

Modern Slavery and Human Trafficking Statement

Financial Year Ended 27th January 2018

1. Introduction

This statement sets out the actions and activities that Central England Co-operative has taken during the financial year ending January 2018, and is continuing to take, to ensure that modern slavery or human trafficking is not taking place within our Society or supply chain.

Modern slavery is a crime resulting in the abuse of the human rights of vulnerable workers. It can take the form of slavery, servitude, forced or compulsory labour, or human trafficking. The Society has a zero tolerance approach to modern slavery. We are committed to acting ethically, with integrity, and with transparency in all of our business activities and relationships to ensure that we are free from slavery and human trafficking. We expect the same high standards from our suppliers and contractors.

2. Our businesses

This statement covers the activities of Central England Co-operative, a retail business operating solely within the UK. During the financial year ended 28th January 2018 we held relationships with approximately 1000 suppliers.

3. Our high risk areas

We assess whether or not a particular activity is at risk of modern slavery or human trafficking by undertaking a risk assessment with any new and existing suppliers.

Our reviews have not identified any activities to be at high risk of slavery or human trafficking within the Society's GNFR supply chain during the period ended 28th January 2017.

It is important to note that 95% of the product for Central England Co-operative food stores is sourced through a central buying services agreement. A copy of the Sound Sourcing Code of Conduct is available from the following link <https://www.co-operative.coop/ethics>.

4. Our policies

We operate a number of internal policies to ensure that we are conducting business in an ethical and transparent manner. These include;

Modern Slavery and Human Trafficking Policy – This policy is designed to set out our stance on modern slavery and human trafficking and explains how our colleagues can identify and report instances of modern slavery and human trafficking within our business activities or supply chain.

Whistleblowing Policy – This policy is designed to make it easy for workers to make disclosures without fear of retaliation. Workers can use our confidential telephone line to make such disclosures. Any disclosures in relation to modern slavery or human trafficking will be reported to the police to investigate.

Colleague code of conduct – We make it clear to our colleagues the actions and behaviours that are expected of them when representing the Society. We strive to maintain the highest standards of colleague conduct and ethical behaviour when managing our supply chain.

Recruitment/Agency Workers Policy – We operate a robust recruitment policy, which includes the checking of eligibility to work in the UK to help safeguard against human trafficking or forced labour. We

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only use specified, reputable employment agencies to source labour and always verify the practices of any new agency we use before accepting workers from that agency.

5. Our suppliers

Central England Co-operative operates a procurement policy and maintains a preferred supplier list. We conduct due diligence on all suppliers with an annual spend in excess of £50,000 before allowing them to become a preferred supplier.

This due diligence includes an online search to ensure that a particular organisation has never been convicted of offences relating to modern slavery.

As part of due diligence, a risk assessment process was introduced on 1st March 2016. This gives consideration to the type of product or service being supplied, the area of operation, whether a supplier has published a policy and statement in relation to modern slavery, whether it has made a commitment to paying the National Living Wage as a minimum and whether any of its services are outsourced. In addition, where the supplier provides goods and services from abroad, they are required to demonstrate that employment practices are ethical and comply with good practice. This was introduced for all new suppliers with an annual spend in excess of £50,000 from 1st March 2016, and we have also undertaken this assessment with our top 40 existing suppliers.

Since March 2016 the Society has welcomed some fifteen new GNFR suppliers each with annual spend over £50,000. Of these, eight were considered very low risk at the outset, and no further investigation was required. Of the remaining seven, a range of compliance checks have been performed and five suppliers have been checked and are compliant with the Society's Modern Slavery commitments. The two remaining suppliers are in the building and construction sector and were selected as part of an outsourced tender process run by a third party firm of quantity surveyors in conjunction with the Society. Both suppliers are UK based with individual turnover below the £36M threshold for publication of a modern slavery statement. These two suppliers have not been checked and this has been identified as a low risk. The next tender in this area will be undertaken during 2018 and modern slavery compliance checks will be performed prior to appointment.

Our suppliers are expected to comply with our standards in relation to modern slavery, and this expectation forms part of our invite to tender document for all new suppliers. This includes their commitment to comply with all legislation in relation to the Modern Slavery Act, to commit to not taking part in any action that might cause or lead the Society to be in violation of the Act, to assist the Society in the performance of activity by any regulatory body for the purpose of the Act, and to provide warrants that there is no Modern Slavery taking place in their supply chain.

We have included our expectations in relation to modern slavery within our supplier contracts, and reserve the right to terminate contracts held with our suppliers at any time should any instances of modern slavery come to light.

6. Training

On the 4th July 2016 the Society conducted training for the Senior Leadership team / Procurement team / HR team and Corporate Responsibility Team so that the signs of modern slavery could be understood and what to do if modern slavery is suspected within our supply chain. This is planned to be completed every 3 years.

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7. Our performance indicators

We will know the effectiveness of the steps we are taking to ensure that slavery and/or human trafficking is not taking place within our business or supply chain if no reports are received from our colleagues, the general public or law enforcement agencies to indicate that modern slavery practices have been identified.

During 2018 no issues were highlighted through the confidential hotline in line with the Society's Whistleblowing policy.

The Head of Risk and Compliance conducted interviews with HR, Procurement and Product and Category to evidence the effectiveness of controls with two low risk issues identified within Procurement which are being addressed.

The Society's Internal Audit function completed independent reviews of the Coffin and Factory and HR regarding right to work with no issues identified.

The Society will continue to monitor key controls around Modern Slavery during 2018 and any issues will be raised with the Executive team.

8. Approval for this statement

This statement has been approved by the Society's Board of Directors on March 2018

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Signature.....

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