

## Transcript: Steve Murells' update for colleagues, November 2017

Hi everyone,

With only a few weeks left of the year, and Christmas fast approaching, I want to share with you my thoughts over these first nine months as your Group CEO.

It's been a year of significant change as we continue to invest in our Co-op and make sure that we're set up for the future.

Part of that set up is the great news earlier this week about our offer for Nisa being accepted. This is a fantastic opportunity that allows us to expand our wholesaling activities and get our Co-op brand to more people. There are big challenges ahead for us all as we work to make this new venture a success alongside everything else we are doing.

Now, I know it's been a tough year. It's been tough in the market, as we deal with what Brexit is bringing us and as our competitors change and challenge us too. But it's also been tough for everyone working here. I'm frankly amazed by your energy and your desire to stay focused on what it means to be Co-op – championing a better way of doing business in everything that you do. I see examples of this and the impacts we're having every day, and I can't say thank you enough.

But it's not just me saying this – others are noticing too and everybody should be proud of this. The awards that we've won during this year is a great example of how our Co-op is changing and being recognised for it. If I tot them up, it's over 120 awards so far this year. Just think, that's other people and organisations recognising our products, services and people as being the best. That's an amazing feeling and definitely shouts that we're back on the map.

Just last night we won another one – a Stop Slavery Award for the work we're doing to get rid of slavery from our supply chains and our more recent campaign on modern slavery. We said we wanted to get back to being a campaigning Co-op... this shows we're already making a real difference.

And it's not just the stuff we win awards for that's having a difference. It's the things that we're doing every day that we just shrug off as 'doing the job'. But really, when you put it all together, it makes you sit up and go 'wow'.

From our helpful 'safe first used car' awards in Insurance, through to only using British fresh meat in our Food. From our unique Co-op Commitment on our low-cost instalment funeral plans - which mean a loved one's family don't have to make up the shortfall if they die early - through to making wills more attractive with our online system. We're making the difference to members and their communities and that's making a difference to the success of our business in total.

We can see that with how we're performing. Take Halloween in Food for example... 10% up on last year. 10%... that's a phenomenal performance. We've just had our biggest week for funeral plan sales online this year. We've also just had our biggest week for probate sales. And we've passed the £12m mark in terms of the amount of money we've paid back to careful young drivers who are insured through us. Our businesses are doing well.

And at the heart of these successes is you, our colleagues. It's vital that we hear from you on how we're doing - how leadership is supporting you and how you're feeling about being part of this great society.

You're telling us through Talkback this year that you're feeling slightly less engaged than last year - with a headline result of 75% across the Co-op. That's still quite high compared to other organisations of our size, but I am concerned about the big variations across different teams.

There are some good things - like how you feel the range of benefits we offer is good. But there are also things we need to do better.

A big concern I'm hearing is that we need to listen more. So this year, I'm asking all of our leaders and managers to have a Talkback objective that'll commit them to making a meaningful difference to you. Let's be clear - that's not just a manager doing things by themselves and ticking a box... we all need to take part to make a real improvement. Some of you won't have these team conversations just yet as we need to focus on the busy time we're heading into... but they will happen.

As we head into our Christmas and winter trade period, we must stay focused on, frankly, making the most money we can. This isn't something we often talk about, but really, this is what lets us do the good that we want to. If we don't make profits, then we can't do the things like 5 and 1 or focus on campaigning and deliver this shared value for members and communities that we should become famous for.

With New Year just around the corner, some of you may be wondering what's next. It's clear that we need to continue our work to rebuild our Co-op into 2018. I don't want to distract you from trading over the Christmas period, so I'm going to come back to you in January with more info on our plans for next year and beyond.

As the great things you've done this year, and the awards we've won, show, we're doing well and you should feel proud about that. You've told us what it feels like to work here, and now I, the rest of the Exec and all our leadership and management teams need to make sure that we're listening and working together with you to get our Co-op to a place where you're recognising us as being a great place to work. I'm sure we can get there together.

Thanks very much for listening.

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