



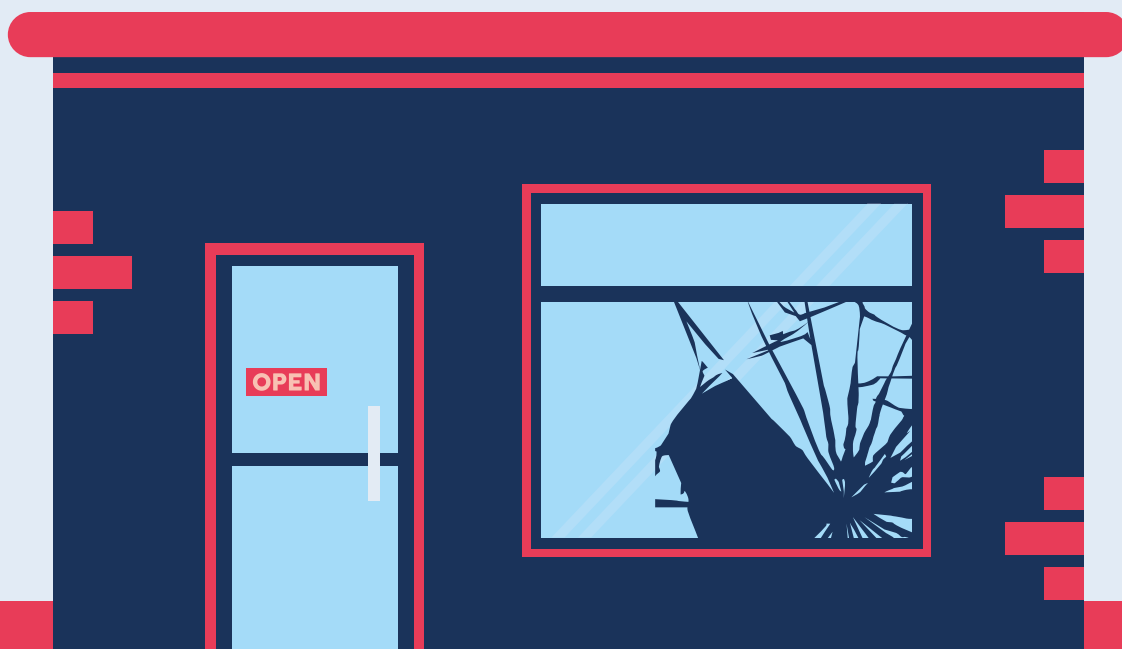
ANNUAL REVIEW



As the national trade body for independent convenience stores in Scotland, 2023 was a year of significant challenges for Scottish Grocers' Federation. We have responded to these challenges and there have been significant wins and achievements both for the Federation itself and, more importantly, for our members.

RETAIL CRIME

- Effective political engagement from SGF ensured that the Protection of Workers (Retail and Age-restricted Goods and Services) (Scotland) Act 2021 was passed by Parliament. Two years on from its introduction, the total number of reported crimes under the Act have reached well over 8,000 cases.
- Throughout 2023, SGF has contacted the Scottish Government, the Lord Advocate, the Crown Office & Procurator Fiscal Service, and the Courts & Tribunal Service calling for the figures on convictions relating to the Protection of Workers Act to be made public. This is essential information to show the Act is a working deterrent and SGF will continue to press the case for this.
- SGF worked with an MSP to table a parliamentary question which raised the ongoing problem of retail crime and calling on the government to do more. This included highlighting the fact that SGF had asked the Scottish Government to fund a refresh of The Don't Put Up With It campaign, led by SGF, which encouraged retailers to take a zero-tolerance approach by reporting all offences against them and for customers to say thank you for all that local stores do for their communities. SGF will continue to press for this funding.
- In September 2023, SGF were represented on BBC Radio Scotland's Drive Time show to discuss the damaging impact of retail crime and what actions could be taken to address it.
- In October 2023, SGF Chief Executive Dr Pete Cheema OBE appeared on STV Six O'clock news to highlight the prevalence of retail crime and severe impact on people's lives, livelihoods, health, and their mental wellbeing.
- During his speech at the SGF Annual Conference in October 2023, SGF CEO also called on the Scottish Government to put an emergency plan into action to tackle the threatening surge in retail crime in Scotland.
- SGF attended an introductory meeting in autumn 2023, with Police Scotland's Assistant Chief Constable to discuss key concerns and challenges for retailers and shop staff around retail crime and to identify a way forward.
- In December 2023, SGF concluded its annual crime survey, and this will be used to inform the production of the SGF Crime Report 2023-24 which will be published at the SGF Crime & Wellbeing seminar in March 2024.
- SGF is an integral member of Police Scotland's Your Safety Matters group and is a signatory of the National Assault Pledge – with the aim of raising awareness and protecting public facing employees and employers from physical and verbal abuse (working across both the public and business service sectors).



SGF GO LOCAL PROGRAMME



In August 2021 Scottish Government published the consultation “Local Food for Everyone: A Discussion” which set out a draft strategy under three pillars outlining the wide range of activities being undertaken by the Scottish Government and agencies relating to local food.

In 2023, Scottish Government gave its approval for the roll-out of phase 4, with over 100 stores the length and breadth of Scotland now participating in the programme.

The three pillars are: connecting people with food; connecting Scottish producers with buyers; and harnessing public sector procurement.



The SGF’s Go Local programme, delivered in conjunction with Scotland Food & Drink, forms an integral part of pillar two – connecting Scottish Producers with Buyers which in turn is helping to deliver an enhanced Scottish proposition in convenience stores the length and breadth of Scotland.




Not only is it contributing towards the local food strategy, but it is also proving to be a pillar of strength for participating retailers by differentiating their offer from their competition. Sales of Scottish products have increased by 40%.





Local is now mainstream with the average convenience store on the programme delivering 31% of their total sales from Scottish products when tobacco and news is excluded.



The SGF Go Local Programme is clearly demonstrating that supporting local is good for business with each participating store increasing their annual local multiplier figure by £157k on Go Local fresh and healthier products, which in turn boosts the local economy.



DEPOSIT RETURN SCHEME

- SGF represents the largest single block of return points operators.
 - We are uniquely positioned to represent manufacturers, retailers, and the providers of reverse vending equipment.
 - SGF supported from the outset, the aims of the judicial review proceedings in 2022 which a convenience retailer brought, on his own behalf, against Circularity Scotland Limited (CSL). The retailer had been challenging the legality of the retailer handling fees which CSL, the then Scottish DRS Scheme Administrator, were seeking to impose on retailers.
 - At the SGF Mini-Summit in May 2023, SGF Chief Executive Dr Pete Cheema OBE asked Lorna Slater MSP – Minister for the Circular Economy who was speaking the event - whether CSL would cease to operate due to a lack of funding at the end of May 2023 if there was still no confirmation from the UK Government that the Scottish DRS would be granted an exemption from the UK Internal Market Act.
 - The answer given by the Minister accepted that in such a scenario, scheme viability would need to be reviewed. STV were present when the Minister responded to the question and SGF CEO was interviewed by them afterwards. This represented a turning point in the Scottish DRS debate and only a month later, CSL called in the administrators.
 - The court of session in June 2023 held that the way that the Scottish Government and CSL had set up the Deposit Return Scheme was unlawful and did not comply with the regulations made by the Scottish Parliament.
 - SGF published a DRS Guide for retailers for the original Scottish DRS scheme which had been due implementation in August 2023.
 - In summer 2023, following the decision to delay of the Scottish DRS, the decision was taken to move towards a four-nation approach, introducing a fully operational UK DRS by October 2025.
 - SGF has moved quickly to secure regular and positive engagement with the DRS teams in both DEFRA and Scottish Government. This will continue.
 - Subsequently, SGF now sits on both the Interoperability Group and UK DRS Retailer Sub-Group and will continue to provide expert input and scrutiny to their work going forward to ensure that the lessons learned and concerns already raised in relation to the original Scottish DRS are taken into consideration.
 - SGF has been and remains fully committed to a fit for purpose deposit return scheme.
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SGF HEALTHY LIVING PROGRAMME

- The SGF Healthy Living Programme (HLP) – which is funded by the Scottish Government since 2014 - improves the supply provision of fresh produce and healthier food choices in local convenience stores. To date, 2,352 convenience stores are participating.
- Across Scotland, the SGF Healthy Living Team are supporting retailers to deliver these options to the Scottish consumer.
- Linking retailers with their local communities has been a key initiative for the programme now for several years. HLP identified the importance of educating the next generation of shoppers at an early stage, with a goal of trying to change the perception of the local c-store from not just one that only sells fizzy juice and confectionary, but to that of a store which also offers healthier products across many categories within the store.
- 2023 has seen a rise in demand from retailers to run HLP events within their communities. Throughout 2023, there has been 22 breakfast events ran which has provided the HLP team a platform to speak to 5035 primary school children. HLP have now worked with over 28,000 pupils since 2017. Jenni Minto MSP, Minister for Public Health, Women's Health & Sport visited a breakfast event in September 2023 which was ran in Colinton.
- In May 2023, HLP partnered with Social Security Scotland (SSS) to raise awareness of the Best Start Food Card. The HLP Development Managers are training and encouraging staff in c-stores to get their customers to check if they are eligible for the card and to encourage healthier purchases to be made using Best Start Foods cards. HLP have collaborated on POS with SSS which is now being implemented in all stores that are part of HLP.
- At the SGF Annual Conference, HLP launched their new 'Retailer Development Plan'. This criterion is a guide to enable c-store retailers in Scotland to work through simple steps to increase sales and awareness of healthier options within their stores and ultimately get the recognition from customers and the industry for the efforts they go to in promoting health within their stores.



NATIONAL LIVING WAGE



- SGF published – in conjunction with the University of Stirling - our sector specific analysis of the real cost of employment for 2023 and shared it with the Low Pay Commission as part our response to their annual consultation.
- In 2023, we also participated in the Low Pay Commission’s Scottish Virtual Visit where SGF provided oral evidence and set out our concerns about the significant above inflation increases to the NLW.
- SGF also issued a press release on the true cost of employment and wrote magazine editorials on the topic to promote the outreach of our key messages and through approaches from the media for quotes.
- Work will continue into 2024 where SGF will refresh and update the real cost of employment booklet to ensure our position continues to remain clear, consistent, and relevant.



SUPPORTING OUR INDUSTRY

Over the last 12 months SGF's buying group PGMA has experienced strong growth. In a year driven by high levels of price inflation as experienced by the whole industry, these inflationary pressures and cost-of-living impacts have been mainly absorbed and shrewd and timely investments ensured that PGMA finished the year in a stronger financial position.



2023 brought the launch of our new branding and website alongside the introduction of "Bringing convenience to Independent retail" as our strapline. In 2023, PGMA also launched on social media for the first time featuring on LinkedIn and Facebook. With one Facebook campaign creating a reach of nearly 17k in one week was very encouraging.



PGMA also successfully continues – through its agreement with Costcutter/Bestway – to allow its members to work in partnership with one of the biggest symbol group retail organisations, while the retailer retains full independence of their business.

Retailers also benefit by being provided with access to a substantial range of over 14,000 lines including Direct to Stores offers unique to PGMA, alongside those offered through Bestway Retail group.



SGF are a key sponsor of the Scotland Loves Local campaign, ensuring that consumers support local businesses as part of the national recovery from the pandemic.

SGF's corporate and retail membership continued to grow throughout 2023 (see further below)

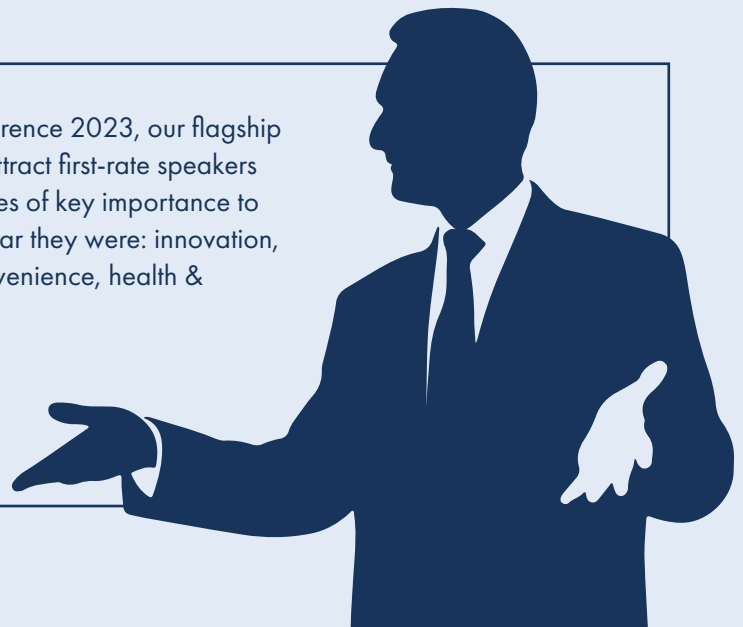


In 2023, SGF delivered a range of exceptional in-person events offering insights and trends from across the retail industry as well providing delegates with excellent networking and exhibitor opportunities.

SGF Benevolent Fund continues to provide direct financial assistance to retailers and their families.



SGF Annual conference 2023, our flagship event, continues attract first-rate speakers focussing on themes of key importance to our sector - this year they were: innovation, sustainability, convenience, health & wellbeing.



BUILDING EFFECTIVE PARTNERSHIPS



SGF chairs the 'It'll Cost You' campaign which is a collaboration between Police Scotland, local authorities and alcohol producers and retailers and aims to raise awareness of the damaging effects and criminal nature of buying alcohol for under 18s. SGF were delighted to meet – along with other members of the partnership – the Minister for Community Safety at campaign awareness raising event.

We continue to build productive and positive relations with key industry trade press magazines. As result we have regular features and columns with which to express key industry and membership concerns.

We sit on the Board of the Scottish Retail Consortium where engage with key retail organisations and the key politicians and government officials which speak at it. SGF also attends SRC membership meetings on key industry specific issues.

We sit on the Board of the Scotland's Town Partnership where we play our part supporting our towns and places and the businesses which help them thrive.

SGF is a key participant in the Retailers Joint meeting which is chaired by the Business Crime Prevention Unit. It provides a platform to share information and intelligence on retail crime.



SGF is a strategic partner of UK Vaping Industry Association (UKVIA) and provides key input on relevant policy issues, or sector challenges. SGF also a member of the UKVIA Vaping Industry Forum.

SGF sits on both the Edinburgh & Glasgow Licensing Forums as a Trade body representative.

SGF participates in the Scottish Food and Drink Trade Association Policy Group to discuss, prepare and plan ahead for policy and other major issues which may impact the sector and what collective support/ collaboration/ campaigning can be done.

SGF continued to play a key role in the Scottish Alcohol Industry Partnership to promote responsible consumption and tackle alcohol-related harm.


Membership remains strong and is recognition of the value which partnering with Scotland's only trade association for the convenience sector represents. SGF were therefore delighted to welcome the following new members in 2023:

- o Brand Harbour
- o Buzzallz
- o Clandeboye Estate Yoghurt
- o Country Choice
- o Deep Vaping
- o GM Marketing
- o Graham Fire Protection
- o Hanshow
- o International Beverage
- o J Thomson Colour Printers Ltd
- o Note Machine
- o Phoenix2Retail
- o Recover
- o Renew-Able
- o Rich's
- o TS Foods

We are the sector-lead on the Scottish Anti illicit Trade Group. SGF uses this platform to convey and receive important information around how to better address the problem of illicit trade.



INFORMING AND INFLUENCING



SGF's Cross-Party Group on Independent Convenience Stores within the Scottish Parliament continued to thrive. The Group represents a unique platform to bring retailers, wholesalers, and suppliers together to raise the issues impacting on our industry. In 2024, all meetings will be in-person at Parliament.



Through engagement with the Scotland Office, SGF also attended a reception in Edinburgh with Scottish Members of the House of Lords in June 2023.

SGF maintains dialogue with the UK Government through the Scotland Office so that where members interests are impacted by UK Government legislation, that our sectors voice is heard.

SGF attended, in July 2023, a Scottish Government Ministerial event hosted by the Minister for Drugs and Alcohol to discuss the impact of Minimum Unit Pricing of alcohol and to feed into their final report.

In Summer 2023, SGF was invited by the Cabinet Secretary for Wellbeing Economy to join and attend the newly set up consultative non-domestic rates sub-group meetings to discuss the impact of NDR and how to assess this and how they may potentially evolve over time.


SGF is a member and continues to attend meetings of the Retail Industry Leadership Group. Key aims of which include helping Scotland's retail sector as it recovers from the pandemic and for it to meet current and long-term challenges while becoming stronger and more resilient.



In 2023, SGF secured separate meetings with both the Secretary of State for Scotland and the Shadow Secretary of State for Scotland to discuss the key issues and priorities for affecting our sector and wider membership.




SGF launched its 'Healthier Choices, Healthier Communities' campaign in September 2023, with the aim to help create public policy which simultaneously encourages vaping amongst adults who wish to quit smoking and discourages it amongst non-smokers. It also set out a range of specific actions for Producers, Retailers, Policy Makers, and Enforcement agencies. A parliamentary exhibition was also held at the Scottish Parliament in December which enabled SGF to further highlight the key messages of the campaign and to engage with MSPs.




SGF attended a Scottish Labour business outreach event at which contact was made with the Shadow Chancellor of the Exchequer.

SGF Chief Executive Dr Pete Cheema OBE also appeared on STV's 'Scotland Tonight' programme and highlighted that SGF promoted responsible community retailing in relation to the sale of tobacco and vaping products.

In October 2023, SGF launched - in partnership with a vaping company - a pilot programme to encourage the responsible disposal of single-use vaping products. This saw a total of 20 SGF member stores from across Scotland participating. This pilot marks the first step of a long-term programme which will see up to 1,000 vaping recycling bins distributed to convenience stores across the country.



In November 2023, SGF secured a Members Debate in the Scottish Parliament on the contribution of the Scottish Convenience Store sector which was attended by the Minister responsible for the retail sector who acknowledged that convenience stores 'provide vital access services and flexible employment' for their local areas'.





Throughout 2023, SGF has driven home key messaging calling for support from government on areas such as: education over regulation, which may impact on our industry; for Scottish Government to commit to matching the 75% rates relief available in Wales and England; and the need for the Scottish government to listen and engage in meaningful dialogue with business on issues where there may be a significant difference of opinion such as Nicotine Vaping Products.

Published annually the Scottish Local Shop Report has provided the hard data required to show the importance of the convenience sector. In October 2023, copies were distributed to all MSPs and part of a CPG meeting focussed on the report in November 2023.

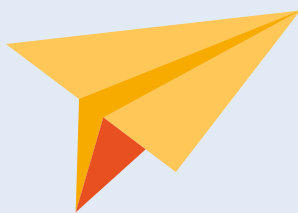
Throughout 2023, SGF has successfully conducted surveys of its membership around key issues such as minimum unit pricing, access to cash, retail crime, business rates and the National Minimum/ National Living Wage. These inform our communications with the government, media, and other key stakeholders.

In 2023, SGF was a sponsor of the Holyrood Magazine Scottish Political Awards and the Open All Hours Award.

Scottish Government invited SGF to attend their Ministerial roundtable event hosted by the Minister for Public Health in December 2023, to discuss the government's proposals for food and drinks high in fat, salt and sugar. SGF ensured that the convenience sectors key concerns and questions were put the Minister and officials. This dialogue will continue in 2024.

SGF led a campaign to ensure that convenience stores continue to be able to access free-to-use ATMs. This included writing to the Economy Secretary, the Scottish Committee and various stakeholders.

Initial work has begun on plans to produce an SGF General Election Manifesto for the expected 2024 election. This work will continue and SGF will arrange for a 'Hustings' event over the coming months.



AWARDS FOR SGF IN 2023/24



**Trade CEO of the Year - 2023 –
Dr Pete Cheema OBE, Scottish
Grocers' Federation – UK**

(Global 100 Awards 2023)



**Best Food Trade Association
2023 – Scotland**

(Global 100 Awards 2023)



**Europe CEO of the Year – 2023
– Dr Pete Cheema, SGF – UK**

(Global 100 Awards 2023)



**Best Food Trade Association –
Scotland 2023**

Corporate America Today 2023



**GroceryAid Silver Supporter
Award (2023)**



**Most Influential Commerce
Politics CEO 2023 - Scotland**

(IA Global Media)

Forthcoming Awards for SGF for 2024



**Trade CEO of the Year – 2024 –
Dr Pete Cheema OBE, Scottish
Grocers' Federation – UK**

(Global 100 Awards 2024)



**Best Food Trade Association –
Scotland 2024**

(Global 100 Awards 2024)



**Europe CEO of the Year – 2024
– Dr Pete Cheema, SGF – UK**

(Global 100 Awards 2024)

EVENTS CALENDAR FOR 2024*

FEBRUARY

20

SGF Scottish Parliament
Cross Party Group

MARCH

14

SGF Crime and
Wellbeing Seminar

MAY

7

SGF Golf Tournament

JUNE

4

SGF Scottish Parliament
Cross Party Group

JUNE

11

SGF Mini Summit

SEPTEMBER

17

SGF Scottish Parliament
Cross Party Group

SEPTEMBER

TBC

SGF General Election
Hustings event

OCTOBER

2

SGF Platinum and Gold
Members' Dinner

OCTOBER

3

SGF Annual Conference

NOVEMBER

12

SGF Scottish Parliament
Cross Party Group

*Could be subject to change

WHAT'S NEXT?

**Become an SGF
member now**

Contact:
jamie@sgfscot.co.uk

**Book a place at
a SGF event**

Contact:
angela@sgfscot.co.uk

For more information

Visit: www.sgf.co.uk
or download the SGF Connect
app

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Scottish Grocers' Federation