

Stronger Co-op, Stronger Communities



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From Co-op CEO, Steve Murrells

In January, we launched our new ambition, **Stronger Co-op, Stronger Communities**. It's about everything we do across all our Co-op businesses. This is the first of our new quarterly updates for all colleagues, so everyone knows how we're doing. I'm asking all our leaders to take time to talk this through with their teams.

Here's a short video to watch with your teams about the [simple logic and magic behind our Stronger Co-op, Stronger Communities ambition](#) (playing time 2 mins).

We're a unique organisation that's growing stronger, more relevant and fit for the future. And we're uniquely placed and trusted to support our communities around the UK. I want us all to feel part of One Co-op - championing a better way of doing business, and working together to do the right thing for our colleagues, customers, members and communities.

Thanks for all your amazing work - as you'll see, it's making a real difference. We should shout loudly and proudly about what we're doing.

Steve

What's in this update?

First there's a summary of **the big numbers** and what we've achieved this quarter. We then look in more detail at what we've been doing against each of our new **strategic goals**, which bring together what we're doing right across Co-op.

Our ambition in a nutshell



We need to be a successful business to do good in our communities. The more good we do, the more people will see the difference we make. Then they'll want to trade with us more and join us - so we can make more profit to invest in their communities.

We can do that because we're not a plc - we give back to our members and communities, not a small number of shareholders.

The big numbers this quarter

We're measuring how well we're doing by looking at both our finances and how we're supporting our members and communities. We've seen a fantastic performance in Food as the great weather and World Cup has brought lots of customers into our stores.

Stronger Co-op

£161.8m record weekly Food sales (like for like sales up 17.3%)

500,000 pizza and beer deals sold in the first two weeks of the World Cup

Over **200** Cremation Without Ceremony funerals sold within a month of launch

700 policies sold during our best week yet for Travel Insurance

Brand positive feeling 30%

(% of people who choose 'happy' when asked how they feel about Co-op)

Colleague engagement 74%

(latest Talkback pulse survey)

Stronger Communities

12,000 applications for the next round of our local community fund (up from 7,000)

4.7 million active members

220,000 members have chosen a local cause for the first time

40,000 children to get a better start in life due to our academies expansion

1,000 apprentices in Co-op, all getting paid the full rate for the job

Fuel for growth

Saving so we can invest in our future: so far we've found **£16.6m** of the **£30m** savings target we've set ourselves this year.

Highlights



^ Nisa acquisition completed



^ New support for our colleagues' health and financial wellbeing (Lifeworks and Neyber)



^ Guaranteed to beat home buildings and contents insurance renewal prices for members



^ Announced the expansion of our Co-op Academy schools from 12 to 40



^ Our Co-op AGM voted to continue to support our work on plastic recycling



^ Opened up our local community fund to non-charities for the first time, focussing more on causes that bring communities together



^ First Thank You for Being Co-op awards for our colleagues



^ New Cremation Without Ceremony product



^ Launched our Food share scheme to donate unsold food to local food charities

Find out more

Go to Colleague Stories at colleaguestories.coop.co.uk (openly available from any phone, tablet etc) to see updates and hear what other colleagues are doing.

Our ambition goals

We have seven strategic goals that set out how we'll achieve our Stronger Co-op, Stronger Communities ambition across our Co-op. Wherever you work, you should be able to see how what you do supports one or more of them.

Here's the main things we're doing against each of our goals. There'll be lots of additional activity happening locally.

Stronger Co-op

1 Competitive businesses with a Co-op difference that attract more customers and members

Keeping relevant, competitive and profitable

We've completed our [acquisition of Nisa](#). This is a big part of our ambition giving more customers the opportunity to buy our products in even more communities across the country.

Our quality food continues to be recognised with lots of [award wins](#). 16 'Grocer Own Label' awards, Sandwich Convenience Retailer of the Year for the 4th time, and 28 International Wine Challenge awards.

We launched a partnership with [Coronation Street](#), and festival-goers will be able to buy their essentials from our on-site [pop up stores](#) at Download, Latitude and Reading & Leeds.

We launched our [Cremation Without Ceremony](#) for clients who prefer not to have a funeral service. A simple funeral choice that doesn't compromise on our high standards of care. And we agreed a deal to buy [Simplify Probate](#) to help us grow our Funeral and Life Planning business.



'A simple funeral choice that doesn't compromise on our high standards of care'



'We've already started reinvesting the money we've saved to cut food prices'

We're guaranteeing to beat combined home buildings and contents insurance renewal prices for Co-op Members.

2 A Co-op which is agile, lean, safe and connected

An efficient and safe Co-op

We're making cost savings in our support centre to find the [fuel for growth](#), by removing duplication and getting better deals on the 'not for resale' things we buy.

£16m
saving against target

So far we've saved over £16m against a target of £30m for 2018. We've already started reinvesting the money we've saved to cut food prices and hold down the cost of a funeral.

We did lots of work to get ready for the new [GDPR legislation](#), making sure we all do the right thing when handling our members', customers' and colleagues' personal information.

We're giving our colleagues the right tools to do the job. In our Food stores, we're introducing the use of [headsets](#) to help colleagues feel safe



'We're introducing the use of headsets to help colleagues feel safe and connected'

and connected. And [shifts](#), an app that allows colleagues to see their rotas really easily. We're beginning the roll-out of [Co-op Guardian](#) - a service designed for Funeralcare, by Funeralcare - that means colleagues can spend more time with families.

3 New business opportunities that build trust, extend reach and create value

Expanding our Co-op

Our new Ventures team is looking at three areas: health & wellbeing; financial support; and an online marketplace. We'll try things out using the great digital capability we've been building over the last couple of years, learn fast and move on if it doesn't do what we want.

Continued ►



We celebrated the 12 winners of our first ever Thank You for Being Co-op Awards

4 Colleagues who are proud of our Co-op

Proud Colleagues

We celebrated the 12 winners of our first ever [Thank You for Being Co-op Awards](#) at our AGM in May, and shared their inspiring personal stories.

We introduced new support for colleagues' health and financial wellbeing, launching [Lifeworks](#) - our new employee assistance service, and a low cost loan partnership with [Neyber](#).

We started new monthly [Talkback Pulse](#) surveys which will give us regular updates on how colleagues are feeling. May results show you're increasingly proud of, and feel connected to, our Co-op. You'd like us to simply say thank you to each other more often, and our leaders need to do more to talk to you about what's happening and get your feedback. We'll be acting on what you tell us.

We launched colleague recruitment online for our Food stores - making it easier for people to apply to work in

our shops, and for managers to hire the right candidates.

Stronger Communities

5 Revitalised Membership offer that unlocks value for our members and communities

Getting the most out of our Membership scheme

We campaigned to get members to choose their [local cause](#), and to vote in our AGM. We want to support the causes that are most important to our members. It makes good business sense too, because we know that members who choose a cause spend more with us.

6 Community impact focused and grown

Supporting the communities we serve

We've had over 12,000 applications for our [Local Community Fund](#) - the causes we're going to support with members' 1% from November for 2019 - up from 7,000 last time.

We've opened up applications to include non charities for the first time, and are focusing more on things that bring people together and create genuine co-operation.



"We've had over 12,000 applications for our Local Community Fund"

We're trebling the number of academy schools we sponsor over the next three years

We've announced that we're trebling the number of academy schools we sponsor over the next three years from 12 to 40. That means we'll help 40,000 children get a better start in life.

7 A joined up story that shows what the Co-op difference is all about

Showing we're a better way of doing business

At our [AGM in May](#), members supported our continued commitment to have 80% of our packaging fully recyclable by 2020 (we're already at 71%). At the Download festival we trialed a new [reverse-vending machine](#) to help cut down on plastic.

We've held Co-op's [biggest ever survey into death](#), dying and bereavement - tackling the taboos surrounding death and encouraging everyone to chat more openly. We want to make things less frightening and encourage people to plan ahead.

We announced [Food Share](#), making it easier for Co-op stores to donate unsold food. Food charities and community partners told us they wanted greater flexibility and access to fresh, nutritious food direct from their local stores, so that's what we're doing.

We've continued to lead the way with our campaigning on the issues that matter to our members. We've [partnered with HomeStart](#) (a leading family support charity) to provide help for young parents to overcome the loneliness and isolation they often feel. We've continued to be a loud voice on tackling modern slavery, and became the first business to sign the [international anti-slavery charter](#)

Let us know what you think about this update by emailing communications@coop.co.uk or comment on Colleague Stories. And share your own stories on Twitter [#BeingCoop](#)

Co-operative Group Limited

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