

Modern Slavery Statement 2021

In its long history, 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. The practice of modern slavery and human trafficking is unacceptable. We continue to wholeheartedly endorse the need to take steps to eradicate modern slavery of any type from our operations, workplace and communities and encourage others to do likewise.

Regrettably, we still live in a world where people are treated as property and are bought and sold, abused and exploited. The Modern Slavery Act 2015 was brought into force to tackle widespread problems with slavery, servitude, forced or compulsory labour and human trafficking which have caused concern in recent times. One of the areas the legislation has dealt with is promoting transparency and accountability across businesses. To this end, this is our fifth Modern Slavery Statement which sets out the progress we have made in the last year to ensure that human trafficking or slavery has no part in our workplace and the production or manufacture of the products we sell and the services we use.

COVID-19

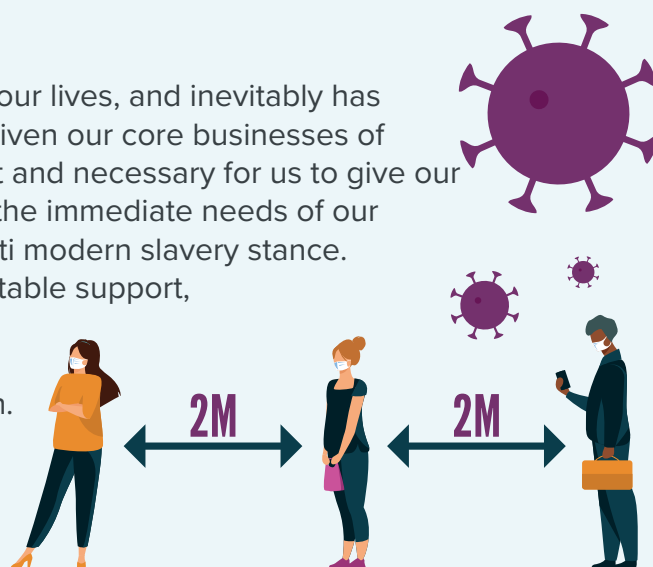
The global pandemic has affected every aspect of our lives, and inevitably has impacted our work in combating modern slavery. Given our core businesses of food retail and end of life services, it has been right and necessary for us to give our complete focus to our frontline activities, ensuring the immediate needs of our communities are met, whilst still maintaining our anti modern slavery stance.

We have also stepped up our community and charitable support,

recognising that the pandemic has left many more people in a vulnerable and desperate situation and therefore at a greater risk of abuse and exploitation.

Our community COVID-19 response has included reinforcing our support for those in need through local food bank relationships and FareShare, the UK’s national network of food re-distributors, and

through donations and other support to the National Emergency Trust, Neighbourly’s Community Fund, NHS Charities Together and Business in the Community’s National Business Response Network. We have also facilitated customer and colleague donations in support of these charities alongside our own. (See Annual Review 2021 COVID-19 report for more information.)



Our business and supply chains

Southern Co-op is a large, independent co-operative society established in Portsmouth nearly 150 years ago. Owned by our 132,000 plus members, we operate across 11 counties in the south of England, with our main business being food where we have a network of just over 200 stores. We also offer end of life services, including funeral homes, bereavement services, crematoria and a natural burial ground. We have a growing number of franchise partners who trade under our ‘Welcome’ brand and we are franchisees ourselves; operating Starbucks coffee outlets across the south.



We are licensed to use the Co-operative Food and Co-operative Funeralcare national brands but operate as an independent society with a team of over 4,300 employees and an annual turnover of over £490 million.

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 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 many of our food stores.

Our policies

Our Modern Slavery Working Group, chaired by our Director of Sustainability and Communications, is 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.

Prompted by the effects of the global pandemic on our communities, and our expectation that this will have long term implications for how people shop and use our services in the future we refreshed 'Our Plan', Southern Co-op's strategic plan, at the beginning of 2021.

This sets out how we intend to maximise the performance of our business in a sustainable and ethical way and how we will play our part in the drive to 'build back better'. The updated 'Our Plan' details our objectives and goals for the next four years and takes into account our experiences and those of our members, colleagues, customers, suppliers and other stakeholders. Our purpose of 'working together for the benefit of our communities' 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



*Mutual Associates Limited, Southern Co-operative Funerals Limited, Mutual Services (Portsmouth) Limited, Co-operative Franchising Limited, Cobra Coffee 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

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)** which address the world's biggest challenges and are a universal call to action to, amongst other things, promote sustainable and responsible economic growth to end poverty and ensure that all people enjoy peace and prosperity. To this end, one of the particular goals we have adopted is 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.

As previously reported, 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. We are reviewing how this works in practice with a view to ensuring 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.

In support of our drive to promote diversity and inclusion within our workplace, we have joined the government backed Kickstart scheme. This provides 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.

Our suppliers

Our main supplier in relation 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. The first audits under this new scheme took place during 2019 and have, due to the government restrictions, continued at a slower pace in 2020. 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 the extent we are able to in line with government guidance, 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 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 performance in a number of ways, including through the application of the UN's SDGs. This collaboration has identified further opportunities for us to strengthen our management 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 and colleagues 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.

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 not been able to refresh specific training because of the difficulties caused by COVID-19 and the need to focus on critical priorities but we intend to review levels of awareness across our business. It is our intention to deliver refresher training during the course of 2021 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 wiped out.

Assessment of effectiveness

It is important for us to assess whether the steps we are taking are achieving our goal of defending our organisation as a whole from any modern slavery incidents. 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 22 July 2021.

Signed

A handwritten signature in black ink that reads "Mark Ralf". The signature is written in a cursive, flowing style.

Mark Ralf
Chair