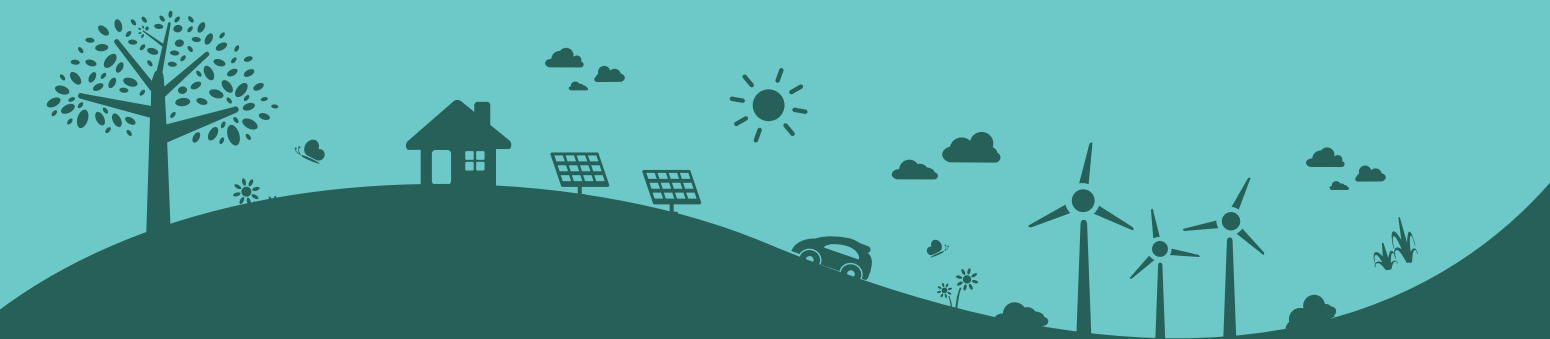


# CORPORATE RESPONSIBILITY

## 2014-2019

LIVING OUR CO-OPERATIVE VALUES  
THROUGH RESPONSIBLE BUSINESS

The **co-operative**  
Central England Co-operative



# Contents

- 3 CEO and President welcome
- 4 Our approach - purpose beyond profit
- 5 Corporate Responsibility Strategy 2014-2019
- 6 Community
- 8 Environment
- 10 Marketplace
- 12 Workplace
- 14 Responding to need
- 16 Valuing our partners
- 18 How do we measure success?
- 19 Scope of report
- 20 Future direction
- 21 Get in touch
- 22 Performance tables

## Our business

Central England Co-operative is a successful, independent, community-based co-operative business owned by its members. We are a modern, forward-looking business employing over 8,000 people and operating more than 400 trading outlets across 16 counties in Central England.

Our main business activities are food stores, petrol filling stations, funeral services, travel shops and property investment.

We are proud of our heritage, which dates back over 160 years, and have grown to become one of the largest and most successful co-operatives in the UK. Our colleagues are at the heart of our business and make a positive difference in the communities they serve. We focus continuously on being a great place to work by harnessing the talent, creativity and diversity of our colleagues.

.....

**Our vision is to be the UK's best consumer co-operative society by making a real difference to our members and our communities.**

Our values underpin our vision, and guide all of our actions.

**Co-operation** - our co-operative principles are at the heart of our actions

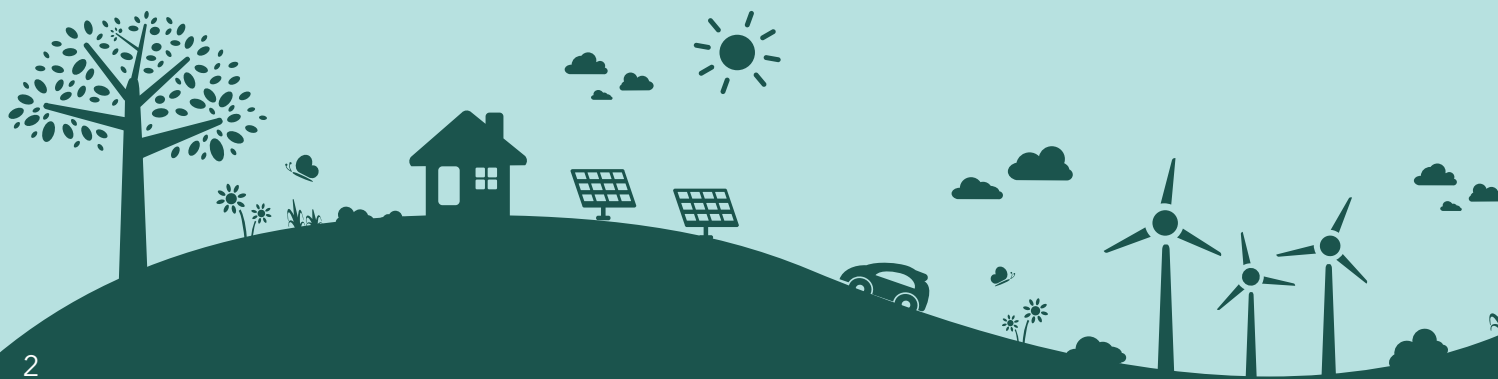
**Improvement** - always getting better at what we do

**Recognition** - rewarding the efforts and achievements of our colleagues

**Customers** - we listen to our customers to constantly provide great service

**Honesty** - openness and honesty as a way of working

**Success** - driving commercial success through effective leadership and teamwork



# CEO and President Welcome

Our CR Strategy was set in 2013 and what a journey it has been. As a Co-operative, our community focus and ethical credentials mean we are brilliantly placed to do the right thing as a responsible business.

With the help of Business in the Community (BITC) we developed a strategy which is integral to our trading objectives in line with our Co-operative values and principles and focuses on delivery to our members and communities, whilst demonstrating deep concern for the environment.

The strategy was structured in line with BITC's four pillars – community, environment, marketplace and workplace – and with strong senior leadership we moved to five stars in the annual BITC CR Index in February 2018.

As we move to the next phase, we will continue the good work of the last five years, focusing on the relevance of sustainability to our organisation.

We aim to invest in sustainability in the widest sense whilst continuing to grow our thriving business.

This report is aligned to the principles of the Global Reporting Initiative (GRI) and in 2020 we aim to produce our first GRI core report.

We hope this report will be read with great pride by our members.

<b>Elaine Dean</b>	<b>Martyn Cheatle</b>	<b>Deborah Robinson</b>
President	Chief Executive 2010-2019	Chief Executive

## What is Global Reporting Initiative (GRI)?

*"GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social wellbeing. This enables real action to create social, environmental and economic benefits for everyone. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in the public interest."* [www.globalreporting.org](http://www.globalreporting.org)



# Our approach – purpose beyond profit

## Values

Self-help  
Self-responsibility  
Democracy  
Equality  
Equity  
Solidarity

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## Principles

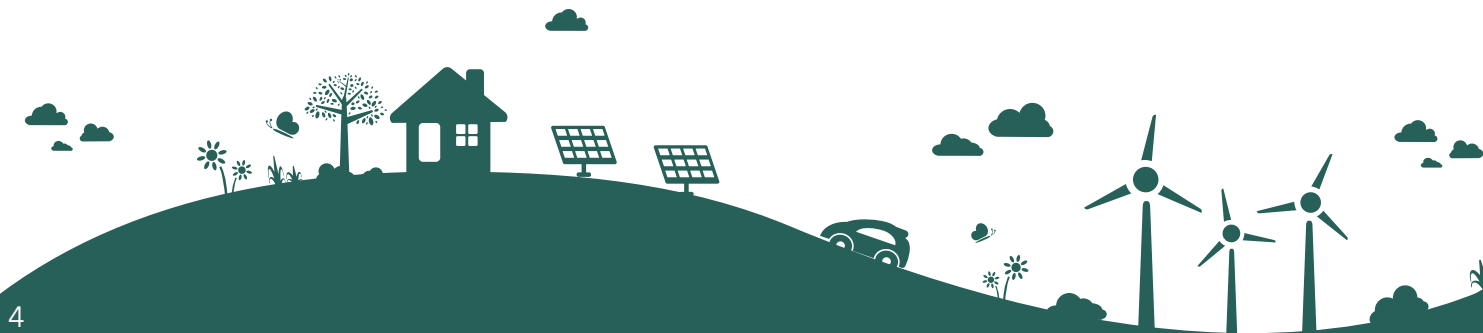
Voluntary and open membership  
Democratic  
Member economic participation  
Autonomy and independence  
Education, training and information  
Co-operation among co-operatives  
Concern for the community

We take a long term approach to doing business and believe that we can maximise our performance and create value for our members and local communities by behaving differently from our competitors.

We have a purpose beyond profit and are guided by our values and principles to achieve sustainable business success. This is the perfect foundation for a responsible business.

We have been a member of Business in the Community for many years and this strategy and our annual reporting up to January 2018 follows their model for responsible business.

We tasked ourselves with one central question, what is the right thing to do?



# CR Strategy 2014-2019



## COMMUNITY

- Remove barriers to work
- Focus on deprived communities
- Social equity & cohesion
- Engage with the NEET's\* agenda

\* NEET's: 16-24 year olds not in education, employment or training.



## ENVIRONMENT

- Carbon reduction
- Waste prevention
- Preserve natural resources
- Encourage sustainable behaviour



## MARKETPLACE

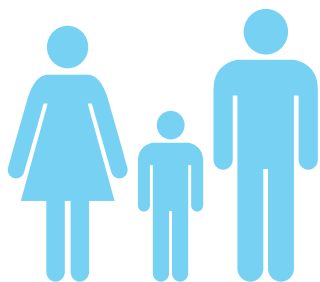
- Operate a responsible supply chain
- Practice responsible marketing
- Help address social issues
- Adopt local sourcing where possible



## WORKPLACE

- Unlock the skills of our employees
- Boost engagement with our vision & strategy
- Increase diversity & inclusion
- Promote the health & wellbeing of our employees





COMMUNITY



Our colleagues and  
customers have raised over

£2m

for our corporate  
charities

The Co-operative movement was a response to social inequality and this is core to our responsible business approach.

In 2012, 128,000 people visited a food bank.<sup>1</sup> The Trussell Trust reported in September 2018 that they provided 658,048 emergency supplies to people in crisis in the preceding six months.

The Office of National Statistics reported in 2010 that 1.9m young people are growing up in households where no one works.<sup>2</sup>

In 2013, we partnered with Selly Oak Trust School, the largest specialist SEN school in the UK. Only 7% of working age adults with learning disabilities were in paid or self-employment,<sup>3</sup> so we provided practice for employability skills. From this our SENse to Aspire program was created.

In 2016, one in six 16-24yr olds in England were Not in Education, Employment or Training (NEET) and at 11.5% the West Midlands had the second highest share of this group.<sup>4</sup>

Our Journey to a Job programme, in partnership with JobCentre Plus, ran for three years. In 2017, we ran two week-long pre-employment academies with a guaranteed job interview for a new store and Level II qualification in Customer Service. In 2018, we sponsored our first Prince's Trust Team cohort in partnership with Staffordshire Fire and Rescue and have since welcomed two of those young people to our retail team.

As a food retailer, we have a responsibility to provide healthy choices, with 33% of UK children overweight.<sup>5</sup> Our member and community team delivers Healthy Choices workshops in schools to encourage children to think about what makes a healthy balanced diet and to make good healthy choices.

<sup>1</sup>Trussell Trust, April 2012.

<sup>2</sup>Department for Education, Feb 2012.

<sup>3</sup>Public Health England, 2013.

<sup>4</sup>Department for Education, Feb 2012.

<sup>5</sup>National Child Measurement Programme, Sept 2012.



# OVER 17,000

primary school children have attended one of our Healthy Choices workshops over the last five years

\*10,000+ in schools, 7,000 at Food and Farming Day 2017

**We support young people Not in Education, Employment or Training (NEETs) through various employability programmes.**



On average

# 20%

per year go on to find work

In January 2019

# 91%

of food stores had a food bank installed



Contributions have increased around



# 50%

as a result of seasonal awareness campaigns



# OVER 500

Special Education Needs (SEN) and vulnerable young people supported over five years through our SENse to Aspire scheme



## ENVIRONMENT

Conservation of natural resources and the environment are a priority for us and we are proud to have been awarded and re-accredited with the Carbon Trust's Triple Standard for Carbon, Waste and Water.

The targets we set aim to monitor and reduce carbon emissions due to regulation, public scrutiny and increasing resource scarcity. The programmes we run to move us towards our carbon target often require considerable financial investment, where the payback is measured in future cost savings and environmental benefit. We've added doors to the chillers in our retail stores and changed all retail lighting to LED. We've also made changes in our funeral business and distribution network to reduce road miles and increase fuel efficiency. We're happy to report that we've smashed our carbon reduction target and made improvements for the long term by introducing sustainable technologies as standard.



## Retail Energy Project of the Year 2017

Awarded for our collaborative approach with suppliers and eco friendly store upgrades.



As Courtauld 2025 signatories we are committed to reducing the environmental impact of food waste. In 2018, we began the roll out of a food redistribution programme which is predicted to reduce food waste in our retail business by 40%, providing the equivalent of over one million meals to vulnerable people in our trading area.

We also looked to reduce our water consumption by repairing and replacing old equipment with new eco-friendly technology solutions.

To encourage environmental responsibility beyond the confines of our own business we are working to improve our procurement processes to encourage greater sustainability in our supply chain.

We report our data as absolute figures and benchmarked against per £1m of turnover. This allows us to take into account the rapid expansion of the business during the period of the strategy including mergers with Anglia Regional Co-operative and Wooldale Co-operative.



# CARBON DOWN 48%

In 2018, we replaced 6.9 tonnes of refrigeration gas with an alternative that is 65% less polluting. This means we have prevented the equivalent of 17,537 tonnes of CO2 from our future emissions.

Our food redistribution pilot run in partnership with FareShare East Midlands shows we can expect a **40% reduction in food waste for each store**. This will generate the equivalent of

**ONE MILLION MEALS PER YEAR**



Over 50% of food is wasted in the home and through the Love Food Hate Waste campaign run by Waste Resource Action Programme (WRAP) we are committed to supporting our shoppers to reduce the financial and environmental impact of food waste. In 2015, we held our very own “ready steady cook” themed waste awareness event in partnership with University College Birmingham hosted by TV chef Brian Turner.

We’ve been working hard to engage our 8,000 colleagues through an annual sustainability week in June. We’ve taken the opportunity to celebrate our progress on carbon emissions and waste, encourage greater engagement with our sustainability programmes and processes and introduce new ways of working. In June 2018, we announced the full roll out of our food redistribution programme in partnership with FareShare East Midlands.





## MARKETPLACE

By investing  
in the prices of healthy  
fruit, vegetable, meat and  
fish products we have  
supported customers to make  
better shopping choices.

Everyday  
**LOW  
PRICES**  
on 100's of  
essentials

The first retail Co-operative set up in 1844 by the Rochdale Pioneers supplied fairly priced, safe, high quality food at a time when equal access to good food was non-existent and businesses were forced to act unethically to make money.

Ethical and sustainable trading remain high on the agenda and the economic downturn did not dent customers' desire to minimise their impact on the environment and their spend on ethical products.<sup>1</sup> 80% of UK shoppers expect businesses to check their suppliers act responsibly towards the environment.<sup>2</sup> As well as our pioneering and long running commitment to Fairtrade we've been working on our procurement and marketing to ensure that we source and deliver products in a responsible way.

Environmental sustainability is not the only thing we require from our supply chain. We refuse to compromise on the welfare of the people who work hard in our supply

chain and we will not engage with new suppliers who cannot provide robust assurances on modern slavery and minimum wage standards.

33% of UK children, our future workforce and customers, are overweight.<sup>3</sup> Changing behaviours is hard, but we are committed to supporting young people to make the right healthy choices by running primary school workshops. We've spoken to over 17,000 children and vulnerable adults over the course of the strategy.

Customer demand for locally sourced products is strong - it supports local economies and reduces transport miles. However, there are many different definitions of local with culture, heritage and provenance being as important as the geography of the farmer or manufacturer. We're always looking for ways to responsibly increase our local supply base and respond to customer demand.

<sup>1</sup>YouGov Sixth Sense Ethical Living Research, 2011.

<sup>2</sup>IGD ShopperVista Environmental Sustainability, 2011.

<sup>3</sup>National Child Measurement Programme, Sept 2012.

We've been committed to  
**CHALLENGE 25**  
for many years and work to  
continuously improve compliance  
to protect our young people.



We undergo rigorous external audits by  
secret shoppers to ensure our colleagues  
are upholding this important principle.

We've worked hard to make our trading  
sites safer for customers and colleagues.  
Taking action on slips, trips and falls in our  
carparks, stores and staff areas.

**Incidents are down 17%**

**In 2017 we signed up to  
the Prompt Payment Code**

**Prompt Payment Code**

Approved Signatory

[www.promptpaymentcode.org.uk](http://www.promptpaymentcode.org.uk)  
administered by the Chartered Institute of Credit Management on behalf of BEIS

Our standard payment terms are 45  
days but as part of our commitment  
to smaller suppliers we allow  
relationship managers the freedom  
to negotiate shorter payment terms  
when this is vital to their business.

**In 2018/19  
we paid**

**92%  
of invoices  
in less than  
30 days**



## WORKPLACE



Each year we survey our colleagues on the things that really matter to them and report back on the actions we've taken.

Working to BITC's four pillar model has ensured our internal and external responsibilities have been held to equally high standards. Our colleagues are the heart and soul of our successful, growing business.

By looking after the health and wellbeing of our colleagues we are ensuring the strength of our business. Mental health and wellbeing have been a priority over the past two years since we committed to the Time to Change campaign. By recruiting mental health champions, supporting awareness events and backing this up with specialist training, we are encouraging our colleagues to be honest when they aren't feeling fine. In 2019, we are providing training for line managers to raise awareness of mental health and give guidance on how to support a colleague who is suffering with mental health issues.

Operating successfully and for the long term in areas with socially diverse customers requires a workforce that reflects the communities it serves. We've spent time over the

last 12 months encouraging honest conversations about this. What does diversity mean for our colleagues and customers? What are the benefits? What would they like to see change? We know from those conversations what matters the most to our stakeholders and we are creating an inclusive environment where everyone feels accepted and can contribute their best work and develop to their full potential.

We want every colleague to feel connected to our vision and strategy. Colleagues and members are asked to vote on constitutional matters at our members meetings, our Board always includes three employee members and our Member and Community Councils offer ideal opportunities to get involved.

*"Mental health and wellbeing have been a priority over the past two years"*

Colleagues say they  
enjoy their job



Colleagues say they  
are proud to work  
for Central England  
Co-operative



Our colleagues  
feel there are  
opportunities  
to learn and  
progress

## Our colleagues feel looked after

In February 2016 we launched Bloom to encourage customers and colleagues to think about their own health and wellbeing.

In March 2017 we signed up to the Time to Change pledge and we are proud to say we now have nearly 100 mental health champions throughout the business and we are currently rolling out mandatory line manager training.

In 2018, the Society's senior leaders worked hard to make our business somewhere people feel they can discuss what diversity and inclusion means to them and that differences are valued. To support this inclusive culture, we've supported events such as Birmingham Pride and the set up of gender and LGBT working groups.



**proud to support  
time to change**

let's end mental health discrimination

# Responding to need

Whilst we work hard to focus our attentions on the strategy areas in order to maximise resource efficiency and impact, we never turn down an opportunity to fulfil a need in our communities. Here's some of the extra projects we've worked on over the last five years.



- Volunteering launched – our colleagues supporting various community and education projects involved in mental health, employability, mentoring and animal welfare
- Voted Leading Co-operative of the Year 2014



- 2015 saw us partner with Love Food Hate Waste for The Big Freeze event in Birmingham city centre. raising awareness of the benefits of home freezing and the Taste It Don't Waste It event in partnership with University College Birmingham. The event was supported by TV chefs Brian Turner and Richard Fox and local Birmingham based chefs



- Voted Leading Co-operative of the Year for the second time







- First of nine vehicles donated to Stephenson College, Transaid and National Police Aid Convoy
- Sponsored Kids Country Food and Farming Day at East of England Showground – over 7,000 children heard more about Fairtrade, where food comes from and how to value it
- Began the roll out of 300 community access defibrillators funded by the carrier bag levy
- Our funeral team introduced our Forget Me Not bereavement groups now in over 40 locations



- February – food redistribution pilot launched in nine retail sites in Leicestershire in partnership with FareShare East Midlands
- Our trading development team worked with suppliers and contractors to refit Selly Oak Trust's kitchen teaching areas where students can practice their skills and work towards catering qualifications
- September – food redistribution project began full roll out. Estimating a 40% reduction in food waste and redistribution of the equivalent of over 1m meals



# Valuing our partners







Newlife the Charity for Disabled Children - Registered Charity Number: 1170125 in England & Wales



# How do we measure success?

Each of our CR projects are measured by those responsible for the delivery. The information is held on databases, tills, spreadsheets and by our delivery partners.

The results are reported to workgroups quarterly and collated by the CR Manager. Our CR Steering Group is then responsible for verifying the data which is then reported to the Board and to colleagues through our CR dashboard.

In 2017, we were the first Co-operative of our type to publish a Social Return on Investment analysis for our community programmes. By listening to those participating in the programmes, we verified what impacts have been achieved. Each of these impacts are then assigned a financial value using government information and academic research.

Working out these figures is complicated, but understanding what they mean is easy. For every £1 we invest in a community scheme, X amount of social value is generated.

The projects that we assessed in 2017 and 2018 delivered a total social value of £10m. This kind of analysis makes sure we are investing our member's money wisely.

Going forward, we will be reporting in line with the Global Reporting Framework which requires us to uphold certain principles including completeness, accuracy, timeliness, reliability and clarity.

*"We were the first Co-operative of our type to publish a Social Return on Investment report."*



The social return on investment of the projects we assessed in 2017 and 2018 delivered a total of £10m in social value.

# Future direction



We've been taking some time to consider our future CR strategy. We've talked to members, customers, colleagues, independent organisation and industry specialists that we trust to help us decide – **what next?**

We'll be announcing our future strategy in the coming months. It will align to the United Nations Strategic Development Goals (SDGs) and we will proudly take responsibility for the most material issues connected to our business. Over the next 5-10 years we plan to build on the good work we've already done and contribute our fair share to the SDGs.

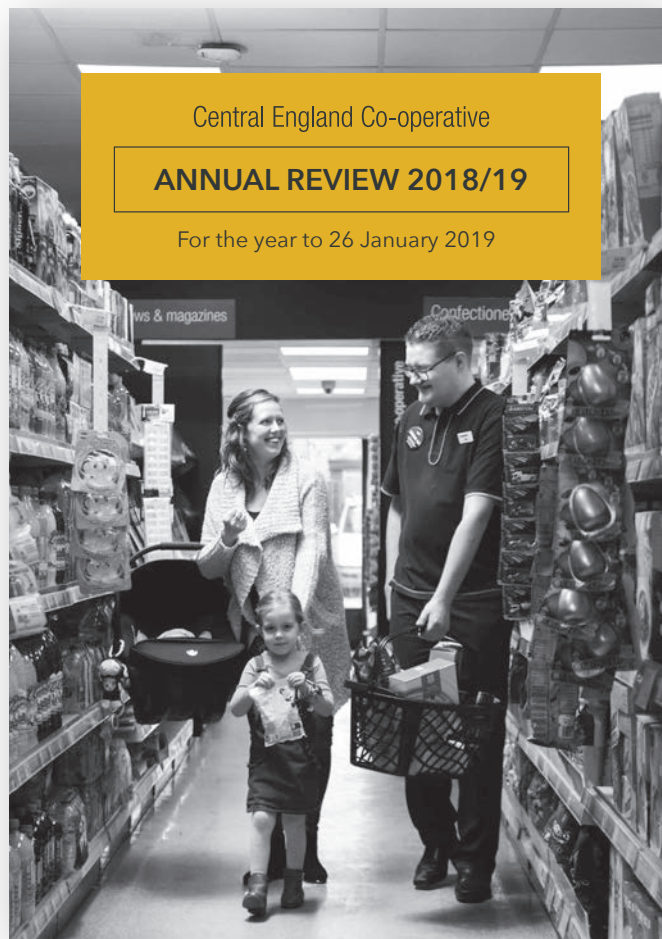
Using our social return on investment skills to get the most from our investments we'll continue to match need with the skills and resources of our trading businesses, to ensure we make a meaningful and sustainable impact on the world around us and live up to our promise of purpose beyond profit.



# Scope of the report

This report covers the financial period January 2014 to January 2019. It has been written in accordance with the principles of GRI and with the guidance of sustainability consultancy Simply Sustainable.

Key achievements and progress in respect of the CR strategy are disclosed as part of the Society's Annual Report which is available to members, colleagues, customers and the general public. The financial and non-financial information included in the Society's Annual Report is subject to independent review.



# Get in touch

If you have any questions or would like to get more involved in our corporate responsibility work please get in touch.

**Central England Co-operative**

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Key Performance Indicator	2014 target	2014 outcome	2015 target	2015 outcome	2016 target
<b>COMMUNITY</b>					
*Develop a sustainable work experience model for 400 students with learning difficulties and/or from disadvantaged backgrounds by 2018	200	127	300	221	330
*All retail food stores to be working with local foodbanks by 2016	30%	26%	50%	26%	100%
*Aim to raise a minimum of £180,000 per year for our corporate charity by 2018	£100,000	£303,737	£120,000	£252,311	£140,000
Deliver Healthy Choices workshops to 600 school students and vulnerable people per year by 2015	500	779	600	993	600
20% of NEETs attending our Journey to a Job programmes secure permanent employment within six months by 2017	10%	10%	15%	10%	15%
<b>ENVIRONMENT</b>					
*We will reduce our CO2 emissions by 35% by March 2018 vs 2010 baseline	25%	27%	31%	31%	31%
*We will reduce total waste across the society by 15% by March 2018 vs 2011/12* baseline	6%	6%	9%	11%	10%
We will reduce water usage across our estate by 15% by March 2018 vs 2010 baseline	11%	5%	6%	21%	9%
We commit to encouraging sustainable behaviour from our colleagues, customers and suppliers by running environmental awareness campaigns and activities each year.	Colleagues: 4 Customers: 4 Suppliers: 2	Colleagues: 6 Customers: 6 Suppliers: 2	Colleagues: 4 Customers: 4 Suppliers: 2	Colleagues: 1 Customers: 2 Suppliers: 2	Colleagues: 4 Customers: 4 Suppliers: 2
<b>MARKETPLACE</b>					
Work in partnership with our top 200 suppliers to help them to become more sustainable by the end of 2018	50	Through CR scoring and property conference	100	CR scoring for top 100	150
Payment terms aligned to pay within 45 days by 2015			Standard payment terms 45 days	Achieved	75% paid on time
Deliver 17 additional promotions per year that will focus on health and wellbeing by 2017	6	12	8	6	12
Supporting our customers to drink responsibly by featuring two alcohol awareness campaigns per year	2	1	2	3	2
Increase the amount of locally sourced products to represent 5% of our offer by 2018. Local definition to move to suppliers across our trading area to support the CEC brand	5% growth YoY in local range	Not pursued	8% growth YoY in local range	Not pursued	10% growth YoY in local range
<b>WORKPLACE</b>					
All colleagues to have a route planner in place by 2018	70%	75%	50%	34%	60%
75% of colleagues to actively use the online skill bank by 2018	Development stage	Development stage	100% of mandatory skills accessed via online skill bank	Complete	Active usage by 50% of colleagues and managers
Increase the attitude survey index score for "I am offered all the training I need to perform my job" to 80 by 2017	77	75	78	77	79
Achieve an attitude survey index score for "There are opportunities for me to develop in the Society should I wish" of 75 by 2017	72	73	73	75	74
*Achieve an overall engagement index score of 78 or more	78+	76	78+	77	78+
Create a workforce which is representative of the communities we serve by increasing diversity and inclusion practices	Inclusion & Diversity Plan in place	In development	Create proactive recruitment strategies to address areas of weakness	Plan in place	15% improvement on 2014 gap against regional [ONS] average
Increase our attitude survey index score for "The Society encourages me to get active and eat more healthily" to 70 by 2018	60	59	62	59	64

\*Relevant data in respect of this Key Performance Indicator (KPI) has been reported in the Society's Annual Report for the financial years 2014/15 to 2018/19.



2016 outcome	2017 target	2017 outcome	2018 target	2018 outcome	Quality of outcome	Commentary
387	360	478	400	533		2018 SROI found that per £1 invested £17.49 of social value is generated
97%	100%	95%	100%	91%		
£224,786	£160,000	£246,768	£180,000	£295,624		
1600	600	9801	600	4224		2017 data includes 7000 at Food and Farming Day  2017 SROI found that per £1 invested, £70.91 of social value is generated (combined value of Healthy Choices workshops and Ethical Challenges)
16%	20%	38%	20%	25%		2014-2016 Journey to a Job, 2017 Pre-Employment Academies and 2018 Princes Trust Team Programme
26%	33%	39%	35%	59%		Benchmarked against turnover 48% reduction in absolute terms
-3%	13%	-17%	15%	14%		Benchmarked against turnover 10% increase in absolute terms
-7%	12%	1%	15%	22%		Benchmarked against turnover 22% increase in absolute terms
Colleagues: 5 Customers: 4 Suppliers: 2	Colleagues: 4 Customers: 4 Suppliers: 2	Colleagues: 5 Customers: 4 Suppliers: 4	Colleagues: 4 Customers: 4 Suppliers: 2	Colleagues: 4 Customers: 4 Suppliers: 2		
100 suppliers invited to sustainability WebEx	200	Activity on hold	250	Activity on hold		Whilst individual projects are in progress to improve sustainability in our supply chain, the delivery and measurement of these programmes do not map to the KPI
96%	80% paid on time	94%	85% paid on time	71%		
13	15	20	17	20		
2	2	2	2	2		
Not pursued	12% growth YoY in local range	Not pursued	5%	Not pursued		We are proud of our local supplier relationships and continue to work with our insight functions to understand what local means to our customers
71%	70%	85%	80%	62%		
75%	Active usage by 65% of colleagues and managers	78%	Active usage by 75% of colleagues and managers	60%		
77	80	77	80	78		
75	75	75	75	72		
77	78+	76	78+	77		
Plan in place	25% improvement on 2014 gap against regional [ONS] average	Focus redefined	35% improvement on 2014 gap against regional [ONS] average	Focus redefined		See page 13
63	68	60	70	78		The 2018 question was reworded to: "I feel my immediate manager cares for me and my wellbeing"

