



# Alcohol Due Diligence Policy

February 2022



# Introduction

## **Alcohol Due Diligence**

In November 2014, HMRC placed an obligation on all excise warehouse keeper approval holders to objectively assess the risks of excise duty fraud within their supply chains.

In 2016 the due diligence requirements were extended to include the wholesale of excise duty paid alcohol under the Alcohol Wholesale Registration Scheme.

In line with these requirements, we conduct appropriate due diligence checks on all suppliers and wholesale customers to reduce the risk of tax fraud within the supply chains in which we operate.

We have issued a policy which supports this and will explain the details in this document.

# Acronyms and Definitions

Throughout this document we will make references to some of the below acronyms and definitions, which are explained here:

AWRS	Alcohol Wholesaler Registration Scheme
HMRC	HM Revenue & Customs
tCG	The Co-operative Group
Customer	Anyone who the Co-op Group wholesale sell alcohol to, this includes but is not exclusive to FRTS, jobbers, independents etc
Vendor (Supplier)	Anyone the Co-op Group buys alcohol from; this includes both the Co-op Group and NISA when operating within the 'One Buyer' model

# What does the policy cover?

The policy applies to all Co-op colleagues, agency workers, vendors and customers – anyone who is involved with the supply, sale, storage and distribution of alcohol.

It also explains the type of Alcohol Due Diligence which the Co-op Group will undertake to ensure that we are adhering to all of the requirements of HMRC and AWRS.

This includes: -

- Our definition of what due diligence is
- How you can expect Co-op colleagues to behave when dealing with Alcohol Due Diligence
- The way we work with you as vendors and customers that are managed within Alcohol Due Diligence

## Due Diligence – what is it?

Due diligence is a term which relates to the reasonable and proportionate checks that we conduct in our day-to-day trading to identify transactions that may lead to fraud or involve goods on which excise duty may have been evaded.

As part of it we also audit trails of all alcohol that reaches the legitimate market in the UK.

We make sure that all due diligence that is conducted is captured and detailed in a database.

This allows us to keep an auditable and transparent record, and ensures that we maintain a safe and legal working environment for everyone.

# Our commitments

Fair dealing is at the heart of the Co-op Group, where we embody our values of equality and equity.

We always treat our suppliers and our customers with respect and courtesy, and this means that we will always deal with each other honestly and openly.

Every colleague that engages with the supply of alcohol must undergo comprehensive training which sets out all of the dos and don'ts relating to Alcohol Due Diligence and ensures that the Co-op Group never buys alcohol from anybody other than directly from Branded Owners (commonly known as the Grey Market), or purchase 'duty paid' alcohol direct from any non-UK business.

If you have any concerns and need more guidance, our Supplier Engagement Team are on hand to help.



**Email**

[supplierengagement@coop.co.uk](mailto:supplierengagement@coop.co.uk)

# Compliance and Monitoring

The Co-op Vendor Data Team monitor everything to do with Due Diligence, and make sure that any deviation from the policy results in further investigation.

## Documentation Retention

All vendor and customer due diligence responses and requests are recorded and retained in a restricted-access drive for up to six years from the date of last supply to meet the excise legal requirements and are accessible to relevant Co-op colleagues only.

## Auditing

The process and policy are independently audited on a regular basis by Internal Audit and Customs and Excise Duties Managers, who ensure the correct due diligence is being adhered to and that any identified risks are adequately managed.

## Escalation

Everyone that is involved in this process, whether Co-op colleagues or vendors, has a responsibility to report any potential risks relating to suspect or fraudulent activity.

As a vendor, if you have any concerns or if you wish to raise a GSCOP-related issue or query with the Code Compliance Officer, you can contact our Code Compliance Officer:



**Email**

[co-op.code.compliance.officer@coop.co.uk](mailto:co-op.code.compliance.officer@coop.co.uk)

You can also contact the Co-op Customs and Excise Team directly with any concerns:



**Email**

[customsandexcisedutiesmanager@coop.co.uk](mailto:customsandexcisedutiesmanager@coop.co.uk)



**Any questions?**

[supplierengagement@coop.co.uk](mailto:supplierengagement@coop.co.uk)



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