

2018 AGM - QUESTIONS UNANSWERED IN LEADERSHIP TEAM Q&A SESSION

	Questions	Response
1	Does the recent wave of recruitment of Area Business Managers from outside our business send the message that there is no room for progression within Southern Coop? Or could it be perceived that loyalty is not rewarded?	<p>Whenever we have new opportunities we open them up to both internal and external candidates.</p> <p>Over the last two years we have appointed two internal ABM's as well as some external ones.</p> <p>We have also given ten of our store managers an opportunity to develop through the Area Support Manager role.</p> <p>We'll always look for candidates with the right skills and ability for any new role with our aim being to always recruit the best person for the role in question.</p>
2	Are there any plans to update the Retailix software on the VPO's in store?	We're always looking to develop the technology and systems we have in store, although presently we have no immediate plans to update these.
3	You spoke about colleague safety being very important to you but expect DM's to answer alarm calls in the middle of the night and enter the shop alone. Is there anything that could be done to make it safer for them?	<p>Where we have a security incident, Store Watch and / or the police will attend without a colleague. The duty manager attends in the morning with the only requirement outside of this is if the door locks have been changed and therefore access is denied. In this instance the police and / or Store Watch would be on site.</p> <p>Where there is an alarm for a refrigeration breakdown or something similar we would expect the colleague on call to attend. When lone working, the alarm monitoring company check remotely for any signs of activity in store before we ask a key holder to attend.</p>

		<p>We're developing a new app for all key holders that will be live later this year which will further improve our colleague safety, particularly in lone working situations.</p> <p>Colleague safety is something we keep under constant review.</p>
4	<p>The ten stores sold to Denovo group use a few different suppliers that provide sale or return. i.e. sandwiches thus reducing waste and reductions. Why don't we?</p>	<p>We follow Co-op Group's ranging for sandwiches and the meal deal as we believe it represents best value for our customers and is an integral part of our offer.</p> <p>Denovo take a number of Co-op lines and the sandwich meal deal but we allow them to supplement these with a different supplier. It's not something we want to do in the short term, but we will keep it under review.</p>
5	<p>Please could you look at increasing vegan gluten free & vegan choices in store - be that ambient, chilled or frozen as no one retailer is leading in this sector at the moment.</p>	<p>In the gluten free range, we now have three sizes of ranging in stores; one, two or three bay range.</p> <p>Co-op was one of the first retailers to clearly label vegan own brand products and we continue to grow this range with it now being available in 195 stores across our estate.</p> <p>We have been reviewing the meat-free options available in our food-to-go and ready meal ranges, working to create delicious meat-free options which appeal to all our customers, not just vegetarians and vegans. Co-op Group is planning further communications to promote this. Look out for articles in the Co-op food magazine, social media posts and blogs.</p>

6	<p>Could Caring Lady (ELS) please introduce a discount for ex-service personnel?</p>	<p>Historically we've had affinity discounts such as this but these were withdrawn and stopped nationally.</p> <p>We would not look to reinstate these at this time as we have to consider the longer term practicalities of doing this.</p>
7	<p>With the introduction of Index Linked funeral payments in Scotland, what impact do you think this would have if introduced in England and on our funeral business?</p>	<p>The introduction of index linking is very welcome and commendable of the Scottish Government.</p> <p>This type of payment has not been reviewed in England & Wales for over 14 years, even though this has been raised many times with the Government through the National Association of Funeral Directors.</p> <p>If introduced in England it will help the most that are in need, but the payment still falls short for the total of the "other expenses" for a funeral.</p>
8	<p>Will we be moving to electric vehicles for ELS in the future in order to be a greener company?</p>	<p>Our current fleet is made up of various specialist vehicles – i.e. hearses, limousines, ambulances although we also have standard smaller cars.</p> <p>We continually review our fleet and where possible, we have reduced and restricted the CO2 ratings specifically for our standard smaller cars.</p> <p>Our specialist vehicles are coach built and currently all diesel. Due to the cost and investment already made we would estimate these will remain for the next 5 to 10 years.</p> <p>We continue to monitor this and certainly hope that within this time frame, the general development of electric and hybrid vehicles will have moved on extensively, meaning these specialist types of vehicle</p>

		will be available from our providers.
9	What protection do you currently have in place for the lone workers in your funeral homes?	All funeral homes have controlled, restricted access to both the front and rear of the premise. Every one of our funeral homes has a partner funeral home and they keep in regular contact via telephone.
10	Are there any plans to review the sickness/absence process around operations and medical procedures and allow colleagues to use holiday or go unpaid instead of being penalized through the sickness policy? Penalizing colleagues is actually discouraging them from having medical procedures or at least makes the process more stressful. I believe this contradicts our colleague Wellbeing initiative.	<p>I think that this question relates to a specific set of circumstances of an individual case. Without having access to the full details it's difficult to answer the question so the advice would be that the individual speaks to his/her line manager or calls the Employee Relations team at Lakeside.</p> <p>With regards to our employment policies; we regularly review our policies to ensure they reflect current legislation and ACAS Code of Practice.</p> <p>We recognise that from time to time, all colleagues will need time off due to sickness or for other personal obligations e.g. childcare. However absence, which is often unpredicted, does cause operational difficulties and puts team members under pressure when they have to cover for a colleague who is unable to attend work ,whatever the cause.</p> <p>Our absence / sickness policies describe standards for reporting absence / sickness and when provision of a doctor's certificate is required. They also provide a set of standards for all colleagues on acceptable levels of absence, and the consequences if / when those levels are exceeded. Where appropriate, allowances or reasonable adjustments are made where an individuals condition is covered by the Disability section of the Equality Act 2010.</p> <p>If anyone wishes to discuss an individual case or to learn more about the policy, please contact the Employee Relations Team -</p>

		employeerelations@southerncoops.co.uk
11	Has there been, or is there any consideration being given to bringing back the deputy manager role?	Our stores trade up to 119 hours per week. In 2016 we conducted a complete review of our store structures and one of the outcomes was to be able to provide 'management' cover across the entire trading week, which could not be achieved with a deputy manager.
12	Why don't cash validated duty managers get paid more than ones who aren't? We take on far more responsibility than those who don't and don't receive anything for it.	<p>The Duty Manager (DM) role was put in place to provide such cover. The DM role differed from the previous Team Leader role as it requires DM's to be able to:</p> <ol style="list-style-type: none"> 1. Manage a shift (getting the task completed) 2. Manage a team (through the team) 3. Make decisions (prioritising and solving issues that occur during a shift). <p>Depending on the days of the week and time of day that a DM covers s/he will have different tasks to complete; for example, opening procedures, closure procedures, gaps counts, receiving deliveries, overseeing mark-downs and cashing up and not all of these occur in every shift.</p> <p>The expectation is that the DM is able to perform the tasks relevant to the shift, all of which carry responsibility, and it's the store manager's job to manage the performance of the DM's in her/his store; training them to be able to complete tasks to the required standard, and following up on under performance.</p> <p>Therefore we do not intend to introduce a reward system that pays for individual tasks, but to reward for overall management responsibility.</p>

13	<p>Are points awarded on just spend? Should things like lottery, tobacco, alcohol, sugar get points? Or should fresh fruit & vegetables products get extra points?</p>	<p>At present Share of the Profit points are awarded on all products with some exclusions.</p> <p>The full list of exclusions can found on our website and currently includes lottery and instants, tobacco, cigarettes, cigars and tobacco related products. We have not specifically excluded alcohol or sugar products to date, however this is an option that we could take in the future. As suggested, an alternative approach could be to reward members with additional points where they make healthy eating choices and this is also an option for the future.</p>
14	<p>Can you do a quick straw pole as to the geographic make up of those people in the question and answer session. It appears most questions are from people from Portsmouth and surrounding areas. Should the AGM not be closer to heartland and save £ thousands?</p>	<p>Southern Co-op's roots are within the Hampshire area and therefore a great proportion of our members reside within Hampshire. Recent years have seen us extend our operations across the south of England and our membership in some of these newer areas continues to grow.</p> <p>It's important that we make the AGM accessible to all members regardless of their geographical location and it's for this reason that we move the event around our trading area and provide complimentary transportation to the event. In recent years the event has been held in Bournemouth, Brighton, Reading and this year in Farnborough. It's quite possible that in a future year the event could be closer to our Portsmouth base, however this would be dependent upon suitable venues being available.</p> <p>The Board are looking at ways for members to join the AGM electronically, with this year's webcast of the event being the first step on this journey. We value all members and seek ways to engage with them outside of the formal AGM to give members a way to share their views throughout the year.</p> <p>Attendees at our 2018 AGM came from the following counties: Hampshire (186), West Sussex (26), Dorset (25), Isle Of Wight (14),</p>

		Surrey (14), Berkshire (10), Bristol (10), East Sussex (8), Somerset (7), Wiltshire (7), Greater London (4), Devon (3), Sussex (3), Middlesex (2), Buckinghamshire (1), Kent (1), Oxfordshire (1).
15	Would you consider using bio degradable bags?	<p>Compostable bags are sold in a number of our stores – these are ranged in stores that cannot have the normal plastic carrier bags due to Council restrictions and that accept food waste collections.</p> <p>The bags are made from compostable polymer and starch and are designed-in second use as a food waste caddy liner or in home composting bins.</p> <p>Compostable bags shouldn't be recycled, which is why they are not carried in all our stores. All our carrier bags can be recycled in facilities provided by all major supermarkets as they have the capacity and space to carry recycling facilities.</p>
16	Continuing eco topic, why despite our best efforts to have a sustainable business, the emissions Scope 1 went up in 2017 (9,062) a lot in comparison to the previous year (5,365)?	<p>The rise in emissions relates mainly to two areas. The first is a rise in energy usage which reflects the growth of our estate in 2017. However, our energy usage per sq ft trading area has seen an improvement of 43% against a 2010 baseline and this remains an ongoing focus for our businesses.</p> <p>We are also unfortunately experiencing some issues with our energy billing which means some of our energy data is based on estimates rather than actuals, which we are working to address with Co-operative Power, our energy broker.</p> <p>We have also seen an increase in fugitive emissions associated with our refrigeration. We are introducing new refrigerants with a lower global warming potential and investigating the potential installation of leak detection systems which we hope will help reduce these emissions in future years.</p>

17	Just noticed the plastic badges we are all wearing. Can we recycle them for next year by taking out the name and leaving them on the table.	Yes. We ask attendees to hand in their badges as they leave so these can be reused again.
18	What % of colleagues are members of the Society?	Colleague membership is more or less 99.9 - 100.0%, depending at what point in the month this is measured. This reflects either those with pending membership or a minimal number who actively choose not to become members.
19	Do you have an agreed target for colleagues, across all levels, pay ratios and if so, is progress being made?	<p>Pay ratio is the multiple of salary between the highest and lowest paid employees in an organisation. Typically in retail this is the Chief Executive and a Customer Service Assistant in a Food Store.</p> <p>The High Pay Centre, an independent non-party organisation monitors and publishes pay ratio data. In FTSE 100 companies the CEO pay is an average of 130 times that of the lowest paid worker with the highest being 780 times.</p> <p>Reporting of pay ratio is not covered by legislation, and currently there are no standards for calculating this.</p> <p>The Department for Business, Energy and Industrial strategy (BEIS) is pressing the government to release legislation that makes reporting compulsory, which we would of course comply with and we would welcome the introduction of clear reporting standards in this area.</p> <p>That said, it is something we monitor and looking at remuneration for the 2017/18 financial year;:</p> <p>CE total remuneration £371,232 (basic salary + Bonus + Incentives) Colleague average total remuneration £10,866 Ratio is 34x</p>

		<p>Another comparison is to compare Full-time CE with Full-time CSA; CE total remuneration £371,232 (basic salary + Bonus + Incentives) CSA on £7.50 total remuneration £15795 (basic + CSOP) Ratio is 23.5x</p> <p>Legislation in this area would enable a fair and consistent comparison across all organisations, and if/when the government provides reporting standards we will be happy to publish pay ratios.</p>
--	--	--