

Modern Slavery & Human Trafficking Statement for the financial year 2018/19

Introduction

This statement sets out the actions and activities that Central England Co-operative ('the Society') has taken during the financial year ended 26 January 2019 and is continuing to take, to ensure that modern slavery or human trafficking is not taking place within the Society or its 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 in order to safeguard against any form of modern slavery taking place within the Society. We expect the same high standards from our suppliers and contractors.

Our business

This statement covers the activities of Central England Co-operative, a retail business operating solely within the UK. During the financial year ended 26 January 2019 we held relationships with approximately 1,000 suppliers.

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.

During the period ended 26 January 2019, our reviews have not identified any activities to be at high risk of slavery or human trafficking within the Society's GNFR (goods not for resale) supply chain. Other risks investigated during the period covered the sourcing of materials from North America and India in respect of the Society's funeral business.

It is important to note that 95% of the products sold in Central England Co-operative food stores are supplied by The Co-operative Group Limited under the terms of a buying services agreement managed by Federal Retail and Trading Services Limited (FRTS).

The Sound Sourcing Code of Conduct is available from <https://www.co-operative.coop/ethics>

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 sets out the Society's stance on modern slavery 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 our colleagues to make disclosures without fear of reprisal. Colleagues can use the Society's 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 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.

Our suppliers

The Society 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, the Society's risk assessment process 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 process was introduced on 1 March 2016 for all new suppliers with an annual spend in excess of £50,000, and we also undertook this assessment with our top 40 existing suppliers at that time.

Since that time, an annual review is completed in respect of any new supplier that could be deemed at risk or where they are obliged to provide a statement under the Modern Slavery Act. During the 2018/19 financial year no risks were identified within the Society's supply chain.

Our suppliers are expected to comply with the Society's standards in relation to modern slavery, and this expectation forms part of our invitation 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 purposes 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 arise.

Training

In July 2016 the Society conducted training for the Senior Leadership Team / Procurement Team / HR Team and Corporate Responsibility Team. The training outlined the signs of modern slavery coupled with the steps and procedures to follow if modern slavery is suspected within our supply chain. A planned training refresher is due to take place in 2019 which will also include a new session for our Board of Directors to set out their responsibilities.

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 the year ended 26 January 2019 no issues were highlighted through the confidential hotline in line with the Society's Whistleblowing Policy.

The Society's Head of Risk and Compliance conducted interviews with HR, Procurement and Product and Category and the Funeral business to evidence the effectiveness of controls.

The Society's Internal Audit function completed independent reviews in 2018 of the Society's coffin factory which specifically included controls around modern slavery and HR regarding right to work with no issues identified.

The Society will continue to monitor key controls in respect Modern Slavery during 2019. We will take appropriate action if we suspect or are advised of any instances of modern slavery or human trafficking within the Society or our supply chain.

Approved by the Board of Directors

21 March 2019