

Ethical trade and human rights

Our focus is to provide support for our suppliers, work collaboratively to protect the most vulnerable, protect workers and continue to champion resilient livelihoods for everyone in our supply chain.

Around the world, growers and producers face everyday challenges caused by low wages, irregular income and an uncertain future.

Our [Future of Food](#) ambition commits us to ensuring that the people in our supply chains are secure from end to end. We focus on labour rights, including fair reward, safe and decent working conditions, protection from forced labour, modern slavery and harsh or inhumane treatment. Our main responsibility is towards our Co-op brand suppliers and supply chains, where we can create positive change and influence.



To meet our Future of Food human rights ambition, during 2021 we continued to focus our work around four strategic priorities:

- Driving innovation in due diligence and transparency (see right)
- Embedding ethical trade into core business activities and winning hearts and minds - we continued internal engagement and training for colleagues, as well as raising awareness of our approach to tackling modern slavery in our business and supply chains
- [Building capacity and resilience](#) in our supply base to address the underlying causes of human rights issues
- Tackling modern slavery and mitigating human rights [risks](#)

These four key strategic areas will remain a focus of our work into 2022 and beyond.

We work with key partners and member groups because we know that human rights violations will only stop if we work together to share what we know and combine our efforts. We continued to work with partners during 2021, such as the [Food Network for Ethical Trade \(FNET\)](#), [Responsible Recruitment Toolkit \(RRT\)](#), [Stronger Together](#), the Modern Slavery Intelligence Network, [Unseen's Helpline Business Portal](#) & Modern Slavery and Exploitation Helpline and [Seafood Ethics Action Alliance](#).

You can read more on our [website](#) and our [Modern Slavery Statement](#).

Monitoring labour standards and driving due diligence and transparency

We're founder members of the Ethical Trading Initiative (ETI) and we have adopted the ETI Base Code, which is founded on the conventions of the International Labour Organisation and is an internationally recognised code of labour practice.

We drive improvements to working conditions, making sure that the workers who make our products are treated responsibly and ethically. Co-op Food has a robust programme of assessing and monitoring supplier labour rights issues. Where issues are raised, we expect suppliers to implement action plans and we support them in addressing the root causes of issues. Our programme covers all our tier 1 and tier 2¹ supplier sites - 2,620 sites in 70 countries, across six continents with 700,000 workers.

We require all Co-op own-brand suppliers² in our food business to join [Sedex](#) (Supplier Ethical Data Exchange³) and tier 1 sites in high-risk countries need an independent audit in place prior to approval.

¹ 733 tier 1, 1,887 tier 2. 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.

² Defined at the Co-op as bakery, beer, wine and spirits, dairy, food to go, grocery, prepared non-food, produce and protein.

³ Sedex is a web-based database where suppliers upload labour standards information, including self-assessments and site audit reports.

We also identify suppliers for audit using a risk-based approach determined by supplier responses to Sedex self-assessment questionnaires (SAQs), worker profiles, use of temporary workers, country of origin and industry sector, and external intelligence from experts, trade unions and NGOs.

In 2021, we continued to innovate in due diligence to meet our Future of Food targets. We started work on two independent human rights impact assessments in high-risk food supply chains (due to be published in 2022); carried out a pilot of a new gender-sensitive audit methodology across Africa to improve our effectiveness in identifying issues; and scaled up the use of worker voice technology. We're committed to providing greater transparency to understand the root causes of issues affecting workers in our supply chains, so we've shared details of our Co-op Food own-brand tier 1 production sites, disaggregated worker data including gender, and have published our plans to mitigate the most significant [human rights](#) risks in our supply chain. For our [defined high-risk categories](#), we go beyond tier 1. For example, we collect data on our growers due to high levels of casual labour and seasonality in those supply chains. This year we're increasing transparency by publishing details of supply chains beyond tier 1 in three high-risk categories.

Building capacity and resilience in our Co-op Food supply base

Our Food business has a programme of supplier workshops in key sourcing countries. These are designed to raise awareness of our values, expectations and strategy; provide guidance on local labour law and our Sound Sourcing Code of Conduct requirements; and share best practice in addressing common labour standards issues.

In 2021, we focused our training on responding to current threats, including labour shortages and growing risks of modern slavery, enabling suppliers to share common challenges and ways to mitigate impacts. We also recognised supplier best practice and innovation in human rights projects and programmes by launching our Treating People Fairly Awards. Training and wider collaboration have been key to helping identify, manage and mitigate the risks of modern slavery and human rights abuses.



We supported **82 supplier events** and webinars **reaching 7,208 participants globally**

(2020: 35 events).



Global Wellbeing Charter case study: Supporting workers in East Africa

We launched our [Global Wellbeing Charter](#) in 2020, providing close to £1m to help support global projects and people in our supply chain through the Covid-19 emergency.

As part of this, we responded to the impact of the pandemic by co-funding two long-term projects through the Foreign, Commonwealth and Development Office (FCDO) Vulnerable Supply Chains Facility to build the long-term response of workers in East Africa to the impact of Covid-19.

The projects aimed to improve business recovery and resilience to social and economic impacts of the pandemic, positively impacting the lives of workers in flower and agriculture supply chains in East Africa. Direct health support and food security of workers and farmers have been improved through delivery of health packages and development of nutritional gardens. Collaborative learning events and a [policy paper](#) were delivered for long-lasting impact.¹

¹ 2,081 people were engaged through worker voice; 152,170 women and men were reached with health information; 10,057 people received direct support through kitchen garden inputs and health packages; and 4,834 people received training on a range of topics, including outbreak control, financial literacy and business management, and how the pandemic can specifically create gender and stigma discrimination issues.

Mitigating human rights risks

As part of our efforts to eliminate illegal and unfair recruitment fees in our global supply chains, in 2021, we provided free access to the Responsible Recruitment Toolkit and training to all suppliers and labour providers in our supply chain. Over 38 suppliers received training on responsible recruitment. In 2021, we worked with key suppliers to map the use of recruitment fees and worked with others to drive industry alignment on common principles regarding recruitment fees and provide suppliers with greater clarity on expectations.

In light of the global issues affecting welfare of workers in our supply chains, this year we played a key advocacy role in driving the human rights agenda at an industry level.

Modern slavery campaign

Over the past five years, we've been raising awareness of modern slavery and campaigning for better support for survivors. Several strands of our campaign have come to an end now, but we continue to raise awareness and support initiatives that help survivors build their confidence and move into paid employment. Through our involvement in [Bright Future](#), we also play a practical role in providing work opportunities for those rescued from slavery.

Read more in our [Modern Slavery Statement](#).

We continue to implement our [Human Rights and Trade Policy](#), which identifies the exceptional circumstances under which we'll [suspend trade](#) with a nation state or designated region. Our approach to ethical trade and human rights for our goods not for resale can be found [here](#).

🎯 2022 targets

We will improve the lives of workers by carrying out independent human rights impact assessments in three high-risk supply chains by mid-2022, using our findings to drive change.

We will champion the role of women and vulnerable people in our supply chains and will launch a gender strategy in 2022.

We will eliminate illegal and unfair recruitment fees in our global supply chains by 2025.

We will share details of suppliers at all tiers of three of our highest risk food categories by the end of 2022.



Ethical trade and human rights data



Target Achieved



On Track



Close to Target



Behind Schedule



Target not Achieved



Restatement



In-depth assurance

Key Performance data icons

Issue	2021 Target	Performance against target	2022 Target	SDGs
	We will share details of suppliers at all tiers of three of our highest risk food categories by the end of 2022.	Working closely with our key suppliers we're on track to publish full details of our pork, seafood, and top fruit and stone fruit supply chains, including worker profile data. This builds on our transparency of all the tier 1 sites we source from and the publication of our activities to address our salient human rights risks.	We will share details of suppliers at all tiers of three of our highest risk food categories by the end of 2022.	DECENT WORK AND ECONOMIC GROWTH REDUCED INEQUALITIES
	We will improve the lives of workers by carrying out independent human rights impact assessments in three high-risk supply chains by the end of 2022, using our findings to drive change.	In 2021, we progressed with work on two independent Human Right Impact Assessments (HRIA) in protein supply chains that will be published in 2022. These in-depth assessments have engaged with a wide range of stakeholders with a strong focus on worker interviews. In 2022, we will be commencing a new HRIA focused on a key high risk produce supply chain.	We will improve the lives of workers by carrying out independent human rights impact assessments in three high-risk supply chains by mid-2022, using our findings to drive change.	NO POVERTY DECENT WORK AND ECONOMIC GROWTH REDUCED INEQUALITIES
	We will champion the role of women and vulnerable people in our supply chains and will develop and launch a gender strategy in 2021.	In 2021, we continued our work to increase our visibility of gender data across our global supply chains, commenced a new pilot to improve our effectiveness identifying gender issues and rolled out projects to empower women in our supply chain through our support of 2 FCDO projects in East Africa and projects in our Fairtrade supply chains. We will be sharing further details of long-term targets and priorities to address gender inequalities in our supply chain as part of our review of our Future of Food priorities.	We will champion the role of women and vulnerable people in our supply chains and will launch a gender strategy in 2022.	GENDER EQUALITY REDUCED INEQUALITIES
	We will eliminate illegal and unfair recruitment fees in our global supply chains by 2025.	We are continuing our work to understand and map the use of recruitment fees in our supply chains. In 2021, 65% of our key suppliers have responsible recruitment fee targets embedded in their long-term human rights objectives. In 2021, we continued to roll out free training on responsible recruitment to 219 supplier delegates in 18 training sessions through our support of the Responsible Recruitment Toolkit and global events in Spain and China.	We will eliminate illegal and unfair recruitment fees in our global supply chains by 2025.	DECENT WORK AND ECONOMIC GROWTH

Ethical trade and human rights data continued

Issue	2021 Target	Performance against target	KPIs	2018	2019	2020	2021	2022 Target	SDGs
Supply chain transparency			Number of supplier sites globally (tier 1 and tier 2)	1,984 (862 tier 1, 1,122 beyond)	2,026 (824 tier 1, 1,202 beyond)	2480	2620 ^A (733 tier 1, 1887 tier 2)		
			% tier 1 suppliers completing self assessment in sedex	100	100	100	100% ^A		
			% high-risk tier 1 sites audited	100	100	99	99% ^A		
Supplier capacity building			Number of supplier engagement events	18	20	35	82 ^A		
			Number of individuals engaged via supplier engagement events	903	1,296	6,872	7,208 ^A		
			Hrs. of engagement at supplier engagement events	5,900	8,517	16,361	9,427 ^A		
			Number of sites reached through supplier engagement events	624	844	4,166	1,441 ^A		
<p>In 2021 we supported 2 Foreign Commonwealth and Development Office's Vulnerable Supply Chain Facility projects in East Africa. Due to differences in the ways the data has been collected, these projects are reflected in the number of individual and number of supplier figures, but not the numbers of events and hours of engagement figures.</p> <p>This year we have include 63 online Stronger Together and Responsible Recruitment training sessions which were not included in the 2020 number of event figures. This is because our events programme has evolved to improve accessibility for individuals. We now include all virtual events in the scope of our events programme: 79 events were conducted virtually in 2021.</p>									

Ethical trade and human rights data continued

Number of sites and workers on Sedex and location of audits in 2020/21	Sites	Workers	Audits	Issues
Africa	712	222,330	474	2,902
Asia	142	44,549	76	347
Europe	1,448	304,848	530	2,179
North & Central America	47	14,088	33	261
Oceania	33	3,846	0	N/A
South America	238	145,253	130	1,134
Grand Total	2,620	734,914	1,243	6,823

We resumed our audit programme in 2021, following the easing of Covid restrictions. We continued to use Sedex Virtual Assessments (SVAs) where site visits have not been possible and accepted 110 virtual audits. We welcome Sedex's new Audit Quality Programme which will help improve the detection and reporting of onsite issues, and ensure consistency of auditing techniques.

Status of improvement actions identified in valid audits in 2020/21	Total improvement (Actions raised)		Improvement (Actions completed and verified)		Improvement (Actions completed by supplier; verification due in 2021)		Improvement (Actions due for completion in 2022)		Overdue improvement actions	
	Business Critical/Critical/Major	Minor	Business Critical/Critical/Major	Minor	Business Critical/Critical/Major	Minor	Business Critical/Critical/Major	Minor	Business Critical/Critical/Major	Minor
Exploitation of labour	31	50	27	36	2	5	2	9	0	0
Freedom of association	77	114	72	100	1	3	3	11	1	0
A safe & hygienic working environment	1,824	1,816	1,608	1,602	84	70	122	135	10	9
Child labour	19	34	15	24	2	6	2	3	0	1
Living wages to be paid	372	319	267	232	32	18	64	63	9	6
Working hours are not excessive	453	218	264	186	48	7	133	23	8	2
No discrimination	22	53	15	48	2	2	5	3	0	0
Regular employment	396	146	328	134	27	2	35	7	6	1
No harsh or inhumane treatment	135	28	117	24	7	1	11	3	0	0
Other Issue Types	282	434	211	381	21	15	47	37	3	3
Sub Total	3,611	3,212	2,924	2,767	226	129	424	294	37	22
Total	6,823	6,424	5,691	5,547	355	129	718	326	59	25