

## ACS Submission: Transparency in Supply Chains

ACS (the Association of Convenience Stores) welcomes the opportunity to submit evidence to the Home Office consultation on improving transparency in supply chains through Modern Slavery Statements. ACS represents 33,500 local shops and petrol forecourts including Co-op, McColls, BP and thousands of independent retailers, many of which trade under brands such as Spar, Nisa and Costcutter. Further information about ACS is available at Annex A.

We support the Government's objectives to ensure a level playing field for responsible businesses and prevent modern slavery abuses in supply chains. Larger retailers operating in the convenience sector have been reporting since the regulations took effect in 2017 and are now beginning to develop more detailed statements based on coordinated strategies to minimise the risk of modern slavery. However, we are unsure that mandating the content of modern slavery statements would encourage more detailed reports as comprehensive guidance is already available.

Modern slavery reporting requirements remain relatively new and the Home Office should prioritise supporting businesses to complete statements to the highest quality over new restrictions on how they are delivered. Retailers value the flexibility to publish their modern slavery statements whenever suits them best within the reporting year and it is not clear that setting a single reporting deadline would facilitate easier comparison of statements by consumers.

**For more information on this submission, please contact Steve Dowling, ACS Public Affairs Manager, via [steve.dowling@acs.org.uk](mailto:steve.dowling@acs.org.uk) / 01252 533009.**

### **Content of Statements (Q1 - 5)**

Most convenience retailers required to report on modern slavery are already submitting detailed reports which follow the statutory guidance on statement content. All these statements include details on organisational structures; policies in relation to slavery and human trafficking; and information on due diligence processes including whistleblowing policies. Most statements include self-assessments about a retailers' knowledge and effectiveness in combating modern slavery, but few have identified 'high risk' areas of the business. This can be due no high risk areas existing or the use of a blanket approach from retailers, for example by auditing all suppliers for employment offences. Assessing 'high risk' areas of the business also requires collaboration across board-level business functions, beyond HR to legal, sustainability and procurement – which ensures modern slavery is actively considered at senior levels of the business.

Convenience retailers are developing more detailed modern slavery statements as strategies are drafted and adopted at board level. Some retailers in the sector are now tracking their effectiveness against adopted objectives on modern slavery, while others have used their most recent statements to outline intentions to adopt performance indicators. Convenience retailers are also building their head office and human resources' understanding of modern slavery, including by buying in specialised training courses for colleagues.

Collating these more detailed statements requires a greater commitment, although the exact labour and time used varies according to the complexity of the business and level of detail in the statement. Resourcing the time and labour to complete statements is a key consideration for retailers, who want to

demonstrate their impact on tackling modern slavery while safeguarding compliance with a wide range of other regulatory requirements.

We do not support regulating the content of modern slavery statements. Convenience retailers are completing statements and now developing coordinated approaches to combating modern slavery. The flexibility for retailers to report using their own layouts and structures prevents modern slavery reporting from becoming a 'checkbox compliance exercise' and the government guidance itself states that 'the detail and quality of information you include... should improve in successive annual statements'<sup>1</sup>. The current framework led by statutory guidance is already leading to more detailed statements from the sector and prevents 'copy and paste' statements from other businesses not taking the regulations seriously.

### **Publishing on the New Online Registry (Q6 – 7)**

We understand the Government is developing an online registry for statements published under the Modern Slavery Act and most retailers would voluntarily publish their statements on a registry. If hosted on an external website away from gov.uk, which already hosts a suite of guidance on modern slavery statements, the website could become an online one-stop-shop for modern slavery issues. All modern slavery guidance should be hosted on one site, whether on gov.uk or a central registry. This would produce a true 'guidance hub' for retailers and avoid unnecessary complexity. We have not been made aware of any gaps in guidance for retailers, either in the statutory guidance or other tools and resources signposted from gov.uk.

### **Single Reporting Deadline (Q8 – 9)**

One advantage of the modern slavery regulations is the flexibility they provide for retailers to publish their statements whenever suits them best within their reporting year. Adopting a set reporting deadline would remove this flexibility and not deliver clear benefits to consumers seeking to compare statements. As we are only in the third reporting year of the regulations, emphasis should be placed onto supporting businesses to complete statements to the highest quality before introducing new restrictions on how they are delivered.

Most retailers develop their modern slavery statements according to when board meetings are scheduled to obtain sign-off and publish them in line with the business' financial year. Having different reporting years does not make it difficult to compare statements and most businesses report on similar timeframes around their financial years. However, plans for consumer guidance on comparing statements combined with a central searchable registry would further incentivise businesses to publish their statements as soon as possible to prevent evident delays from previous published statements.

### **Enforcement (Q10)**

We support a gradual approach to enforcing the modern slavery regulations beginning with initial warning letters leading to investigations for deliberate non-compliance or failure to communicate. We agree that penalties should be proportionate to the size of the business. Enforcement of the modern slavery regulations should become the responsibility of a new single labour market enforcement body to provide clarity for businesses and include right of appeal.

---

<sup>1</sup> <https://www.gov.uk/guidance/publish-an-annual-modern-slavery-statement#what-to-include-in-a-modern-slavery-statement>

# Annex A

## ABOUT ACS

The Association of Convenience Stores lobbies on behalf of over 46,000 convenience stores across mainland UK on public policy issues that affect their businesses. ACS' membership is comprised of a diverse group of retailers, from small independent family businesses running a single store to large multiple convenience retailers running thousands of stores.

Convenience stores trade in a wide variety of locations, meeting the needs of customers from all backgrounds. These locations range from city centres and high streets, suburban areas such as estates and secondary parades, rural villages and isolated areas, as well as on petrol forecourts and at travel points such as airports and train stations.



## WHO WE REPRESENT

### INDEPENDENT RETAILERS



ACS represents over 19,000 independent retailers, polling them quarterly to hear their views and experiences which are used to feed in to Government policy discussions.

These stores are not affiliated to any group, and are often family businesses with low staff and property costs. Independent forecourt operators are included in this category.

### SYMBOL GROUPS AND FRANCHISES



ACS represents over 14,000 retailers affiliated with symbol groups. Symbol groups like SPAR, Nisa, Costcutter, Londis, Premier and others provide independent retailers with stock agreements, wholesale deliveries, logistical support and marketing benefits.

Symbol group forecourt operators and franchise providers like One Stop are also included in this category.

### MULTIPLE AND CO-OPERATIVE BUSINESSES



ACS represents over 12,000 stores that are owned by multiple and co-operative retailers. These businesses include the Co-Operative, regional co-operative societies, McColls and others.

Unlike symbol group stores, these stores are owned and run centrally by the business. Forecourt multiples and commission operated stores are included in this category.

## THE CONVENIENCE SECTOR



In 2018, the total value of sales in the convenience sector was £39.1bn.

The average spend in a typical convenience store transaction is £6.50.



There are 46,262 convenience stores in mainland UK. 72% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.



The convenience sector provides flexible employment for around 365,000 people.

24% of independent/symbol stores employ family members only.



24% of shop owners work more than 70 hours per week, while 19% take no holiday throughout the year.

70% of business owners are first time investors in the sector.



Convenience stores and Post Offices poll as the two services that have the most positive impact on their local area according to consumers and local councillors.

81% of independent/symbol retailers have engaged in some form of community activity over the last year.



Between August 2017 and May 2018, the convenience sector invested over £814m in stores.

The most popular form of investment in stores is refrigeration.

## OUR RESEARCH

ACS polls the views and experiences of the convenience sector regularly to provide up-to-date, robust information on the pressures being faced by retailers of all sizes and ownership types. Our research includes the following regular surveys:

### ACS VOICE OF LOCAL SHOPS SURVEY

Regular quarterly survey of over 1,200 retailers, split evenly between independent retailers, symbol group retailers and forecourt retailers. The survey consists of tracker questions and a number of questions that differ each time to help inform ACS' policy work.

### ACS INVESTMENT TRACKER

Regular quarterly survey of over 1,200 independent and symbol retailers which is combined with responses from multiple businesses representing over 3,000 stores.

### ACS LOCAL SHOP REPORT

Annual survey of over 2,400 independent, symbol and forecourt retailers combined with responses from multiple businesses representing 7,669 stores. The Local Shop Report also draws on data from HIM, IGD, Nielsen and William Reed.

### BESPOKE POLLING ON POLICY ISSUES

ACS conducts bespoke polling of its members on a range of policy issues, from crime and responsible retailing to low pay and taxation. This polling is conducted with retailers from all areas of the convenience sector.

For more information and data sources, visit [www.acs.org.uk](http://www.acs.org.uk)