

# Co-op Modern Slavery Statement 2018



## Progress against our 2017 targets

Our Modern Slavery Statement sets out what we've been doing to prevent modern slavery taking place in our business and supply chains, and some of our key areas of activity in 2018.

For completeness and transparency, the table below provides a clear indication of progress against each of the specific targets we set ourselves for the year.

What we said we'd do in 2018	How have we done?	What have we done?
<b>(i) Managing the risk of modern slavery</b>		
(a) In our food business		
Food	Share details of our food own-brand Tier 1 production sites, and our plans to mitigate the most significant human rights risks in our supply chain, to provide greater transparency on our activities to address modern slavery	Behind schedule  We will share a list of our Tier 1 production sites on our Food website by mid-2019, along with our most significant (salient) human rights issues and steps we are taking to mitigate these risks .
	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	Close to target  We carried out seven pilots in two countries in 2019, and will deliver the remaining pilots in early 2019 (Box 2, page 5).
	Support the roll out of labour provider certification in the UK, and embed responsible recruitment training in our supplier engagement activities, as part of our long-term commitment to promote responsible recruitment and eliminate recruitment fees in supply chains to address root causes of modern slavery	Achieved  Responsible recruitment was key theme in supplier training in Spain, Kenya and the UK in 2018. We developed and delivered a webinar training session on 'working with labour providers' for over 50 suppliers. We also became a sponsor of the Responsible Recruitment Toolkit to help embed responsible recruitment practices as step towards independent certification.
	Roll out the Stronger Together Tackling Modern Slavery Programme Progress Reporting Tool to our key suppliers, to enable them to measure and report their progress in developing robust systems to prevent, identify and combat modern slavery	Achieved  25 key suppliers representing over 50% of sites in scope of our ethical trade programme have completed the Progress Reporting Tool. This will provide a baseline for setting targets and measuring supplier progress in developing systems to combat modern slavery.
	Outstanding from 2017: We will complete our work to embed the new Sedex forced labour indicators into reporting and risk assessment processes for own-brand suppliers.	Achieved  The forced labour indicators report now forms part of our due diligence and risk assessment processes.

What we said we'd do in 2018		How have we done?	What have we done?
<b>(b) In our other operations</b>			
Procurement	Include ethics and modern slavery in governance meetings with our key, high-risk GSNFR suppliers to help manage risks, drive improvements where needed and identify examples of good practice	On track	We have trained supplier managers on ethical trade to enable them to address ethical issues confidently with suppliers. We also developed a new Supply Management Framework to ensure consistent and robust supplier management across our business. Ethics and modern slavery are incorporated in the Framework, and will be addressed in relevant governance meetings in future.
	Request all new high-risk GSNFR suppliers - including in our insurance business - to register on Sedex and complete a self-assessment questionnaire (SAQ) to improve our understanding of our supply chain and help identify risks	On track	We have set up new processes to ensure that requests to register on Sedex and complete an SAQ are sent to new, high-risk suppliers, including: a new compliance log, inclusion of a Sedex clause in new contracts, and a new GSNFR Supplier Guide to Ethical Trade (page 5).
Funeralcare	Ensure all our Funeralcare Tier 1 masonry service providers are registered on Sedex and complete an SAQ	Behind schedule	Following work to increase transparency and reduce risk in our masonry supply chains, in 2018 we issued a tender for the provision of masonry services. As this will lead to changes in our supply chain, we paused our work on Sedex. Bidders for the new contract were required to commit to registering on Sedex and completing an SAQ if successful. All have given this commitment and, as new suppliers complete the contracting phase throughout 2019, they will be required to register on Sedex and complete an SAQ.
e-store	Ensure 30% (by spend) of third-party brand suppliers to our electricals business are registered on Sedex	Not met	Co-op eStore was under strategic review during 2018. In February 2019 we announced that we will be closing eStore in the first quarter of the year.
HR	[Outstanding from 2017] We will also complete our work to embed modern slavery in our revised Eligibility to Work Policy, and to review the way we use our SPSP in due diligence.	Achieved	In May 2018 we introduced our new Eligibility to Work Policy and process across the Co-op. This outlines the steps to be taken at the job offer stage, and the checking process when existing colleagues' visa expires. Follow-up checks are now managed centrally by HR Services, which has simplified the process and reduced the risk of error.
<b>(ii) Training, capacity building and collaboration</b>			
<b>(a) In our food business</b>			
Food	Reach over 1,000 people through 20 global supplier events, to build capacity and share best practice	Achieved	In 2018 our Food ethical trade team we ran 18 supplier events in three countries (UK, Spain and Kenya) reaching over 900 delegates (page 6). We also reached over 200 suppliers through best practice training webinars and workshops (including on employee engagement, responsible recruitment and handling cases of forced labour).
	Develop and roll-out awareness-raising communications to around 50,000 colleagues in food stores and depots to help them recognise the signs of modern slavery and know how to report any concerns	Achieved	We carried out an awareness-raising communications campaign reaching around 52,000 colleagues across all retail stores and logistics depots (page 7).

What we said we'd do in 2018	How have we done?	What have we done?
<b>(b) In our procurement, HR and other operations</b>		
Procurement	Deliver our 'Introduction to ethical sourcing training' to supplier managers across our businesses (including Funeralcare and Insurance), to increase their capability to confidently engage with suppliers on ethical issues	Achieved
40 supplier managers completed our Introduction to Ethical Sourcing training in 2018.	Develop and deliver training to procurement and supplier managers on using information provided through Sedex to better manage risks of labour abuses and modern slavery in our business and supply chains	Behind schedule
	In 2018 all procurement colleagues and key supplier managers received training on ethical sourcing, including basic information on Sedex. Our focus has been to get suppliers to complete SAQs on Sedex, before rolling out more detailed training in 2019.	HR
Behind schedule		This was delayed due to technical difficulties with our Learning Management System, and training of all Employee Relations Services and Resourcing teams will take place by mid-2019. The training module will form part of induction training for all new team members to ensure that knowledge levels are maintained.
<b>(iii) Campaigning on modern slavery</b>		
Support City Hearts to build and launch a National Matching System to link charities and employers, and create new and varied Bright Future placements for victims throughout the UK		Achieved
We funded City Hearts to establish the National Matching System during 2018, and have also agreed further funding for 2019. Placements have taken place across the UK (London, Manchester, Liverpool, Birmingham and Glasgow) (page 8).	Recruit 20 Bright Future business partners and 20 referring partners to the National Matching System	Close to target
		We exceeded our target for Referring Partners: 24 charities and the GLAA had joined by end of 2018 <sup>1</sup> . We made good progress on what was a challenging target for new business partners - recruiting 17 businesses by the year end, with a number of other businesses actively considering joining (page 8) <sup>2</sup> .
Create 85 paid work placements for victims of modern slavery through the National Matching System, of which 45 will be provided within the Co-op		
In 2018 we created 35 new placements, 27 of which were in the Co-op. A further 12 candidates were waiting to be matched to a placement (page 8).	Commission a second independent evaluation of Bright Future to help provide insight into the impact the programme is having on victims and other stakeholders, build an evidence base for better government support for victims, and inform our strategy for Bright Future [to become independent of the Co-op by 2020	Achieved
		A research team led by Professor Alex Balch of the University of Liverpool has been commissioned to undertake an evaluation, with focus on the period since the National Matching System was established (to be published by May 2019).
Explore the use of pre-employment skills training for victims, including working with the Sophie Hayes Foundation Day 46 programme, to help understand how to provide better support for victims to move into the workplace		
Along with our suppliers, we provided over £70,000 funding to the Sophie Hayes Foundation to support the development and expansion of the Day 46 Programme. We also worked with Business in the Community to explore links between their employability programme and Bright Future.		

<sup>1</sup>Bright Future Referring Partners (end 2018): Adavu, Anti Trafficking and Labour Exploitation Unit, Black Country Women's Aid, Caritas Bakhita House, City Hearts, ECPAT, GLAA (Gangmasters & Labour Abuse Authority), Haven of Light, Hestia, Hope at Home, Hope for Justice, Hull Homeless Community Project, Jericho Trust, Kalayaan, Khai Tzedek, Lifeshare, Medaille Trust, Migrant Help, Olallo House, SERICC, Snowdrop Project, Sophie Hayes Foundation, Stop the Traffik, The Children's Society, The Salvation Army.

<sup>2</sup>Bright Future Business Partners (end 2018): 2SFG, ABP, Arco, Body Shop, Co-op Group, Costain, Dixons Carphone Warehouse, East of England Co-op, Flamingo Flowers, Greencore, John Lewis Partnership, Marshalls, Mid Counties Co-op, Norse Group, Single Resource, Tulip, Typhoo.