

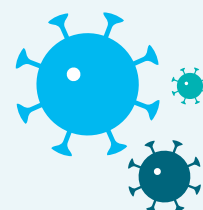
Modern Slavery Statement 2022

The Southern Co-operative Limited (“Southern Co-op”) has always prided itself on its ethical approach to business. It’s part of our co-operative difference. We wholeheartedly endorse the need to take steps to eradicate modern slavery and human trafficking of any type from our operations, workplace and communities to raise awareness of these abhorrent activities and encourage others to do likewise. The Modern Slavery Act 2015 was brought into force to tackle widespread problems with slavery, servitude, forced or compulsory labour and human trafficking which unacceptably still exist in the UK. One of the areas the legislation has dealt with is promoting transparency and accountability across businesses. To this end, this is our sixth Modern Slavery Statement which sets out the progress we have made, in the last year to the end of January 2022 to raise awareness and understanding of the existence of human trafficking and modern slavery and ensure that they have no part in our workplace or in the production or manufacture of the products we sell and the services we use.



COVID-19

Last year we reported that the global pandemic had again inevitably adversely affected our work in combating modern slavery because we prioritised our frontline activities of food retail and end of life services, as we had been forced to do by the pandemic in 2020. As restrictions eased slightly in 2021, we focused on supporting our colleagues and customers within our coffee business in the same way to ensure we were all being kept safe. Whilst we have made progress and taken action to further our anti modern slavery work, 2021 tells a similar story. Lockdowns continued and our focus was rightfully on ensuring the safety and wellbeing of our colleagues, members, customers and wider communities as far as we could. We have continued to support our local communities, as they were left in a vulnerable and desperate situation and therefore at a greater risk of abuse and exploitation. Our community response included reinforcing our support for those in need through local food bank relationships and supporting the organisation, Hubbub, in setting up community fridges across our trading area. We also made further donations to NHS Charities Together on behalf of our members, as a thank you for voting in our directors’ election and AGM. Many members also donated their share of the profits vouchers to the charity, alongside automatic donations of odd pence by all members. For details of all our community support last year please see our 2021/22 [Sustainability Report](#) for more information.



Our business and supply chains

We’re an independent co-op with a turnover of over £494 million, operating across the south of England running convenience food stores, funeral homes, bereavement services, crematoria, and natural burial grounds. We also have franchise partners who trade under our ‘Welcome’ brand and a Starbucks coffee franchise. We have over 4,000 colleagues and a purpose of working together for the benefit of our communities.

Our core business is operated by Southern Co-op which has a number of smaller subsidiaries in its group*. These subsidiaries run distinct businesses which make up Southern Co-op’s portfolio, including our various end of life services as well as coffee operations and our



*Mutual Associates Limited, Southern Co-operative Funerals Limited, Mutual Services (Portsmouth) Limited, Co-operative Franchising Limited, Cobra Coffee Limited, Cobra Coffee South West Limited, Southern Co-operative Properties Limited, Southern Co-operative Retailers Limited, Co-operative Independent Living Limited, Southern Co-operative Dairies Limited, South of England Funeral Partners Limited, Sussex Woodlands Limited, East Devon Crematorium Limited and Natural Burial Grounds Limited.

Welcome franchising arm. Although only Southern Co-op is required to publish a statutory statement, this Modern Slavery Statement sets out the attitude and work of the entire group in relation to our fight against modern slavery and similar practices.

As a co-operative, we have a purpose beyond profit and apply sustainable, ethical business practices with a longstanding commitment to local communities which includes a zero tolerance to modern slavery.

In relation to our food business, approximately 90% of the products we sell in store are supplied by The Co-operative Group Limited, the separate, independent co-operative based in Manchester, via a joint buying arrangement managed by Federal Retail and Trading Services Limited which represents a number of independent retail co-operatives. We directly manage our many other suppliers who provide the range of services we require in our business from cleaning services, stationery and security to IT support, software and hardware; company cars to facilities management and end of life products to Local Flavours, our range of local food and drink stocked in all of our food stores.



Our policies and strategy

Our Modern Slavery Working Group continued to meet but on a more restricted basis than we would have liked due to resourcing issues and other priorities caused by external events. Chaired by our Director of Sustainability and Communications, supported by our General Counsel, it remained responsible for overseeing our policies, processes, training and reporting generally to ensure our business and supply chains continue to be safeguarded from the abhorrent practice of modern slavery and that we are transparent and effective in this. We continue to apply our existing policies and processes which demonstrate our commitment to trading in an ethical manner and serve to identify any risks of modern slavery incidences.

Our purpose of “working together for the benefit of our communities”, as set out in our strategy: [“Our Plan”](#), remains our central theme, underpinning everything we do as we continue to strive towards promoting a fairer and more sustainable way of doing business. Running through our core, this commitment is reflected in every decision we make whichever of our stakeholders that decision affects. By acting responsibly and standing up for what we believe in, we can encourage others to do the same; therefore, supporting communities and the environment to give society and our planet, a chance to sustain itself and thrive locally, nationally and globally. Our Plan is aligned with the UN’s [Sustainable Development Goals](#) (SDGs), with one of our prioritised goals, the drive towards responsible consumption and production (SDG 12). We continue to work with our suppliers to raise ethical standards and ensure people are treated fairly. Our Plan underlines our fundamental ethos of a “Fair, fresh approach, for all” which is at the heart and soul of our brand. This reflects our attitude towards such unacceptable practices as modern slavery and human trafficking and encourages a business wide culture of driving out inequality and unfairness, both internally and externally - it reinforces our co-operative values and is part of our co-operative difference.



This year we have worked with an external consultant providing specialist advice in this area, to support us in going above and beyond our statutory duties. Having previously delivered

modern slavery training sessions, the consultant has supported us in reviewing our progress to date and helped us to formulate a specific anti modern slavery strategy which we are implementing. This aims to ensure we have a robust governance framework in place, promote awareness and understanding of the problem, ensure we continue to prevent instances of modern slavery and human trafficking within our business and supply chains, engage with other third parties who are active in the fight against this practice such as law enforcement agencies and charities and communicate with our members and other stakeholders about what we are doing. This statement is one way in which we achieve this transparency. Separately but importantly, a key part of this strategy is to reassess our supply chains to highlight the risk areas and to check that these continue to be monitored. The Board will oversee performance against this strategy over time and we will report on progress in our future statements.

We have a longstanding whistleblowing policy which encourages employees and others such as customers and suppliers to report in confidence, without fear of reprisals, any instances of wrongdoing such as modern slavery. As reported last year, we reviewed how this works in practice and have made some changes with a view to exploring how we can further improve the service. We plan to investigate alternative external providers of a helpline to ensure it is easily accessible and encourages people to come forward if they have any concerns. We remain committed to eradicating abhorrent exploitative practices for good and promoting a culture of openness, creating an environment where people feel empowered to speak out where they see something wrong. In accordance with the Immigration, Asylum and Nationality Act 2006, which aims to safeguard workers from exploitation and mistreatment, our recruitment procedures ensure checks on eligibility to work in the UK are carried out for all employees.

As reported last year, in support of our drive to promote diversity and inclusion within our workplace, we joined the government backed Kickstart scheme. This provided real work experience for young people between the ages of 16 and 24 who have struggled to find work and are on Universal Credit. By giving these people opportunities they may not otherwise have will allow them to gain skills and experience to help them find permanent work. It is the vulnerable who are potentially most at risk of being exploited so we hope that this scheme may have other long term benefits for individuals and society as a whole and we are proud to be a part of it. We are pleased to report that we have taken on 23 of these Kickstart trainees on a permanent basis within our business and 19 remain on the placement scheme which terminates this year.

Our suppliers

Our main supplier to our food business, The Co-operative Group Limited, has a robust, proactive anti-slavery policy consistent with its ethical trading stance, as set out in its [Modern Slavery Statement](#) and its annual [Sustainability Report](#) showing how it does business responsibly. It has a longstanding [Sound Sourcing Code of Conduct](#) based on the Ethical Trading Initiative Base Code. All its suppliers are expected to share the principles set out in that Code. As a result, we are confident that it has taken and continues to take considerable steps to minimise the risk of modern slavery within its operations and ensure its commitment in this area is applied across its business and supply chains.

We recognise that the UK is not immune from these issues and we have maintained our vigilance in ensuring that all new



contracts we enter into with our suppliers who are primarily based in this country contain appropriate safeguards. We have also entered into such contracts with all of our suppliers who provide goods for our Local Flavours range. We have worked with an external third party expert to develop a tailored approach to auditing these, mostly small scale suppliers, which includes checks on the risk of the existence of modern slavery and human trafficking. We are pleased to report that we weren't made aware of any instances of modern slavery through this process. We are committed to maintaining this audit process to ensure we are fully aware of any risks in our local supply chain and can take action, as appropriate.

In relation to our Starbucks business, which is operated under licence, we are required under our contractual arrangements to use Starbucks's nominated suppliers. Starbucks has a longstanding commitment towards promoting ethical sourcing of all its products. It will not make use of any form of forced or compulsory labour at any time for any purpose. It has a range of ethical sourcing programmes, some of which are externally accredited. With the help of external consultants, it is working towards compliance with these ethical programmes across its supply chain with a target of ensuring 100% of the tea, coffee and cocoa is purchased in accordance with its policies. Please see the [Starbucks website](#) for further details of their work in this area.

We are members of [Business in the Community](#) ("BITC") which promotes responsible business, including through the application of the UN's SDGs. In November 2021 we again took part in their Responsible Business Tracker. BITC defines responsible businesses as a healthy business; one that puts the creation of healthy communities and a healthy environment at the heart of its strategy to achieve long-term value for its stakeholders. The Responsible Business Tracker is a measurement tool that enables businesses to assess and benchmark performance, identifying opportunities for continuous improvement, working across the whole responsible business agenda. As a result, crucially in relation to modern slavery and other elements of that agenda, this collaboration and in particular our participation in the Responsible Business Tracker, helps us identify further opportunities to strengthen our management and, where appropriate, mitigation of social, ethical and environmental issues within our business and value chain.

This year we have continued to make progress with our work against modern slavery as part of our new procurement strategy which was launched in 2019. A cornerstone of this strategy is to ensure we uphold high ethical standards when choosing our business partners. Having developed a bespoke tool "Our Decision Making Compass" designed to bring a more specific ethical lens to our decision making, it has been applied to many strategic projects and decisions we have embarked on or made in the last year. This has meant we have specifically considered stakeholders' interests, the impact of our actions and activities on our communities, members, colleagues and suppliers and on the environment. By applying this Compass, we can ensure we work with partners who have a similar approach so that the values and principles we apply to the way we do business are upheld across our supply chain.



The Modern Slavery Working Group remains responsible for overseeing the implementation and monitoring the efficacy of these processes in protecting the business and its supply chains from modern slavery. It will now also lead on implementation of the new strategy.

Training

Key colleagues remain focused on maintaining their knowledge of developments in this area and the ways in which we can tackle modern slavery as a business. This year we have been able to refresh specific training to raise awareness across our business of the relevant issues which may affect us and our stakeholders and what action we can all take to ensure modern slavery and similar practices are eradicated. This training was delivered by the specialist consultancy we have been working with over the last couple of years. Key colleagues from across the business attended and provided useful feedback. All the colleagues who completed the feedback form found the training very or extremely useful and agreed unanimously that they learned more about the issues. The awareness raising was felt to be particularly beneficial for those working in the area of colleague recruitment. Attendees also raised how important it is to talk about this topic at all levels of the business and across all stakeholders to increase understanding and enable individuals to identify warning signs and the action they should take. As a result of this feedback we are continuing to look at ways to promote awareness across the wider business.



Assessment of effectiveness

It is important we assess whether the steps we are taking are achieving our goal of defending our organisation from incidences of modern slavery. We can again confirm that this year we have not been made aware of any breaches of the Modern Slavery Act 2015 within our business or supply chains. We remain alert to the risks and dangers to maintain confidence in our ability to prevent modern slavery and human trafficking in all its forms within our sphere of influence. We will report again on our progress towards this aim next year.

Approval for this Modern Slavery Statement

This statement was approved by the Board of Directors of The Southern Co-operative Limited on 28 July 2022.

Signed

A handwritten signature in black ink that reads "Mark Ralf".

Mark Ralf
Chair