex Stakeholder Forum to improve the identification of modern slavery in other ways.

*A Tier 1 site is a production site where goods are finished, ready for supply to, or 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 the finished product. 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.

Assessing, managing and mitigating risk

When managing risk of modern slavery and wider labour abuses, our main responsibility is for our Co-op brand suppliers and supply chains. Our food business accounts for 69% of our business (by turnover), and our Co-op brand supply chain is where we can have the biggest impact.

Our Co-op Food own-brand supply chain

Co-op Food has a robust programme in place to assess and monitor labour rights issues (including modern slavery) within the supply base – as set out in our Supplier Guide to Ethical Trade. Where issues are raised, we expect suppliers to put a time-bound action plan in place, and we support them to address root causes of issues through our supplier engagement programme (page 7).

Risk assessment processes

- All Food own-brand Tier 1 sites have to complete a detailed self-assessment (SAQ) questionnaire on [Sedex](#), with Tier 1 sites in high-risk countries⁶ having an independent audit in place prior to approval. Once trade has started, our ethical trade team carries out a risk assessment of all sites on a quarterly basis, with high-risk sites⁷ prioritised for audit. Our Technical Managers play a crucial role in the audit-prioritisation process by feeding back any concerns from site visits.
- We’ve continued to work beyond Tier 1 of our supply chain, where some of the serious issues in our supply base can occur. In 2019 we included 465 new Tier 2 sites in the scope of our programme and onboarded them to Sedex,⁸ with a particular focus on produce and protein supply chains, where there is an increased risk of human rights abuses due to a high reliance on casual and temporary labour. Alongside this, we have built the capacity of our direct suppliers to assess and manage risk in their own supply chain (page 7).

We recognise the limitations of audits in identifying modern slavery, and supplement this with different approaches and sources of information. In 2019 we continued to:

- trial the use of worker reporting technology and participatory techniques to help improve our effectiveness in identifying modern slavery and other issues; and

- build suppliers’ capacity to manage risk in their own supply chain, and roll out our supplier performance matrix to assess their ability to make that happen (page 6).

Box 1 summarises the scope of our Food ethical trade programme in 2019; more details can be found on our [website](#).

Identifying and addressing our priority labour rights risks

We have been through a rigorous process to analyse and prioritise our labour rights risks. We used input from stakeholders and publicly available human rights indicators to evaluate key areas of risk in our supply chains. We then combined information on country-specific human rights risks and on specific labour standards issues, analysed where our greatest risks are, and identified existing initiatives which we are part of that could help mitigate these risks.

In 2019, based on this analysis, we identified the following eight priority areas of activity, covering 17 sourcing countries (Box 2, page 6).

As part of our commitment to greater transparency, for each of our eight priority areas of activity, we have shared details of:

- What the industry issues are.
- Where they occur in global supply chains.
- The actions we are taking to address them, such as supporting suppliers, providing training, taking collaborative action, and working with government and other key stakeholders.
- Our future priorities and commitments.

You can read more on our priority risks and the actions we are taking on our [website](#) and in this Statement.

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 in to account: country, SAQ information including worker profile (eg high proportion of agency/temporary labour), industry sector, commercial importance/leverage, previous audit results. ⁸ We also removed 405 Tier 2 sites that no longer supply the Co-op.

Box 2

Our priority labour rights risks

We’ve identified the most significant labour rights risks in our supply base as: modern slavery, exploitation of vulnerable workers, lack of worker voice and representation and smallholder livelihoods. We’ve used these to prioritise the following eight areas of activity.

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

We do not rely on audits alone to tackle modern slavery and other labour rights issues. Our ‘Beyond audit’ approach to managing issues includes:

- **Working with suppliers to understand the root causes of issues** and agreeing a course of action to resolve them fully – while recognising that there is unlikely to be an ‘overnight fix’.
- **Assessing and helping improve suppliers’ capacity to manage risk.** We have worked with our strategic suppliers to develop detailed criteria to measure performance against our supplier performance framework. We launched the framework in 2019, which is now embedded in tenders for all high-risk categories and in supplier reviews.
- **Developing tools to manage risks of modern slavery.** In 2019 we worked collaboratively to develop a new [toolkit](#) on modern slavery for suppliers in Spain, and training and tools on [responsible recruitment](#) (page 10).
- **Supplier training and capacity building** on issues such as worker-management communication systems and grievance processes (page 7). This includes the launch of a new toolkit on effective communication in multi-language workforces, with M&S, Alliance HR and nGage. Language issues can lead to an increased risk to workers, including those at risk of modern slavery, who may not be able to raise concerns and grievances.
- **Actively engaging in initiatives and working groups** to understand issues in the supply chain and identify industry-wide solutions to issues (page 10 and our [Food website](#)).

Products and services we use in our own business
Risk assessment processes (GNFR)

We take a number of steps to help identify high-risk suppliers and manage our risks of modern slavery in our GNFR supply chains, including:

- Carrying out a desk-based risk assessment of new GNFR suppliers⁹ against our Sustainable Procurement and Supplier Policy ([SPSP](#)).¹⁰
- Prioritising risk for each category, based on the following broad criteria: sectors and suppliers with a high proportion of low-paid, unskilled labour (particularly temporary or migrant labour) or high use of agency labour; sectors and suppliers where supply chains extend into high-risk countries; high-spend and business critical suppliers.

⁹ For high ethical or environmental risk contracts with total anticipated spend of over £100,000 over their lifetime.
¹⁰ This process also applies to non-food own-brand products and services we sell in other parts of the business.

- Incorporating questions which will flag ethical and sustainability risk factors in all Request for Proposals, and asking tailored questions for the highest risk categories. We include our Supplier Guide to Ethical Trade in all GNFR tenders, which contains our SPSP and SSC.

In 2019, in line with our new GNFR Sustainability Strategy, we continued to focus on our highest-risk GNFR categories: Co-op branded goods (eg carrier bags and uniforms), Construction, IT and Electronics, Facilities Management, Warehouse and Distribution Services, and Labour Providers. In particular, we concentrated on embedding ethical risk assessment into tender evaluation and contract award, for example using RFP questions to analyse gaps in supplier ethical trade programmes and asking suppliers to take appropriate actions (such as ethical audits or employee engagement).

Managing and mitigating risk (GNFR)

We reviewed our approach to using Sedex in our GNFR supply base in 2019, following the development of our Supplier Management Framework and as more data became available via Sedex. As a result, we are focusing Sedex membership and audit requirements on our high-risk strategic suppliers. This will enable us to analyse data and trends effectively, monitor performance and take appropriate actions – and provide valuable learning for our GNFR ethical trade monitoring programme (Box 3).

Focus on waste, facilities management and logistics. We work collaboratively with other retailers as part of the Indirect Procurement Human Rights (IPHR) Forum (page 10) to manage and mitigate issues in three of our highest-risk GNFR categories – waste services, facilities management (FM) and logistics. In 2019 we helped set up and develop action plans for working groups on waste services (which Co-op leads) and on FM, and ran training and awareness events to help build capacity to address issues (page 7). We also actively supported the FNET Working Group on Transport and Logistics, and will be running a workshop on logistics in 2020 (page 7).

Box 3

GNFR ethical trade monitoring programme in 2019

- 38 suppliers in scope
- 36 suppliers linked on Sedex
- 27 SAQs complete
- 21 audits and action plans shared



Training and capacity building

Training and capacity building have a huge role to play in helping prevent slavery and human rights abuses. We engage with our colleagues and suppliers across our business and supply chains to help drive change.

Co-op Food supplier engagement

Our Co-op Food ethical trade supplier engagement programme provides bespoke and interactive training for suppliers in our key focus countries¹¹ through regional, strategic and in-country forums (Box 4).

Modern slavery is an integral part of the programme, and in 2019 was a specific focus in many events, including:

- **Regional supplier forums.** In 2019 a total of 163 delegates attended five suppliers forums, where training focused on modern slavery prevention, labour provider due diligence, workplace communication and addressing labour shortages. Suppliers also shared case studies on investigations and remediation plans to improve worker welfare at their sites. Modern slavery was a particular focus of our supplier forum events in Spain (Box 5).
- **Conference and training on effective communication in multi-language workforces.** In 2019 we held a joint event with M&S to launch a new toolkit (page 6) providing practical guidance on effective communication in workplaces where many languages are spoken. The event was attended by 150 suppliers, retailers and others, and we delivered a follow-up webinar for 80 suppliers and labour providers.
- **Training on responsible recruitment and eliminating recruitment fees.** In 2019 we supported the delivery of eight face-to-face and five online training sessions reaching 63 delegates on responsible recruitment, through our sponsorship of the Responsible Recruitment Toolkit.

Training and engagement in GNFR

Human rights risks in facilities management. Facilities management (FM) is one of the three high-risk areas we are focusing on through our work with the Indirect Procurement Human Rights (IPHR) Forum (page 10). In May 2019 we ran a workshop on ‘Human Rights and Ethical Trade Risk in FM’ for contract management and operational management colleagues in our property and procurement teams. The workshop helped raise awareness of human rights risks – including modern slavery risks – as well as identifying ways we could work with suppliers to understand and mitigate risks. We will be running a similar workshop focusing on transport and logistics in early 2020.

Awareness-raising in the waste sector. The IPHR Waste and Recycling Working Group delivered two awareness raising sessions at the RWM conference, the leading waste and recycling services conference in September 2019. The Coop, BBC Studios, Clearabee and Slave Free Alliance shared lessons from recent slavery cases in Material Recycling Facilities in the UK and information on the challenging human rights issues facing the waste sector.

Training for GNFR procurement colleagues. We ran three induction courses for new procurement colleagues in 2019, which focused on the tools and processes we use to identify and mitigate risks during tenders, and new GNFR supplier onboarding. It also included an introduction to modern slavery risks in GNFR supply chains.

Box 4

Co-op Food supplier engagement in 2019

- **20 supplier events** in the UK, Spain and Egypt
- **1,296 delegates** reached
- **844** sites included
- **over 8,517 hours** of supplier training/engagement

¹¹ The 17 sourcing countries linked to our eight priority human rights issues (page 6).



Campaigning and collaboration

We place huge importance on our responsibility to prevent modern slavery taking place in our business and supply chains, through implementing robust policies and risk management processes, and by working collaboratively to tackle sector-wide and systemic issues. But we never lose sight of those affected by modern slavery.

Which is why, for the past three years, we have been raising awareness of modern slavery and campaigning for better support for victims. In 2019 we continued to push for changes in the support available from government through new partnerships and targeted campaigns, as well as growing our [Bright Future](#) programme which offers the opportunity of paid work placements to those rescued from slavery.

Engaging with government and lobbying for change

Enhanced support for victims

We continued to lobby for enhanced support for victims throughout 2019. We helped to coordinate a ‘victim support’ petition hand-in at No 10 Downing Street and the Home Office in March¹², urging the UK Government to back Lord McColl’s ‘Victim Support Bill’ and provide survivors of modern slavery with 12 months’ support (rather than 45 days). The combined petition comprised 64,241 signatures.

We also worked with The Sun to co-create their ‘Stamp out slavery’ campaign, which called for the Government to support [Lord McColl’s Bill](#). Our CEO Steve Murrells wrote an opinion piece for the campaign, which also helped raise awareness of modern slavery in the UK among a new audience.

We were delighted when, in April 2019, a [Judicial Review](#) relating to Victim Support was carried out, resulting in an extension of support given.

In November 2019 our Modern Slavery campaign won the Corporate Comms Magazine award for Best Corporate Responsibility Initiative. The judging panel said the campaign was ‘quite simply, brilliant’, and that ‘The initiative had...real impact in the community and drove legislative change’. We also won the PRCA (Public Relations Consultant Association) Purpose award.

¹² Along with Anti-Slavery International (www.antislavery.org) and Free for Good (freeforgood.org.uk).

Business Against Slavery Forum

We also continued as a member of the Home Office’s Business Against Slavery Forum (along with 12 other businesses). We were instrumental in helping establish victim support as one of three areas of focus for the Forum, and worked in partnership with the other businesses on a range of initiatives including:

- Supporting Aviva on a project to assess the benefit of free transport for survivors, along with HSBC. Findings from the study will be available in 2020.
- Co-funding and shaping a Summer School on employability and confidence-building for survivors, to take place at St Mary’s University in Twickenham in 2020 in partnership with HSBC.
- Working with BT and the Home Office to co-host a Business Against Slavery Forum in early 2020, to promote best practice on Modern Slavery among businesses more widely.

“The Government welcomes the leadership role the Co-op has taken in promoting transparency in supply chains and engaging with the Government and other leading businesses through the Business Against Slavery Forum to share best practice.”

Kelly Tolhurst MP,
Minister of State for Corporate Responsibility (12 February 2019)



Bright Future

Our [Bright Future](#) programme offers survivors of modern slavery a paid work placement and the opportunity of a permanent job. Since its launch in March 2017, our partnership with the charity City Hearts has grown into a multi-charity, multi-business partnership, co-ordinated through a National Matching System (NMS) – with the needs of victims at its heart.

Bright Future continued to grow and develop throughout 2019, as we focused on creating more placements, developing a new governance structure, and assessing our progress.

New placements

There were 111 referrals to the National Matching System in 2019, making a total of 215 since Bright Future started. In 2019 we created 25 placements – 15 in the Co-op Group and 10 more in 5 other businesses (Dixons Carphone, Greencore, John Lewis & Partners, Midcounties Co-op and Tulip) – making a total of 75 placements since the programme began. A total of 40 survivors have been offered a permanent role with their employer since Bright Future started.

“It is the best placement in my life. How much they encourage me, how much they give me respect.”

Bright Future candidate

Business and charity partners

Our aim in growing the partnership has been to provide survivors with more opportunities in sectors and locations where they have the skills and desire to work. In 2019 we welcomed 4 new businesses and 3 new charities, meaning that a total of 49 organisations are now co-operating to support victims into work across the UK.

We continue to bring Bright Future partners together to share experience and best practice, and hosted two ‘summits’ in 2019. Our Manchester event in June

was opened by our Chief Executive Steve Murrells, and we were delighted to welcome the Independent Anti-Slavery Commissioner, Dame Sara Thornton as a speaker. A highlight of the event was the panel discussion with two Bright Future candidates who spoke with passion about their experience of working at the Co-op and Waitrose & Partners.

Assessing our progress – an independent view

In June 2019 we published a [second independent review](#) of Bright Future, which was carried out by the University of Liverpool.¹³ The review looked at progress against objectives and the effectiveness of the Bright Future model, as well as drawing out lessons and recommendations for the future – including how Bright Future will become independent of the Co-op, in a sustainable way.

“Bright Future is producing welcome results in the field of work-based remediation for survivors of modern slavery. It is an effective way of addressing some of the harms experienced by this group, and this success means it now sits front and centre of work-based remediation for survivors of modern slavery in the UK. It also underlines how important it is for Bright Future to continue to grow and become sustainable in the longer term.”

Independent review of Bright Future

Building for the future

Bright Future continued to grow and develop throughout 2019. But while we grew the number of Bright Future Business Partners to our target of 20, the time taken for candidates to start a placement once they have been referred was too long. Our aim is to reduce the time taken in 2020 by securing a wider range of placement opportunities in locations close to where candidates are based.

We have also been developing our plans to move Bright Future towards becoming an independent partnership by the end of 2020. In January 2020, Bright Future partners agreed that the preferred organisational structure should be a multi-stakeholder co-operative, governed by a board of businesses and non-governmental organisations (NGOs).

Bright Future in 2019

- 28 charity and referring partners
- 21 businesses engaged – including six of our suppliers
- 111 referrals to Bright Future
- 15 candidates started placements at the Co-op
- 7 candidates secured a permanent role at the Co-op

¹³ www.co-operative.coop/ethics/bright-future

Box 5

Focus on Spain

Agriculture in Spain relies on migrant and seasonal labour – often from Morocco, North Africa or Eastern Europe. Workers are economically vulnerable, often unable to speak the local language, and may have paid an excessive fee to get their job. Women are particularly likely to migrate to Spain for work, and are especially vulnerable to exploitation due to social status and language barriers.

What we are doing

- **Spain Ethical Trade Supplier Forums.** We’ve run regular regional events in Spain since 2012, to help build suppliers’ capacity to improve working conditions. We played a pivotal role in creating the Spain Ethical Trade Forums (in Murcia, Almeria and Huelva), which now have the support of 9 supermarkets and 18 produce importers.
 - In 2019, **600 delegates** attended **8 events**, which included presentations from the Ministry of Labour, supplier best practice case-studies, interactive workshops on tackling modern slavery, harassment and accommodation standards.
- **Stronger Together Spain.** In 2019 we worked on a collaborative programme to support suppliers in tackling modern slavery. This included:
 - **Engaging with** growers, exporters, agencies, cooperatives, civil society and government to understand existing awareness levels, needs of the industry, and support for the sector to improve labour conditions, labour management and recruitment of workers to prevent and deal with modern slavery.
 - **Developing a practical toolkit** on ‘Tackling Modern Slavery in the Horticultural Industry in Spain’. The toolkit provides guidance and practical resources to help Spanish agri-businesses detect, deter and deal with modern slavery in their business. The free [toolkit](#) is available in Spanish and English.

Collaboration

We know that modern slavery will only be stopped if we all work together – to share what we know and combine our efforts. Collaboration is at the heart of our approach, as we believe it is essential to developing sustainable solutions to issues that put workers’ interests first. We are active members of the [Ethical Trading Initiative](#) (ETI), [Stronger Together](#), the [Gangmasters & Labour Abuse Authority](#) (GLAA), [Sedex](#) and [FNET](#) (Food Network on Ethical Trade), and continue to play a part in other collaborative working groups across the food industry and more widely. You can read more about our partnerships on our [website](#). Highlights from 2019 are shown below.

Across the food sector

- **EJF Transparency Charter:** In 2019 we signed up to the Environmental Justice Foundation (EJF) [Transparency Charter](#), joining other retailers in supporting EJF’s ten principles for global transparency in the fishing industry.
- **Responsible Recruitment Toolkit:** We are founding sponsors of the Responsible Recruitment [Toolkit](#) (RRT) to offer expert, pragmatic support to suppliers in order to achieve responsible recruitment in their supply chains.
- **Stronger Together Spain:** In 2019 we worked with other retailers and Stronger Together to develop a [toolkit](#) for suppliers in Spain, to reduce the risk of modern slavery (Box 5).



Wider collaboration

IPHR Forum

The Indirect Procurement Human Rights (IPHR) Forum is a group of UK retailers, brands and manufacturers with a common vision to protect and respect human rights in their GNFR supply chains, and to facilitate collaborative responses to shared risks. The Forum is led by a Steering Group¹⁴ which oversees four working groups. Three of the working groups focus on the highest-risk GNFR categories – Labour Providers, Waste and Recycling Services, and Facilities Management. A fourth group focuses on communications and collaboration. The Forum delivered a number of collaborative initiatives and training sessions through these working groups in 2019 (page 7).

Modern Slavery Business Network

We’ve continued to coordinate the network we established in 2018¹⁵ which brings together companies from around the Greater Manchester area, to share good practice, experiences and challenges in addressing modern slavery. The network met three times in 2019, with two of the events being organised and hosted by network members – Manchester Airport Group and Alliance Manchester Business School (Manchester University).

In August 2019, the Co-op brought members of the Network together to discuss possible changes to S54 (Transparency in Supply Chains) of the Modern Slavery Act. The Home Office facilitated the discussion, providing network members with the opportunity to learn more about the proposals being considered, discuss and share their experiences of Modern Slavery reporting, and help shape revisions to the legislation.

Our recent survey shows that members continue to find the Network very useful for hearing from different speakers and sectors about how to combat modern slavery, and for sharing experiences and best practice tools. Members also provided examples of specific actions they’d taken as a result of participating in the network.

“ We have shared information with our suppliers about modern slavery and ... one of our manufacturers has created their own Statement ”

“ The connections we made and the understanding of best practice in other organisations has helped significantly... ”

Participants in the GM Modern Slavery Business Network

¹⁴Steering Group members in 2019: BBC Studios, the Co-op, Kingfisher, Morrisons, Prices, Reckitt Benckiser , Sainsbury’s, Selfridges, Tesco, The Body Shop, Waitrose (John Lewis Partnership), Winterbotham Darby.
¹⁵With the support of Programme Challenger, Greater Manchester’s partnership approach to tackling serious organised crime in all its forms, including modern slavery (www.programmechallenger.co.uk).

Tracking our progress

We set ourselves some challenging targets on modern slavery last year. Overall we have achieved or are on track with 9 of the 16 targets we set ourselves, close to target on a further 5, and behind with or not yet met 2 of our targets. We’ve included updates in this Statement, but for full transparency we have summarised our progress against each target in the table on pages 12-13.

Plans for 2020 and beyond

We’ll be building 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 2020 and beyond are shown opposite.

Targets for 2020 and beyond

Managing the risk of modern slavery

(a) In our food business

- 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 2021, using our findings to drive change
- We will champion the role of women and vulnerable people in our supply chains and will develop and launch a gender strategy in 2020
- We are committed to supply chain transparency and will share details of suppliers at all tiers of three of our highest-risk food categories by the end of 2020
- We will eliminate illegal and unfair recruitment fees in our global supply chains by 2025
- Outstanding from 2019: By 2020 we will work with key suppliers to map the use of recruitment fees and identify hotspots, and develop action plans to meet our goal to eliminate recruitment fees by 2025

(b) In our other operations

- In 2020 we will work with the Indirect Procurement Human Rights (IPHR) Working Group on Waste to map waste-processing supply chains, develop resources and build collaborative partnerships to help build suppliers’ capacity to identify and manage risk of modern slavery and other labour abuses
- In 2020 we will work with our key cleaning suppliers to identify potential risks and interventions needed to protect vulnerable workers
- Outstanding from 2019: Reduce the impact of identified risks by conducting meetings with 80% of our GNFR strategic suppliers identified as highest ethical risk
- Outstanding from 2019: Hold a risk-assessment workshop for our Logistics category

Training, capacity building and collaboration

- By the end of 2020 we will embed training on effective workplace communication, grievance mechanisms and providing access to remedy in our Food supplier engagement programme
- Outstanding from 2018: Complete training of key HR colleagues to identify, report and manage potential modern slavery cases in our own business, and include in their inductions

Campaigning on modern slavery

- We will continue to provide access to work placements and paid employment in the Co-op Group, and support Bright Future meet its target of 300 placements by 2020
- We will Support Bright Future to become an independent, sustainable partnership from 2020 and beyond (with the Co-op as a partner) so that victims can continue to access work placements and paid employment in future
- Outstanding from 2019: Produce a full report of our campaign activities 2017-19 (‘Three years on’) to raise awareness of Modern Slavery and make the case for enhanced Government support

Progress against our 2019 targets

1. Managing the risk of modern slavery

What we said we'd do in 2019	How have we done?	What have we done?
(a) In our food business		
Improve the lives of workers, by carrying out and publishing independent human rights impact assessments in high-risk food supply chains in 2021, using our findings to drive change.	On track	Our work to assess and share our human rights impacts will continue to be a priority for 2020/21.
By 2020 we'll work with key suppliers to map the use of recruitment fees and identify hotspots, and develop action plans to meet our goal to eliminate recruitment fees by 2025.	On track	In 2019 we joined forces to sponsor the Responsible Recruitment Toolkit and provide free training on responsible recruitment and eliminating recruitment fees. Through engagement with our strategic suppliers and participation in FNET's workstream on recruitment fees, we are mapping the use of recruitment fees in our supply chain and identifying hotspots.
We are committed to supply chain transparency and will share details of suppliers at all tiers of three of our highest-risk food categories by the end of 2020.	On track	We have mapped 1,202 sites beyond Tier 1 and onboarded them to Sedex. Work to identify and share supplier details at all tiers of three of our highest-risk food categories is a priority for 2020.
[Outstanding from 2018]: Carry out ten pilots to integrate worker voice technology and participatory techniques into due diligence processes in three of our sourcing countries, to improve our effectiveness in identifying hidden issues such as modern slavery.	Achieved	We completed the three outstanding pilots in 2019.

What we said we'd do in 2019	How have we done?	What have we done?
(b) In our other operations		
Ensure appropriate management of our 27 strategic suppliers of GNFR by rolling out our One Co-op Supply Management Framework and establishing appropriate governance.	Close to target	We rolled out our Framework in 2019, conducting meetings and developing action plans with the majority of our strategic suppliers in line with our Framework governance requirements. In 2020 we will use these meetings to monitor performance on human rights issues, including modern slavery.
Reduce the impact of identified risks by conducting risk meetings with 80% of those GNFR strategic suppliers we have identified as our highest ethical risk.	Close to target	We conducted risk meetings with 74% of the suppliers in scope. Outcomes of these meetings are being incorporated into our supplier management processes/action plans.
Improve our effectiveness in identifying and managing ethical risks in our supply chain by developing an ethical audit strategy for GNFR suppliers and requesting SMETA audits from 80% of suppliers in-scope of that strategy.	Behind schedule	We developed our ethical audit strategy and implementation plan in 2019. However, we also undertook a GNFR supplier consolidation programme, which slowed our progress in onboarding and accessing supplier information through Sedex.
Improve our understanding of risk and control measures by holding internal risk-assessment workshops for a further two of our highest risk categories (Logistics and Facilities Management).	Close to target	We held our Facilities Management workshop in 2019 (page 7). The workshop for Logistics was rescheduled for early 2020, to align with tender processes.
Better identify and manage ethical risks in our Funeralcare supply chain by requiring 80% of Funeralcare's key suppliers of coffins, stationery and cremation commemoration to register on Sedex and complete an SAQ.	Achieved	97% of Funeralcare's key suppliers have registered on Sedex and 100% of these have completed an SAQ. We are analysing SAQ responses to identify where best to direct resources in 2020.
[Outstanding from 2018]: Ensure all our Funeralcare Tier 1 masonry service providers are registered on Sedex and complete an SAQ.	Achieved	All of our Masonry providers are registered on Sedex and have completed an SAQ.

Progress against our 2019 targets

2. Training, capacity building and collaboration

What we said we'd do in 2019	How have we done?	What have we done?
Support Co-op Food suppliers to be global advocates for change to improve human rights across our supply chains through the delivery of our global capacity building programme reaching over 1000 delegates in 20 events annually.	Achieved	We delivered 20 supplier events in three countries in 2019, reaching 1,296 delegates (page 7).
[Outstanding from 2018] Complete training of key HR colleagues to identify, report and manage potential modern slavery cases in our own business, and include in their inductions.	Close to target	The roll-out of the training was delayed due to technical challenges with our new Learning Management System. However, all colleagues in our HR Services team have now been enrolled on the training. The roll-out to other key teams will be completed in 2020, and included in inductions for all new colleagues.

3. Campaigning on modern slavery

What we said we'd do in 2019	How have we done?	What have we done?
Support Bright Future to become an independent, sustainable partnership from 2020 and beyond (with the Co-op as a partner) so that victims can continue to access work placements and paid employment in future.	Close to target	In June 2019 we established a Steering Group to explore possible structures and funding arrangements for Bright Future. The Steering Group recommended a co-op structure, in which all partners are members and the Business Partners are co-funders. Proposals were shared with all partners and voted on in January 2020 (page 9).
Publish a second independent evaluation of Bright Future and use the findings to improve the Bright Future model in 2019.	Achieved	The review was commissioned in early 2019, and the Report was published in June 2019 (page 9).
Produce a full report of our campaign activities 2017-19 ('Three years on') to raise awareness of Modern Slavery and make the case for enhanced Government support of victims.	Behind schedule	We have commissioned the Rights Lab at the University of Nottingham to carry out an evaluation of our campaigning activities. The report will be published in 2020.
Outstanding from 2018: Recruit 20 business partners to the National Matching System.	Achieved	By the end of 2019 there were 21 business partners (including the Co-op) from a range of sectors, including food production, retail and construction (page 9).

Co-operative Group Limited
Registered society, registered in England and
Wales under the Co-operative and Community
Benefit Societies Act
Registered office: 1 Angel Square,
Manchester M60 0AG
Registered number: 525R
www.co-operative.coop/modern-slavery
Published April 2020



It's what we do