



Co-op Modern Slavery and
Human Trafficking Statement 2016

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About us and our modern slavery statement

i) Introduction

This is the first modern slavery and human trafficking statement produced by the Co-op Group¹. It has been published in accordance with the Modern Slavery Act 2015. The statement sets out the steps taken by us during our financial year 2016, which ended on 31 December 2016, to prevent modern slavery and human trafficking in our business and supply chains.

You'll see from our [accompanying report](#) that we have a long-standing commitment to ethical trade and human rights in the UK and overseas. We welcome the opportunity to give an open and honest account of what we're doing to ensure that slavery and human trafficking is not taking place in our supply chains or our business.

Our statement details how we're meeting all legal obligations and guidelines, but also the work we're doing as part of 'the Co-op Way' - by helping survivors of modern slavery back into a normal life and paid employment - simply because we feel it's the right thing to do.

We recognise that our primary responsibility lies with our Co-op brand suppliers and supply chains - not only because our food business accounts for 75% of our business (by turnover), but also because it is in these operations that we can exert the greatest influence for positive change. In this first year of reporting on modern slavery, we focus on setting out the approach we take to this issue in our food business, under our long-established ethical trade programme.

When it comes to third-party branded products and services, whether for resale or for our own use within the business, we expect suppliers to ensure fundamental labour standards are applied throughout their supply chains.

(ii) About the Co-op

We're the UK's largest co-operative, owned by over 4.3 million members. We have over 2,700 food stores and over 1,000 funeral homes, and employ almost 70,000 people across the Co-op Group².

We're a major food retailer, the largest funerals provider in the UK, an insurance and legal services provider and an online electrical retailer.

4.3m
members

1,000
funeral homes

2,774
food stores

70,000
colleagues

Our purpose is 'Championing a better way of doing business for you and your communities'.

Our businesses are all UK based and our main offices are in Manchester. Further details about our business can be found in our [2016 Annual Report](#).

(iii) Our suppliers and supply chains

We buy products and services from thousands of suppliers across the globe. This includes fresh produce, own-brand products that we sell in our food stores, other own-brand and third-party products and services we sell, and a range of products and services we use in our own business.

Our Co-op Food own-brand products

Just over half (51% by turnover) of the goods we sell in our food stores are Co-op Food own-brand products. Our food ethical trading monitoring programme covers **1,773 sites** (848 Tier 1 and 925 Tier 2³), across **6 continents** in **69 countries**.



The table below shows the breakdown of where we source our products and the number of workers in those supply chains.

Number of Co-op Food sites and workers on Sedex in 2016			
Continent	Tier 1 sites	Tier 2 sites	Workers
Africa	10	222	84,681
Asia	53	27	77,624
Europe	771	435	294,486
Oceania	6	17	19,962
North America	5	52	17,724
South America	3	172	69,008
Total	848	925	563,485

Our food ethical trading monitoring programme covers

1,773 sites

6 continents

69 countries

¹ The terms 'Co-op Group', 'Group' or 'Co-op' are all used to refer to the Co-operative Group Limited, which consists of Co-operative Group Food Limited, Funeral Services Limited, Co-operative E-Store Limited, Co-operative Legal Services Limited and CIS General Insurance Limited (among others).

² In 2016 we directly employed 69,320 colleagues, and employed a further 657 contractors via agencies.

³ 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.

Other products and services we sell

In addition to our Co-op Food own-brand products, we sell a wide range of other third-party branded products, as well as a variety of products and services through other parts of our business. For example:

- Just under half (by turnover) of the products sold in our food business are from third-party brand suppliers.
- Co-op Electrical sells third-party branded domestic appliances, computers, TVs and audio equipment. Supply chains for these products stretch around the globe.
- Co-op Funeralcare sells coffins and caskets, headstones, memorial stones and flowers, including some Co-op brand products.
- Co-op Insurance sells car, home and pet insurance policies, and provides claims fulfilment services through a number of suppliers.

Products and services we use in our own business

As well as the products we sell, we also buy goods and services for our own use. Our Group Procurement function is responsible for sourcing all 'Goods and services not for resale' (GSNFR) that we need to run our businesses - including IT equipment such as mobile phones and laptops, and warehousing and distribution services.

In 2016 we had 4,156 GSNFR suppliers, with 71% of the total spend for the Group channelled through the top 100 suppliers.

Our policies and practices

(i) Our supplier and supply chain policies

Our commitment to ethical trade and human rights is shown through a number of policies which guide our purchase of products and services, and our relationships with suppliers and partners.

Group-wide policies

- **Ethical Trade and Human Rights Policy Position Statement.** In 2016, we reviewed our approach and commitments to ethical trade. Our new Ethical Trade and Human Rights (ET&HR) Policy Position Statement sets out our approach to the protection of fundamental rights of workers throughout our supply chains. These rights include all international labour rights, including protection from forced labour, modern slavery and harsh or inhumane treatment.

- **Sound Sourcing Code of Conduct.** Our [Sound Sourcing Code](#), which is based on the Ethical Trading Initiative (ETI) [Base Code](#) and core international labour standards, includes checks on forced labour, modern slavery and other issues to ensure workers are treated fairly. The Code was developed in 1998 by our food business, and formally endorsed as a Group code in April 2009 by the Values and Principles Committee. We expect all our suppliers across the business to share the commitments set out in our Sound Sourcing Code and have a number of ways in which we try to ensure that these standards are being met in our Co-op Food supply chains, and across our wider supply base.

Governance. The Ethical Trade and Human Rights Steering Group is responsible for delivering the ET&HR Policy Position Statement across our businesses, production of our modern slavery statement, and monitoring and reporting progress. The Steering Group reports to the Co-op Way Policy Committee⁴, which reports to the Board and Members' Council.

Co-op Food

We have clear policies and processes in place which set the standards we expect of our own-brand suppliers.

Policies. Our [Sound Sourcing Code](#) is a key element of our food business' well-established ethical trade programme. We expect all Co-op brand suppliers to make a firm commitment to meeting the requirements of our Code and monitoring programme as part of our terms and conditions. Early in the tender/selection process, suppliers are made aware of our ethical trade requirements which are outlined in the Co-op's 'Supplier Guide to Meeting the Co-operative's Ethical Trade Requirements'. The guide was launched in 2010, and has been endorsed by our Commercial Director.

Contracts. Our expectation for suppliers to meet ethical trade requirements and tackle modern slavery is integrated into supplier contracts and approval processes. We have a long history of strong relationships with our suppliers - 75% of our suppliers have traded with us for over five years. We are seeking to stabilise further all relationships through longer-terms contracts especially within the key areas of produce and protein, which will enable suppliers to reduce their reliance on agency labour and invest in their workforce and labour standards.

Governance. Development and oversight of ethical and sustainability policies in our food business takes place via the Food Policy Group (FPG), which is chaired by our Commercial Director. The FPG is underpinned by the Food Policy Development Forum (PDF); our Ethical Trading Manager, who has responsibility for development and delivery of the ethical trade strategy, sits on the PDF.

⁴ The Co-op Way Policy Committee is responsible for development, oversight and governance of Group-wide policies on our Co-op values and principles, ethics and sustainability.

'Goods and services not for resale' (things we use in our own businesses)

Policies. The key policy addressing modern slavery in our GSNFR supply chains is our Sustainable Procurement and Supplier Policy (SPSP). The SPSP sets out the broad sustainability and ethical standards we expect of suppliers, including on labour standards and modern slavery in our supply chain - as defined in our Sound Sourcing Code, the ETI Base Code and core international labour standards.

The SPSP forms part of the ethical [due diligence checks](#) that we carry out during the sourcing phase for suppliers of GSNFR. We're currently reviewing the SPSP to ensure that it fully reflects our ethical expectations of suppliers, including those on modern slavery.

Above this sits our **Group Procurement Policy**, which relates to procurement of GSNFR across the Group. The Policy is under full review, but currently includes a high-level reference to our ethical standards including modern slavery.

These overarching policies and control standards apply to procurement of GSNFR across our Insurance, Funeralcare, Legal Services and Electrical businesses, as well as to operational departments across the Group.

Contracts. All Group contracts typically contain a standard clause which requires suppliers to comply with Co-op policies, including those on ethics. We've also developed clauses relating to modern slavery for our standard contract templates.

Governance. As part of our ongoing work to raise the standards of compliance with procurement policies and processes, we put a new Procurement Services Structure in place in 2016, including the recruitment of a Governance and Policy team. We are developing a set of new procurement standards which will reflect the commitments in our new ET&HR Policy Position Statement, including those on modern slavery.

(ii) Our people policies

Our extensive people policies cover all aspects of colleagues' employment, including recruitment and eligibility to work, colleague wellbeing, and conduct at work. In 2016 we reviewed all people policies to identify those which can help address any risk of modern slavery in the Co-op.

We identified Whistleblowing and Eligibility to Work policies as having most direct relevance and will be amending these to make direct reference to modern slavery, how to spot the signs, and how it should be addressed if suspected.

Assessing and managing risk: Due diligence on modern slavery

(i) Our Co-op Food own-brand supply chain: Due diligence, monitoring and auditing

Since we developed our Sound Sourcing Code of Conduct in 1998, we've followed rigorous due diligence processes to assess risk and identify labour issues in our Co-op Food own-brand supply chains, and to address those concerns when found. We recognise that our Co-op brand suppliers and supply chains are our primary responsibility and where we can have the biggest positive impact.

We've built a strong understanding of all labour rights issues - including the challenge of modern slavery - through our membership of the ETI and Sedex⁵, and through close [collaboration](#) with other retailers, brands, NGOs and trades union partners.

We know that due to seasonal demand peaks, use of temporary labour and the fast pace of fresh food manufacturing, there can be an increased risk of modern slavery in the food sector. For this reason, all Co-op Food own-brand suppliers go through a robust risk assessment and monitoring programme, to ensure we are doing all we can to manage the risk of modern slavery occurring in our own supply chains.

Our due diligence process

Supplier approval. All new suppliers to our food business go through robust approval mechanisms.

- Before approval as a supplier, all Tier 1 sites must complete a detailed self-assessment questionnaire (SAQ) on Sedex, which includes questions on site management systems, labour use, recruitment and contracts - all of which can help indicate any immediate modern slavery concerns.
- Tier 1 sites in countries we've identified as high-risk⁶ must have an approved independent audit in place before approval and, where serious breaches of the Code have been identified, sites need to address issues prior to approval.

"ETI recognises the Co-op as a leading company within the membership. They have a robust programme in place to enable suppliers to address ethical challenges and are integrating ethical trade into the way they do business."

Peter McAllister, Director
Ethical Trading Initiative

⁵ Sedex (Supplier Ethical Data Exchange) is an online collaborative platform where suppliers upload labour standards information, including self-assessments and site audit reports.

⁶ Our list of high-risk countries is informed by the frequency of issues, media coverage and academic research, local labour law, enforcement systems and other expert knowledge.

- We also take the strength of potential suppliers' ethical trading programmes into account, along with their strategy for identifying, preventing and addressing issues of modern slavery.

After trade has started. Once suppliers are approved, they enter our monitoring programme.

- All Co-op brand sites are risk-assessed on a quarterly basis by our ethical trade team, and high-risk sites are prioritised for audit.
- All sites identified as high-risk are independently audited on a regular basis. Some medium and low-risk Tier 1 sites are also selected for audit, based on a desktop review and risk assessment.
- Where issues are identified, we expect them to be put right, and work with suppliers to find sustainable solutions that have a positive impact on workers. All technical managers and buyers receive monthly updates on a site's risk status and issues, ensuring a consistent approach to improving poor labour practices.
- Any serious issues are escalated within the business.

Extending the scope of our monitoring activities

Moving beyond Tier 1. A major focus of our activity in recent years has been to move beyond our first tier suppliers, where some of the most serious labour issues such as modern slavery can occur. Up to 1,000 Tier 2 sites in 70 countries have now been included in our monitoring programme and we've provided support and training to our Tier 1 suppliers to help them risk-assess and manage issues in their supply chains.

Focusing on key countries. Through a process of risk assessment and wider consultation, we've identified eight focus countries (UK, Spain, Egypt, Italy, Morocco, South Africa, Thailand and Kenya) to target and strengthen our activities on the ground, due to their strategic importance and increased risk of labour standards issues including modern slavery (see [Training and capacity building](#)).

"A major focus of our activity in recent years has been to move beyond our first tier suppliers, where some of the most serious labour issues such as modern slavery can occur."

Co-op Food ethical trade monitoring programme in 2016

- 1,773 sites with over half a million workers in scope of the food ethical trade programme (848 Tier 1 and 925 Tier 2)
- 100% of Tier 1 sites with SAQ complete and all Tier 1 high-risk sites independently audited
- Mapped and risk assessed our supplier base beyond Tier 1 in high-risk categories such as produce and protein
- 444 audits took place in 2016; 2,223 issues were raised

Of the 2,223 issues raised, 16 issues (less than 1%) were categorised as a breach of the Sound Sourcing Code Principle on 'employment is freely chosen'. However, we recognise the challenges of identifying modern slavery through audits alone. Therefore we are also committed to working collaboratively through initiatives such as [Stronger Together](#) and the [Sedex Stakeholder Forum](#), to improve the identification of modern slavery in additional ways.



100%
of Tier 1 sites with SAQ complete and all Tier 1 high-risk sites independently audited

(ii) Other products and services we sell and those we use in our own business: Due diligence

We currently take the same due diligence approach for non-food own-brand products and services we sell in other parts of the business, as we do for GSNFR, (described below). We'll be [reviewing this in 2017](#).

Our current procurement process for goods and services we use in our own business operations (GSNFR) includes a desk-based risk assessment of new suppliers against our SPSP. The SPSP includes criteria on a range of ethical and sustainability issues, including labour rights and modern slavery.

In 2016 we reviewed our approach to due diligence of our GSNFR suppliers, to ensure alignment with our new ET&HR Policy Position Statement and to address the challenge of modern slavery. As a result we're making changes to our processes that will help increase the transparency of our GSNFR supply chains, provide a more rigorous and consistent approach to risk assessment, and enable better engagement with suppliers where issues are identified.

Our new approach and strategy for GSNFR builds on the experience and approach taken with our Co-op own-brand suppliers in our food business. A key element is to extend the use of Sedex and associated monitoring and auditing processes to include GSNFR suppliers.

In 2016 we carried out an initial high-level risk assessment based on the best-practice approach used in our food business and identified a number of potential risk factors and priority GSNFR categories in terms of modern slavery including:

- The use of recruitment agencies supplying us with colleagues to work at the Co-op (eg delivery drivers in our electricals business and warehouse staff).
- Any services provided on a Co-op site (eg store, warehouse, main office).
- Distribution and transport providers.
- Facilities management and construction (and other low-wage sectors).
- Masonry supply chains in our funerals business.
- Outsourced suppliers of insurance policy sales and services (eg call centres) used by our Insurance business, and suppliers of claims fulfilment services such as building repairs and vehicle repairs for our UK-based insurance customers.
- Suppliers and supply chains for recycling end-of-life electrical appliances, cardboard recycling, and disposal of fridges and freezers by our electricals business.

We'll be building on this risk assessment in 2017, when we'll start onboarding and auditing high-risk GSNFR suppliers to Sedex and rolling out our [new strategy](#).

(iii) Due diligence in our own operations

It's important that we minimise the risk of modern slavery among the colleagues we employ directly. We carry out a number of pre-screening checks across the business during recruitment, and ensure robust Eligibility to Work checks take place before employment starts.

We also need to minimise the risk of modern slavery among the significant number of people working in the Co-op who are not employed directly by us. HR and procurement functions are working together to identify the highest risk suppliers (in terms of recruitment volumes) and to assess the effectiveness of their procedures.

Training and capacity building on modern slavery

Our suppliers and colleagues have a huge role to play in helping us ensure that slavery and abuses of human rights don't take place in our business or our supply chains. We run a variety of training and awareness-raising activities for our stakeholders, including training on ethical trade and modern slavery.

(i) Training with our suppliers and in our supply chains

It's long been a strategic priority of our Co-op Food ethical trade programme to help suppliers address issues identified, particularly with issues as challenging as modern slavery. Through our supplier engagement programme we've delivered 100 supplier ethical trade events in our [key focus countries](#) since 2011. We've reached 2,954 delegates in 1,077 sites, and delivered over 21,000 hours of supplier training.

Embedding good labour standards in day-to-day business. We make suppliers aware of our ethical trading requirements on an ongoing basis - by providing copies of ethical trade requirements at the start of trading; holding regular ethical trade review meetings for our key suppliers⁷; and embedding ethical trade and steps to tackle modern slavery into supplier scorecards and supplier development plans.

Supplier training and forums. Over the past five years, we've held bespoke, interactive and collaborative supplier engagement events in Egypt, Italy, Kenya, Morocco, Spain, South Africa, Thailand and the UK. We always aim to work with local experts, NGOs and audit bodies to develop training and workshop sessions.

Training continues to be a priority.

In 2016:

23 supplier events were held in the UK, Italy, Spain and Egypt

908 delegates were reached

531 sites were represented

6,063 hours of supplier training and engagement were delivered



⁷ Key suppliers are those that demonstrate consistently high performance across areas such as commercial value, availability, innovation, quality and social responsibility. In 2016 Co-op Food had 37 key suppliers who can benefit from longer-term contracts, investment in innovation, and increased business.

In the UK, our regional ethical trade forums have been running since 2010, to support suppliers in meeting the challenges of a multicultural workforce. Established forums meet 2-3 times a year and cover a range of topics including best practice in identifying and tackling issues of modern slavery.

Spotlight on modern slavery

Modern slavery is a complex issue which can be hard to identify and address, and we've put a lot of effort into raising awareness and understanding of the issue among our suppliers.

- Co-op Food is a founder sponsor of UK stakeholder alliance [Stronger Together](#), which works to reduce forced labour and human trafficking by developing and providing guidance, tools and training for suppliers. Over 90% of Co-op brand Tier 1 suppliers with UK sites have completed Stronger Together training. In 2016 we also supported the roll out of a new Stronger Together training module for suppliers on addressing modern slavery in global supply chains, and the [ETI modern slavery course](#).
- Since 2014 the Co-op Food Ethical Trade annual conferences have raised awareness on steps to tackle modern slavery, with the then Minister for Modern Slavery and Organised Crime delivering the [keynote speech](#) at the 2014 conference.
- Through our involvement in the Sedex Stakeholder Forum where the Co-op Food Ethical Trade Manager is on the Steering Group, we're working to improve the effectiveness of Sedex self-assessments and ethical audits in spotting the signs of modern slavery and forced labour. In 2016 Sedex released new [guidance](#) on Operational Practice and Indicators of Forced Labour that will help strengthen the effectiveness of audit processes, and we're building this into our audit reviews.

"The Co-op has been a strong advocate of Stronger Together since its creation and has played a lead role in building the capacity of suppliers to prevent, detect and deal with forced labour."

David Camp, Founder and Programme Lead, Stronger Together

(ii) Training our colleagues

We focus our internal training on colleagues in key technical and supplier-facing roles, as well as those with responsibility for procurement and HR policies.

Training and capacity building with food colleagues

Current activities for food colleagues, in particular for buying and technical teams, include:

- Embedding ethical trade responsibilities into the technical manager role profile, objectives and induction.
- Training technical team members on the use of Sedex, the ETI Base Code and audit processes.
- Rolling out across all teams a bespoke training course which explores the relationship between buying practices and ethical standards.
- Launching a new introductory ethical trade training session for Co-op Food's commercial team. We run six sessions a year, and cover a range of ethical trade issues including modern slavery.

Group-wide training on modern slavery

We recognise the need and opportunity to share insights into modern slavery with colleagues across all our businesses, and in 2016:

- Our CEO, Executive Directors and Enterprise Leaders (100 senior leaders from across the Group) had briefings and engaged in discussions about modern slavery.
- Almost 60 colleagues and senior leaders from across the Co-op came together for a half-day workshop on modern slavery - exploring potential risk areas and actions to identify, prevent and address modern slavery across our business. The bespoke workshop was developed with and delivered by an expert external facilitator.

Going the extra mile: Campaigns and collaboration

We have a proud history of leading the way in ethical trade and we're doing everything we can to prevent modern slavery taking place in our own supply chains, as you'll have seen from our policies, procedures and monitoring information.

But we want to do so much more than just follow guidelines and laws. Modern slavery goes against everything the Co-op represents - it really matters to us. This is why we're already working on initiatives to support the survivors of modern slavery, and are encouraging others to do the same.

We know modern slavery will only be stopped if we all work together - to share what we know and combine our efforts. And that's where the Co-op's [Bright Future](#) project, along with our wider campaigning and collaborative projects can make a difference.

(i) Project Bright Future: Helping victims of modern slavery to rebuild their lives

In 2016 we worked with the charity City Hearts to provide paid work placements for victims of modern slavery – offering them a chance to rebuild their lives and, where we could, permanent employment.

We'll be rolling out Project Bright Future in 2017 – developing new partnerships with charities who are experienced in supporting survivors of modern slavery, and creating 30 new work placement opportunities across our businesses.

But to make a real difference we need others to join our campaign – for other businesses and government to offer victims a chance. Which is why, in 2017, we will:

- Engage key influencers, policy makers and other businesses, to encourage them to adopt the Bright Future model and campaign for better support for victims of slavery in the UK.
- Work with a minimum of five of our suppliers, to help them support victims through work placements in their own businesses.

(ii) Campaigning on modern slavery

- In 2015 we were part of the ETI Modern Slavery working group that played a key role in advocating the need for legislation.
- We campaigned for the inclusion of the 'Transparency in Supply Chains' clause within the Modern Slavery Act 2015, which requires large businesses to publish an annual statement detailing what steps they've taken to ensure that slavery and human trafficking are not taking place in their business or supply chains. We believe that this has been an important step forward and will allow Government, NGOs and consumers to scrutinise the approach taken by large businesses to modern slavery and, if necessary, to challenge them to do more.
- We also believe that all UK businesses can do much more in the fight against modern slavery. We'd like there to be a central source of all modern slavery statements produced by UK businesses, to make it easier to monitor the activities and progress made.

(iii) Collaborating across the food industry

We're a member of the ETI and take part in ETI and other collaborative programmes to improve working conditions in the UK, Morocco, Italy, Spain, Egypt, Thailand and South Africa, including:

- **The Better Strawberries Group**, which seeks to improve Moroccan women's working conditions by bringing together strawberry growers, government representatives and companies.

- **The Italian tomato sector.** Since 2013 Co-op Food has been working to understand ethical issues at the grower level in Italy and working with stakeholders to improve conditions for workers.
- **Spain and Egypt Ethical Trade supplier forums** to support growers share best practice and address common challenges. The Co-op has played a lead role in supporting the establishment of these collaborative forums.
- **ETI Vulnerable Workers programme** and production of the Vulnerable Workers toolkit.
- **ETI Thailand Seafood Working Group**, which helps tackle poor employment practices in Thailand's fishing and seafood processing industry by supporting local and international initiatives.
- **ETI South Africa programme** to improve agricultural workers' conditions by promoting better dialogue between government representatives, employers and workers.
- **Stronger Together** – a collaborative initiative which develops modern slavery training and resources for suppliers.

We're also committed to supporting enforcement bodies such as the Gangmasters and Labour Abuse Authority (GLAA) with information on their investigations where we can.

What we'll be doing in 2017: Our plans and targets

As set out in this statement, we have a well-established, robust approach to tackling labour abuses and modern slavery in our Co-op Food own-brand supply chains. We have good oversight of these Tier 1 suppliers and have a programme of activity to increase transparency beyond Tier 1.

Our plans also include rolling out this model across the Co-op brand products and services we sell in other (non-food) parts of our business, and building on this approach to manage the products and services we use in our own business

You can read about our plans for 2017-18 below, including how we are going to measure our progress.

(i) Enhancing our policies and due diligence

Our food business will continue to focus on increasing transparency beyond Tier 1, and support suppliers to put proper due diligence practices in place. The focus in our own operations will be on embedding new policies and risk assessment processes to address modern slavery, introducing use of Sedex for GSNFR, sharing best practice and building internal capacity.

In 2017, in our food business, we will:

- Ensure that our key Tier 1 Co-op Food own-brand suppliers:
 - have transparent policies and processes in place to prevent, identify and address issues of modern slavery in their own sites and supply chains.
 - develop and share their robust risk-based audit programmes to manage issues in their supply chains.
- Embed the new Sedex forced labour indicators into reporting and risk assessment processes for own-brand suppliers.

In 2017, in our own operations, we will:

- Finalise all new people policies relating to modern slavery; train recruitment colleagues on the new policies and communicate the change to all colleagues.
- Develop our new Group Procurement Policy, and review our SPSP and its role in the due diligence process.
- Develop and implement a strategy for prioritising suppliers based on ethical trade and human rights risk (including the risk of modern slavery).
- Start introducing high-risk suppliers to Sedex.

(ii) Our plans for training and collaboration

In 2017 our food supplier training programme will:

- Reach over 1,000 people through 20 supplier events, to build supply chain capacity and share best practice.
- Train remaining suppliers with UK sites on tackling modern slavery in UK businesses, and ensure relevant Tier 1 suppliers attend a new workshop on tackling modern slavery in global supply chains.
- Work collaboratively to integrate modern slavery training into global supplier forums.
- Roll out a new Advanced Ethical Trade session including a focused session on modern slavery, to key colleagues who regularly visit and interact with suppliers. This bespoke training with an external training partner will be mandatory for all members of the buying and technical team.

In 2017-18 our Group procurement function will:

- Develop our new procurement academy, which will help ensure that we take a standardised approach to our sourcing and supplier management, including standards and training on modern slavery.
- Roll out a business-wide training and awareness plan on ethical sourcing and modern slavery for all colleagues dealing with suppliers of goods and services we use across the business.

- Work with the new GSNFR 'Common Interests Group' to develop a strategy for sharing information on suppliers.

In 2017, we'll form a new Ethical Trade and Human Rights Practitioners' Group for colleagues from across the business, to help put in place consistent processes to monitor supply chain labour standards. Our food business will play a leading role in supporting this, by sharing best practice on managing the risk of modern slavery and human rights.

We will also be training key HR colleagues, particularly those in our HR Services, Employee Relations Services and Resourcing Services teams to identify potential modern slavery cases within our own organisation and where this may apply to prospective candidates, to ensure they know how such cases should be reported and managed.

(iii) Measuring our progress: How effective are we?

Being open and honest is a key part of our Co-op difference. Our approach to ethical trade - which includes our efforts on modern slavery - includes setting targets, monitoring performance, and reporting progress in our [Co-op Way Report](#).

Our food business uses a comprehensive set of key performance indicators (KPIs) to provide insight into the performance of the Food Ethical Trade programme, including actions to identify and address modern slavery such as: progress in improving transparency of our supply chains, audit programmes, improvements in supplier performance, supplier training and wider collaborative activities on modern slavery. You can read more about our food business' performance in 2016 [here](#).

In 2017 we'll continue to develop and report on specific KPIs to demonstrate our progress on modern slavery in our food business. We'll also be developing measures to assess the effectiveness of policies and controls on modern slavery across the procurement of goods and services we use in our own business.

And we'll be measuring and reporting on our campaign activity on modern slavery and the impact it has had, including an independent evaluation of Project Bright Future.

This statement was approved by the Board of the Co-op⁸



Steve Murrells CEO, Co-op Group
April 2017

⁸This includes the Boards of Co-operative Group Limited, Co-operative Group Food Limited, Funeral Services Limited, Co-operative E-Store Limited, Co-operative Legal Services Limited and CIS General Insurance Limited.