



Co-op's Human Rights and Ethical Trade Position Statement

1. Introduction

Ethical trade and respect for human rights are firmly rooted in our co-operative heritage and have been at the very heart of our way of doing business since we were founded in 1844. They are intrinsic to our vision of "Co-operating for a Fairer World". This means that when we carry out our business operations, it's not just what we do that matters, but how we do it.

At Co-op, we aim to thread the concept of "better business" through everything we do. This means empowering and supporting the workers and communities we trade with and have an impact on, ensuring that their fundamental human rights are protected and respected. We expect our colleagues, business partners and suppliers to share this ambition, and to not tolerate any form of human rights abuse, either within our company or supply chains. We are committed to monitoring and reporting our progress to our members, to improving continuously, to demonstrating the positive impact of trading with us, and to championing and campaigning on ethical trade and human rights as a 'better way of doing business'.

2. Purpose

While human rights in supply chains have always been important to us, the challenges we face in meeting our obligations are changing. This Human Rights and Ethical Trade Position Statement gives us the power and the flexibility to address those challenges effectively and appropriately. It is an umbrella statement of intent and approach that will be embedded throughout the business in operational policies and procedures and will be continuously reviewed and improved.

3. Our commitment

(i) Our focus

Our approach to ethical trade and human rights is primarily focused on the protection of fundamental rights of workers throughout our supply chains. These rights encompass the breadth of international labour rights, including fair reward, safe and decent working conditions, and protection from forced labour, modern slavery and harsh or inhumane treatment.

As part of our responsible sourcing approach, we also support credible certification where it exists in key high-risk supply chains, to support the due diligence process and drive long-lasting change. Co-op has seven Fairtrade sourcing commitments across key commodities (bananas, cocoa, coffee, roses, sugar, tea and wine). Fairtrade is a leading, credible certification scheme and movement to empower people through trade working to ensure that farmers and workers disadvantaged by unfair global trade structures in high-risk



commodity supply chains receive a fairer share of the value of the products we sell. The Fairtrade Standards address economic, environmental and social and human rights risks which is fundamental in empowering worker and farmer rights, as well as protecting the environment.

We acknowledge the importance of health and livelihoods of communities connected with our sourcing, including the right to water security and the ownership or use of land and natural resources. We likewise acknowledge the importance of attention towards people who may be at heightened risk of becoming vulnerable or marginalised if adversely impacted by our activities or business relationships, including but not limited to indigenous peoples, women, national or ethnic, religious minorities, LGBTQ+ persons, children, persons with disabilities, as well as migrant workers, farmers and their families.

And finally, our approach recognises the exceptional circumstances under which we may withdraw trade from a state or region, as defined in our Human Rights and Trade Policy (please see resources list at end).

(ii) Guiding principles and underlying standards

Our approach to protecting and respecting human rights within our operations and business relationships is fundamentally rooted in the principles of the Universal Declaration of Human Rights, core International Labour Organisation (ILO) standards, the Ethical Trading Initiative (ETI) Base Code, UN Women's Empowerment Principles and Children's Rights and Business Principles, and national and international laws. We endorse the rights enshrined in the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, including freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; the elimination of discrimination in respect of employment and occupation; and a safe and healthy working environment.

(iii) Our policies on ethical trade and human rights

Our commitment is articulated in a number of policies and guidance documents, which are used to guide our purchasing of products and services and our relationships with suppliers and partners along our supply chains. For a full list, view the resources outlined in Section 7 of this document.

4. Putting our commitment into practice

Our unique history underpins our Ethical Trade programme. Through it we are guided to do the best for our customers, members, and suppliers, believing that all parties could – and should – be better off because of trade done fairly. As a result, Co-op commits to



upholding the rights of all workers involved in the production of Co-op brand products and views our suppliers as partners in this important endeavour.

To this end, we endeavour to develop long-lasting, open and transparent relationships built on trust with our suppliers and provide them with ongoing support through capacity building activities and expert guidance. We take a responsible sourcing approach and work to ensure that our commercial activities positively impact on the workers and communities in our supply chains, focusing in particular on supply chains at salient high risk. We also take steps to build internal capacity so those colleagues engaging directly with suppliers are trained on ethical trade, the identification and resolution of issues, and Fairtrade.

We likewise expect our suppliers to share our commitment to ensuring fair treatment and respect for the human rights of those people and communities in our supply chains. Through many years of pioneering in ethical trade, we have developed a behavioural framework that supports suppliers to make progress on the dimensions of partnership, ownership and proactivity. Those who perform particularly well in our food business are recognised in our Treating People Fairly Awards.

Our programme includes a number of activities and initiatives to monitor risks, identify issues, and ensure that standards are met. We put particular emphasis on those supply chains, products and services where we have the greatest responsibility (in particular, our Co-op branded products), where we can make the most difference, and where there is a higher risk that fundamental labour rights may not be realised.

Co-op's commitment to freedom of association and collective bargaining is intrinsic to our Ethical Trade Programme. We recognise them as enabling rights that are crucial to achieving a fairer world. To facilitate freedom of association and the right to collective bargaining, we actively collaborate with suppliers, NGOs, and trade unions, and invest in worker voice initiatives to address grievances effectively. Our due diligence and social dialogue initiatives identify vulnerable groups from the outset, ensuring that their voices are heard. Even where local laws pose constraints, we work with our suppliers and stakeholders to strive to create environments where workers are engaged – and listened to – without repercussions.

(i) Co-op own-brand products and services

When it comes to our own Co-op brand products (whether for resale or our own use within the business), and to those services provided as part of our own-brand products, we aspire to the highest standards in our supply chains as our members and customers expect. Therefore we:

- make clear to those we trade with that, as a minimum, we expect these fundamental labour standards to be applied throughout our supply chains;
- require visibility of our suppliers and high-risk supply chains, through their registration on a recognised collaborative platform for sharing ethical supply chain data, such as Sedex;



- put in place clear auditing and monitoring mechanisms for Co-op brand products we sell, using established and respected methods to give us a high degree of confidence that our standards are being met;
- work collaboratively with suppliers, and participate in wider industry and multi-stakeholder initiatives, to drive improvements and address ethical trade and human rights issues; and
- report the results of our activities to our members in a clear, transparent way.

We apply this overall approach to all Co-op brand goods and services. However, due to the nature of their supply chains, the methods we use to implement this approach differs between goods and services.

(ii) Third-party branded products and services

We sell a wide range of other branded products in our stores and online, as well as buying them for our own use. We also use a number of services in our business and have a number of third party partnerships. In line with our own expectations, as well as those of our members and customers, we aspire to the highest standards in these supply chains.

Notwithstanding the potential complexity and scale of third-party supply chains, we are committed to doing what is reasonably practicable to ensure that the standards we expect are not systematically compromised. Therefore we:

- make clear to those we trade with that, as a minimum, we expect these fundamental labour standards to be applied throughout their supply chains;
- work to improve visibility of our third-party suppliers and their supply chains, including through use of recognised collaborative platforms for sharing ethical supply chain data, where appropriate; and
- engage with suppliers where we are aware these standards are not being met and participate in wider collaborative initiatives to help drive improvements and address ethical trade and human rights issues, where appropriate.

We apply this overall approach to all third-party branded goods we sell and use, services for our own use, and third-party partnerships. However, due to the nature of their supply chains and the way they are provided, the methods we use to implement this approach differs between goods and services.

5. Continuous improvement

(i) Monitoring and reporting

Being open and honest is an inherent part of our Co-op difference and has been the hallmark of Co-op since 1844, when we ensured customers knew that they were buying unadulterated food.



We are committed to supply chain transparency, and our approach to ethical trade and human rights includes setting Key Performance Indicators (KPIs) and targets, monitoring performance against them, and reporting our progress to members in our Co-op Way Report in a way which clearly shows how we are implementing our policy and the difference it is making to workers in our supply chains.

Our KPIs encompass the following areas of performance:

- Progress in improving transparency of our suppliers and supply chains;
- Implementation of our supplier auditing and ethical screening programmes and improvements in supplier performance as a result of our auditing and monitoring activities;
- The range and impact of our supplier programmes and collaborative engagement activities;
- Our approach to tackling modern slavery and compliance with the Modern Slavery Act;
- Our leadership in Fairtrade, including our sourcing of Fairtrade ingredients and products, Fairtrade programmes to take action on human rights and environmental issues; and
- Our campaign activity and the impact it has had; and how and where we have shown leadership in ethical trade, human rights, international development and Fairtrade.

(ii) Beyond audits

While audits are invaluable for understanding the conditions of workers in our supply chains and for creating a baseline for improvement, we recognise that the human rights issues raised in audits do not exist in isolation. Instead, those issues are often part of systemic injustices that a compliance only approach would fail to address. As such, driving long-term, sustainable change that addresses the root causes of those injustices requires moving beyond audits, which is a key pillar of the way we work.

Going beyond audits means several things. It means collaboration, as we further recognise that we are one actor among many, and that we cannot tackle systemic injustices alone. It means engaging with and listening to the voices of rights holders to hear from them directly on what the problems are, and to take actions that are significant, impactful, and put producers and workers' interests first. It means using our position as a retailer to build capacity and resilience in our supply base and encourage innovation in due diligence. We take this approach in the way we implement our monitoring programme, the way we work with our suppliers and peers to identify solutions to challenging issues, and the way we deliver our supplier engagement activities as set out in our Supplier Guide to Ethical Trade.

Following a rigorous third-party process of analysis and prioritisation, we've identified key areas where the risks are most severe and where we can have the most impact. These 'salient' risk areas now form the basis of our human rights and ethical trade strategy and



are built into our way of working. To read more about these areas and our commitments in mitigating them, please visit our website or Modern Slavery Statement.

6. Our Co-op difference

We have championed ethical trade and human rights since we were founded, and our Co-op difference is clear:

- First, our members and customers understand that when they buy or use products or services bearing our iconic label, we have endeavoured to ensure that working conditions of the people producing or delivering them meet our high standards.
- Second, we are committed to openness and transparency. Where we find failings or fall short of our commitments and expectations on ethical trade and human rights, we will report where these failings occur and how we are addressing them. Where we have identified potential or actual adverse human rights impacts, we will provide for or cooperate in remediation through legitimate processes and engage in sector-wide efforts to address systemic issues.
- Third, as seen from our commitments to Fairtrade and tackling modern slavery, Co-op has always championed and campaigned for 'a better way of doing business'. So, when we find injustice in our supply chains, we will advocate to customers, companies, and governments to make a difference and use our influence to elevate the voices of those not heard. We've been successful in the past when we've been brave, and our campaigning will be brave in the future.
- Fourth, we're committed to working collaboratively to help increase our effectiveness in tackling modern slavery. Across both our food business and Goods Not for Resale (GNFR), we have well-established ethical trade supplier engagement programmes, which enable us to listen to and support our suppliers in tackling human rights issues affecting workers. We also work closely with our colleagues to help build their capacity to identify, manage and deal with risks of modern slavery and are active members of a range of collaborative initiatives across the food sector and others. We believe that such collaboration is essential to developing sustainable solutions to issues that put workers' interests first.
- Fifth, as a cooperative it is in our DNA to collaborate, and we have a proud record of doing so. The human rights and ethical trade issues we face are as complex as they are common, and they require meaningful stakeholder engagement to identify and understand, as well as sector-wide collaboration to effectively address. We work with our key partners such as Fairtrade, our retail peers and suppliers, as well as community partners, governments and industry bodies, to address root causes and create positive change for workers and communities. Our commitment to Fairtrade also allows us to act to support the development of cooperatives around the world.

7. Resources

For further information, please view: Modern Slavery Statement	Our modern slavery statement sets out the steps we are taking to prevent modern slavery in both our business and supply chains. It is required under The Modern Slavery Act 2015.
The Future of Food: A Recipe for Sustainability	Our sustainability ambition to ensure our ingredients are created with care, the people who produce them are treated with respect and that our members and customers are able to appreciate and celebrate delicious, sustainable food.
Co-operate Report	Annual open and honest report on our responsible business performance to help them understand how we're doing on the issues that matter to them.
Sound Sourcing Code of Conduct	Our SSCC sets out the workplace and employment standards that we expect of all our suppliers. This Code is based on the Ethical Trading Initiative (ETI) Base Code and International Labour Organisation (ILO) standards
Human Rights and Trade Policy	Launched in 2009 following a call from our members, the Policy reflects sets out our commitment to a consistent approach to human rights and trade issues.
Sustainable Procurement and Supplier Policy	Our Sustainable Procurement and Supplier Policy sets out: our guiding principles on sustainability, ethics and human rights; our commitments on environmental sustainability, ethical trade and human rights, local communities and animal welfare; and how these relate to our procurement of Goods and Services not for Resale and what this means for our suppliers and partners.
Fairtrade Supplier Code of Practice	Co-op's history of support for Fairtrade has seen us tirelessly promote a better way of doing business. Fairtrade means a better deal for farmers and workers disadvantaged by global trade, ensuring they receive payment that always covers the cost of sustainable production and an additional premium to support producer development programs.
Supplier Guide to Ethical Trade	Supplier-facing guide on the requirements and expectations we have.
Ethical trading - Co-op (coop.co.uk)	Webpage showing our commitments to driving improvements for working conditions and ambition to be the UK's leading retailer in ethical trade.
Human rights - Co-op (coop.co.uk)	Webpage showing our commitments and activities on human rights in our supply chains.
Fairtrade Co-op - Co-op (coop.co.uk)	Webpage showing our commitments to making supply chains fairer and our goal to make it easier for our customers to support communities around the world with every shop.