

MODERN SLAVERY STATEMENT

FOR FINANCIAL YEAR 2022/23

This statement is made pursuant to s.54 of the Modern Slavery Act 2015 and sets out the steps that Scotmid Co-operative Society (Scotmid) Ltd has taken and is continuing to take to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. Scotmid has a zero tolerance approach to any form of modern slavery. The Society is committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or our supply chain.

Our business

Scotmid is Scotland's largest independent co-operative and has been at the heart of Scottish communities since 1859. Our businesses include Scotmid Co-operative, Lakes & Dales Co-operative, Semichem, Scotmid Funeral Directors, and our property division. The Society employs around 4,000 people in Scotland, Northern Ireland and the North of England in around 270 retail units and funeral sites.

As a co-operative society, Scotmid is owned by its members, who each have an equal say in how we are run. We are true to our co-operative values and principles, and we are committed to supporting our local communities through investment in community and co-operative initiatives.

We are incorporated in Scotland under the Co-operative and Community Benefit Societies Act 2014. Our registered address is Hillwood House, 2 Harvest Drive, Newbridge, Edinburgh, EH28 8QJ.

While none of our turnover is generated by overseas operations, we do acquire some of our products from overseas suppliers, principally for the Semichem business.

Our suppliers

Over the past 12 months the Society has used around 1000 individual suppliers who provide the range of goods and services we require in our business.

In relation to our food business, approximately 90% of the products we sell in store are supplied by the Co-operative Group Limited, via a joint buying arrangement managed by Federal Retail and Trading Services Limited (FRTS) which represents Scotmid and a number of independent retail co-operatives. FRTS adopts The Coop Group's Modern Slavery Statement and Sound Sourcing Code of Conduct (SSC) which can be found at <https://www.co-operative.coop/ethics>. The SSC sets out the workplace and employment standards that we expect of all our suppliers

FRTS suppliers are identified for audit using a risk-based approach determined by their responses to Sedex (Supplier Ethical Data Exchange) questionnaires, worker profiles, country of origin and sector analyses. Through this monitoring programme over 2,500 co-op own branded supplier sites are covered, comprising over 700,000 workers across six continents and 70 countries.

In addition to accessing products through FRTS, we directly manage a number of suppliers, for whom we carry out due diligence checks. Our standard Terms and Conditions seek undertakings and warranties that our suppliers comply with our ethical trading standards and with anti-slavery and human trafficking legislation. In addition, we conduct a credit check and online search of the supplier to ensure that the organisation is trading lawfully and without impediment. We routinely check our supplier's compliance with relevant industry standards e.g. Safe and Local Supplier Approval (SALSA), which provides additional reassurance on trading standards. Our suppliers must agree to allow inspection of their premises if required. We may terminate the contract at any time should any instances of modern slavery come to light.

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Risk areas

The signs of modern slavery can often be very subtle and difficult to identify. We recognise that while we cannot remove all risk of modern slavery in our supply chain, we must remain vigilant and continue to apply a risk-based approach to our suppliers. To this end, we continue to take steps through our due diligence and audit processes to ensure we understand areas of our Society and supply chain in which there may be a greater risk. We are committed to continuing to engage with suppliers to explore the further understand and discuss risks associated with modern slavery.

Our policies and training

We operate a number of other internal policies to ensure that we are conducting our business in an ethical and transparent manner, and support this with relevant training where appropriate :

- **Recruitment policy** - we operate a robust recruitment policy; this includes conducting eligibility to work in the UK checks for all colleagues to safeguard against human trafficking.
- **Whistleblowing policy and confidential Whistleblowing helpline** - informing colleagues how to raise concerns about inappropriate practices within our Society without fear of reprisal.
- **Dignity and Respect at work policy and e-learning** - ensuring all colleagues are treated with dignity and respect and understand their obligations and rights as employee.
- **Equal opportunities policy**
- **Wellbeing Training**
- **People Management Training**

In addition, we provide support to all colleagues through our Employee Assistance Programme, which is a free confidential helpline service allowing colleagues to get advice on personal, home or work related issues.

Our performance indicators

We have had no reports from colleagues, the public or law enforcement agencies to indicate that modern slavery practices have been identified. We will continue to monitor as necessary.

On behalf of the Board:



John Brodie
CEO