

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. In 2020, these challenges were further exacerbated by the impacts of Covid-19.

Our [Future of Food](#) ambition commits us to ensuring 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.



Our Global Wellbeing Charter

Communities around the UK and the world have been affected by the Covid-19 pandemic. In June 2020 we launched our [Global Wellbeing Charter](#), a new initiative which provides close to £1m in monetary support to help support global projects and people in our supply chain through the Covid-19 emergency.

Progress against this five-point plan includes:

- 1. Protecting Fairtrade producers and workers during extreme hardship**
 £320k of existing funding has been repurposed to support Fairtrade producers and their communities through the Covid-19 emergency. We've reallocated funding to Fairtrade producer support, including Fairtrade International's Economic Recovery and Resilience Initiatives fund, in a bid to help some of the most vulnerable farmers in the supply chain at risk of being pushed into poverty. We're also supporting a number of projects with our suppliers and other supply chain partners (page 50).
- 2. Ensuring the world's most vulnerable communities have access to safe drinking water**
 We've redirected £647k of funding to communities for clean water and sanitation projects and to help tackle the spread and impact of Covid-19 (page 52).

3. Protecting human and workers' rights in global labour markets

We've pivoted resources to focus on protecting workers and supporting suppliers in supply chains. We took a leadership role bringing a coalition of partners together to roll out 10 supplier webinars reaching [thousands of participants globally](#).

We supported the launch of guidance and a new website to provide suppliers with practical guidance on [handling Covid-19 outbreaks](#) and undertook research to understand the impact of the pandemic on our suppliers across the African continent.

4. Taking action against climate change

We became a signatory of the United Nations Recover Better campaign to prioritise a recovery from Covid-19 consistent with a sustainable world for future generations. More detail on our approach to tackling climate change can be found on pages 61-65.

5. Increasing visibility of Fairtrade products

We've grown our Fairtrade range and also launched Fairtrade Sourced Ingredient (FSI) Cocoa Labelling, making Fairtrade products more visible in store (page 51).

Case studies: Global Wellbeing Charter

Fairtrade supplier support

Along with our supplier, ICAM Chocolate UK Ltd, we provided £42,500 for the Cat-Tocache cocoa co-operative in Peru - a key supplier of the cocoa beans used in Co-op Irresistible block chocolate. Funding provided emergency relief food parcels, essential personal protective equipment and medicines, directly supporting 7,706 people.

Supporting workers in East Africa

We're co-funding two long-term projects through the [FCDO Vulnerable Supply Chains Facility](#) to build the long-term response of workers in East Africa to the impact of Covid-19:

- [Building resilience](#) in the flower supply chain in Kenya, to reach over 6,000 workers.
- Through a coalition of food retailers and suppliers and the Ethical Trading Initiative, [providing technical assistance](#) to farms across four countries, reaching 10,000 workers.

- 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 (page 47)
- Tackling modern slavery and mitigating human rights risks (page 47-48)

These four key strategic areas will remain a focus of our work into 2021 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. As well as collaborating to tackle the impacts of Covid-19 through our Global Wellbeing Charter, we continued to work with partners during 2020, such as the [Food Network for Ethical Trade \(FNET\)](#), [Responsible Recruitment Toolkit \(RRT\)](#), [Stronger Together \(ST\)](#) and [Seafood Ethics Action Alliance](#). We became a founding member of the Modern Slavery Intelligence Network and joined [Unseen's Helpline Business Portal](#). This gives us access to Helpline reports of modern slavery or labour abuses within our operations and supply chains. And we support the Modern Slavery and Exploitation Helpline.

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

Monitoring labour standards and driving due diligence and transparency for Co-op Food own-brand suppliers

We're founder-members of the [Ethical Trading Initiative \(ETI\)](#) and we adopt the ETI Base Code, which is founded on the conventions of the International Labour Organization 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 in place to assess and monitor labour rights issues in our supply base. Where issues are raised, we expect suppliers to put action plans in place, and we support them to address the root causes of issues. Our programme covers all our tier 1 and tier 2¹ supplier sites - 2,480 sites in 72 countries, across 6 continents with over half a million 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. On an ongoing basis, we 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 2020 we also rolled out a new Sedex SAQ providing access to more worker data.

Supply chain transparency and human rights risks

To meet our Future of Food human rights ambition, during 2020 we continued to focus our work around four strategic priorities:

¹ 769 Tier 1, 1,711 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.

In 2020, Covid-19 meant on-site audits couldn't take place as usual, so we found new ways to hear directly from workers about working conditions and potential issues. We carried out Direct Worker Reporting at 4 sites⁴ in the UK, South Africa, Thailand and Egypt, while in Africa we worked collaboratively to understand how the pandemic impacted over 7,000 workers. 196 sites in our supply chain have completed an additional SAQ⁵ to help us understand the impact of the pandemic on suppliers' businesses and wellbeing of workers. This information has provided us with more insight into those who are most affected by the virus and where support is most needed.

During 2020, we've expanded the scope of our monitoring programme. 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 categories⁶ we go beyond first-tier, for example we collect data on our growers due to high levels of casual labour and seasonality in those supply chains.

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

Our Food business has a programme of supplier workshops in key sourcing countries 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 2020 we refocused our training to meet the needs of our suppliers handling the impact of Covid-19 (see page 45).

In 2020, more than ever, training and wider collaboration have been key to helping identify, manage and mitigate the risks of modern slavery and human rights abuses.

We supported 35 supplier events and webinars reaching 6,827 participants globally

(2019: 20 events). Five of these were Co-op's own.

Mitigating human rights risks

As part of our efforts to eliminate illegal and unfair recruitment fees in our global supply chains, in 2020 we provided free access to the Responsible Recruitment Toolkit to all suppliers and labour providers in our supply chain. More details of how we tackle modern slavery can be found on page 48.

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 on pages 53-54.



🎯 2021 targets

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.

We will champion the role of women and vulnerable people in our supply chains and will launch a gender strategy in 2021.

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.

⁴ Assessments were conducted with & Wider, who use worker voice technology to gain direct worker feedback.

⁵ The Covid-19 bolt-on SAQ was created by Sedex, with consultation with Food Network for Ethical Trade (FNET) members.

⁶ More information on our highest risk areas can be found [here](#).

⁷ These focused on overcoming the increased risk of modern slavery, building inclusive workforces, addressing harassment and bullying in workplaces, innovation in transparency, engaging workers with effective communication and steps to eliminate recruitment fees.

Campaign: Modern Slavery

For the past 4 years we've been raising awareness of modern slavery and campaigning for better support for survivors.

Our Bright Future programme, which offers survivors of modern slavery a paid work placement and the opportunity of a permanent job, has been central to our campaign. Since we launched Bright Future in 2017, our partnership with the charity City Hearts has grown into a multi-charity, multi-business partnership, co-ordinated through a 'National Matching System' with the needs of survivors at its heart.

Whilst it has been challenging to facilitate Bright Future placements due to the additional pressures faced by food stores and limited store manager capacity to support placements during the pandemic, we have continued to champion the programme and lobby for change.

Our focus in 2020 has been on:

- The move to establish Bright Future as a new independent co-operative, marking the culmination of more than 3 years of work to bring businesses and charities together. By the end of 2020, 37 charities and 26 businesses were working as 'partners' within the Bright Future project. The contribution of Co-op to this work was highlighted in the UK Government Modern Slavery [Report](#) published in October 2020.
- The Co-op and Body Shop funded project to assess the value of funding transport for survivors of Modern Slavery.

The research 'Journey to recovery' will be used to lobby Government to fund public transport costs of survivors of Modern Slavery.

- Supporting the development of a [Training Framework for the Identification, Care and Support of Victims and Survivors of Modern Slavery and Human Trafficking](#). Developed by the Snowdrop Project and St Mary's University, the framework was published in September 2020. We provided £25,000 to support this project.

More detail on our work to tackle modern slavery in our supply chain can be found on pages 46-47.



Engaging with government and lobbying for change

We're proud of what we're achieving through Bright Future. But without changes to the wider support available to survivors from the Government, thousands of individuals are at risk of homelessness, poverty and re-trafficking. During 2020 we continued to push for change through new partnerships, forums and targeted campaigns, including:

- Working with the Home Office through the 'Business Against Slavery Forum' – lobbying for change to the Transparency in Supply Chains clause of the Modern Slavery Act and promoting best practice amongst the business community
- Lobbying for enhanced support for victims of slavery. Working with Anti-Slavery International and the Independent Anti-Slavery Commissioner to secure the right to work for victims of slavery
- Publication of an evaluation of the Modern Slavery Campaign (2017-19) by the Rights Lab at the University of Nottingham

See our [Modern Slavery Statement](#) for more on our awareness raising and other campaign activities.