

The **Midcounties Co-operative**

Social Responsibility Report 2014/2015



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The **Midcounties Co-operative**

Community Owned, Community Led, Community Rewarding
Working together to create a better, fairer world

Welcome to The Midcounties Co-operative

Who we are

We are a consumer co-operative owned by our members, part of the global co-operative movement.



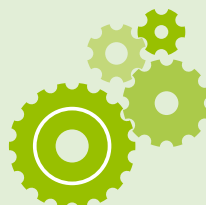
What we do

We operate a range of businesses in Food, Travel, Healthcare, Funeral, Childcare, Energy, Post Offices and Flexible Benefits.



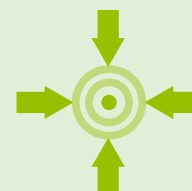
Where we trade

Our heartlands are in Oxfordshire, Gloucestershire, Buckinghamshire, Shropshire, Staffordshire, the West Midlands, Wiltshire and Worcestershire. However, our Energy, Childcare, Travel and Flexible Benefits businesses trade across the UK.



How we work

We have four core values that guide the way we work - Democracy, Openness, Equality and Social Responsibility. These are derived from the values and principles of the co-operative movement. We believe they demonstrate the strength of co-operation and set us apart from our competitors.



Our aim

Our aim is to be a successful consumer co-operative working towards creating a better, fairer world, and to enhance the lives of our colleagues, members, customers and the communities we serve.

Midcounties **DOES** The values that shape our Society



Ensuring the views of our members are reflected in the way the Society is run.



Being open, honest and fair in our dealings with everyone we come into contact with.



Recognising the contribution that everyone can make to the development of the Society.



Reflecting our responsibilities to the wider community in the way we conduct our business.



Social responsibility and co-operation

At its heart a true co-operative organisation is socially responsible and effectively engaged with the communities it serves.

Co-operatives have been operating for the good of their members, colleagues, communities and the environment since they came into being. It's just the way we do things. Social Responsibility is one of our four key DOES values and is central to everything we do as a Society. Our community driven Social Responsibility Strategy puts members at the heart of everything we do, thus enabling us to grow communities together and emphasise our co-operative difference.

As a member-owned business, this report has been designed to inform our members of our social responsibility progress and future targets. The Social Responsibility Report is part of our wider reporting structure based around our Steering Wheel measures which can be found in our full Annual Report & Accounts.

Social responsibility goals

We have identified a number of Social Responsibility goals for our business. These are linked to our Social Responsibility Strategy. The goals are broken into four key headings:

Defending the environment

As part of our ethical way of doing business, it is important that we're reducing our CO₂ emissions, cutting waste and increasing recycling wherever possible.

Supporting our communities

Being a member-owned organisation means we're committed to giving something back to the communities in the areas where we trade. By putting members at the heart of everything we do, we ensure that we have a community driven approach to truly encompass the co-operative difference.

Developing young people

From working closely with our partner schools to helping to create educational tools to be used in schools across our heartlands, we're heavily involved in developing young people.

Developing links with co-operatives across the world

By providing funding for organisations involved in setting up and supporting co-operatives, we're committed to supporting the expansion of the co-operative model.

These goals form the basis of much of our socially responsible activity and help guide our actions.

Community Impact Index Report

Working with Co-operative News, Midcounties sponsored research into co-operative investment in communities and the development of co-ops.

Co-operatives should ensure that their responsibilities to the wider community are reflected in the way they conduct their business. This is increasingly important to the trading performance of consumer co-ops as societal concern about the environmental and social impact of large-scale trading activity grows. This report highlights the scale of the effect co-operatives have had on the communities where they trade.

The Community Impact Index is based on research into the investment in communities from the largest consumer-facing co-operatives in the UK, as well as the largest non-co-op retailers. Headline findings from this research are as follows;

- Retail co-ops give 6.9% of pre-tax profits to communities vs 2.4% from rival supermarkets
- Co-op employees volunteer an average of 90 minutes in the community
- Staff, members and customers from the largest 12 co-ops raised over £12m for charity in 2013/2014
- The top nine retail co-ops gave more than £20m to communities in 2013/2014
- The Midcounties Co-operative invested more of its profits into the community than any other independent large UK consumer co-operative in 2013/2014

Read the Community Impact Index in full online at www.thenews.coop

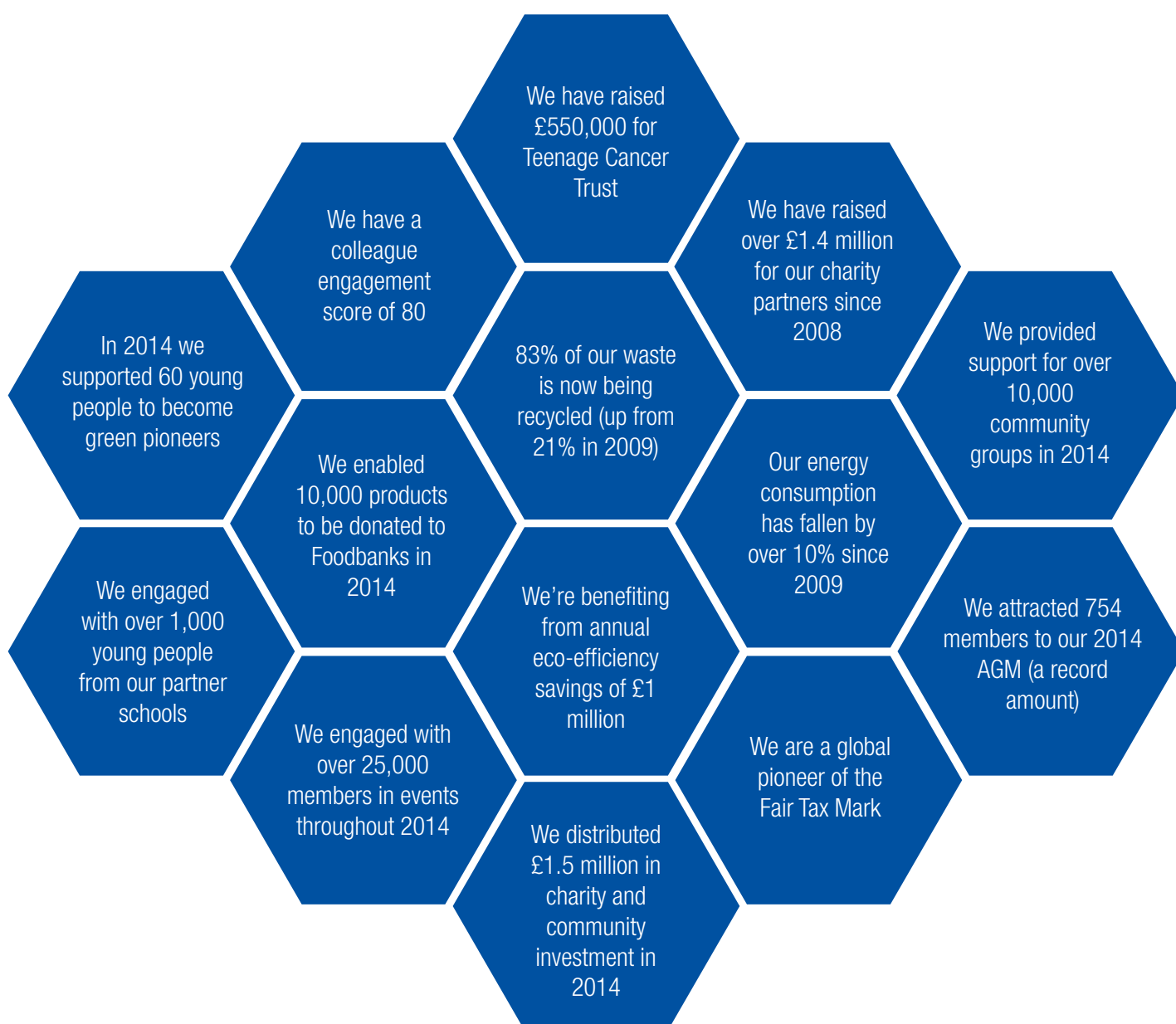


Key Facts

Corporate Responsibility Index

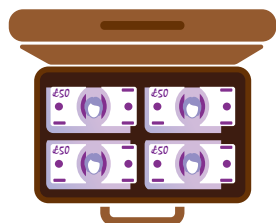
In order to benchmark Midcounties against other organisations we take part in Business in the Community's Corporate Responsibility Index. This nationwide benchmarking allows us to gauge our current progress as well as providing us with an opportunity to promote our work.

In 2014 we achieved a **Four Star rating** in the Index, scoring 97% overall, with the Society being only one of nine companies achieving four stars or above in 2014.





Why supporting our communities matters - Our community driven Social Responsibility Strategy puts members at the heart of everything we do, thus enabling us to grow communities together and emphasise our co-operative difference. As a co-operative business we are committed to supporting local communities by working with our colleagues and members to enable communities to grow together.



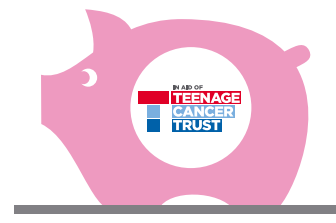
£176,770

We distributed £176,770 from our community fund to support 133 grassroots community organisations across our trading area



23,626

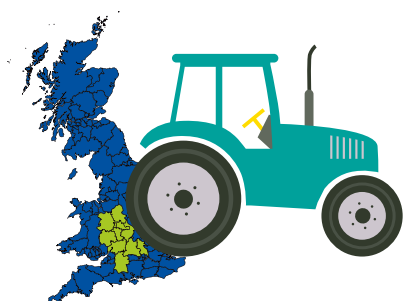
Our colleagues delivered 23,626 colleague volunteer hours last year to support our local communities



We raised £550,000 for charity partner Teenage Cancer Trust over the two year partnership, smashing our half a million target



We have been reaccredited with the Fair Tax Mark, awarded to organisations that display a high degree of transparency in their tax affairs, with an increased score following improvements to our tax charter



We are working with 140 local suppliers who provide us with over 1,200 products



We have achieved ethical trade sales of over £58,000,000 in 2014 (ahead of our target of £55,504,000). This is an increase from £43 million in 2012 (a 25% increase)

£1.4 MILLION

We have raised over 1.4 million for our charity partners since 2008, broken down as follows;

2008:

Dogs for the disabled = £150,000

2009 and 2010:

Help the Hospices = £400,000

2011 and 2012:

Women's aid = £330,000

2013 and 2014:

Teenage Cancer Trust = £550,000



We have achieved BITC's Community Mark award in recognition of our community investment (one of only 41 companies in the UK holding the Community Mark)



£1.5 million

We have distributed £1.5 million in charity and community investment



We have provided support for over 10,000 community groups in 2014 through colleague volunteering and community grants (providing support for over 330,000 people)



Case Study - Addressing Food Poverty

We have created partnerships with Foodbank groups throughout 2014 through colleague volunteering, and rolling out Foodbank donation boxes across our Food Stores. Through this activity, we have enabled 10,000 products to be donated to Foodbanks as of year-end 2014/2015. We are now supporting over 40 Foodbank groups across our trading area (this represents around 10% of all Foodbank Groups set up in the UK).

To further address the issue of food poverty, through Federal Retailing and Trading Services Limited (FRTS), the buying group of the Food Retail businesses in the co-operative movement and the successor to CRTG, we are developing a programme for products in the manufacturing stage that are going to waste, to be sent to a company called Company Shop. Company Shop redirect these products, through their 'Community Shop' network, to people that need support.

Through FRTS we are currently piloting the provision of products to Company Shop, thus helping to reduce waste in our supply chain.

Case Study - Responsible Tax

As a values led and ethical organisation, we believe that we should pay the taxes that are due and not engage in aggressive tax avoidance schemes, even if legal. In 2013 we formalised this with the development of a Tax Charter, which sets out that, as far as is reasonable, the Society's preference is to make its tax affairs as simple as possible. In July 2014, we revised our Charter, making an explicit commitment to not establish operations in other jurisdictions for the purpose of evading or avoiding the tax laws of the UK.

In February 2014, we were amongst a handful of pioneers to secure a Fair Tax Mark, which certifies that we "pay the right amount of tax in the right place at the right time." As with Fairtrade, we are proud to be at the vanguard of this important area of corporate responsibility, and were pleased that our involvement was commended in the national media and by politicians via an Early Day Motion. To promote our achievement, and encourage other businesses to consider involvement, last year we sponsored a roundtable discussion with the Guardian and proposed that the UK co-operative movement embrace the Fair Tax Mark at Co-operative Congress.

In early 2015, we were recertified and saw our score increase following improvements to our Tax Charter. We were also amongst the first businesses to pledge support to the Tax Dodging Bill campaign principles and recognise the need for the UK to tighten up regulation to ensure that business can less easily avoid paying their fair share of tax here and in the developing world.

Case Study - Regional Communities

In order to ensure that we are providing support and making impacts that are relevant to our diverse community locations, we have implemented an innovative programme called 'regional communities'. This programme builds on our strong track record of supporting communities and aims to focus on the real 'Co-operative difference'. The programme objective is to cement and raise awareness of our position as the leading local business supporter of communities and to "Put members at the heart of everything we do".

In 2014 we rolled out our Regional community programme to the following 5 regions; Walsall, Swindon, Kidlington, Cannock, and Kidderminster. Within these 5 Regional Community locations in 2014 we enabled monthly foodbank donations to increase 12 fold following the introduction of our foodbank awareness activity in these locations (increasing from a total of 51 items being donated per month across our 5 Regional Community locations to 642 items per month), 550 colleagues from 55 trading sites to volunteer in these 5 locations, and the achievement of 53 pieces of print and online PR media coverage in 2014 for our Regional Community activity (which has reached an audience of 3,258,415). We plan to roll out our Regional Community programme further in 2015/2016, aiming to have 20 Regional Community locations set up by year-end.

Supporting our Communities 2015 targets

- Achieve 22,958 colleague volunteering hours
- Further roll out our Regional Community programme, aiming to have 20 Regional Community locations set up by year-end.
- Achieve ethical trade sales of at least £60,000,000
- Effectively manage the Society's relationship with Charities maximising opportunity for fundraising to reach £350,000
- Continue to be a pioneering exemplar of responsible tax planning.



Defending the environment

Why defending the environment matters - Concern for the environment is a key element of our social responsibility strategy and we believe that being environmentally responsible is the right thing to do. We have a dedicated Sustainability team, along with a group of Environmental Champions placed at sites across the business and an Environmental Steering Group, all helping to deliver our green objectives. By assessing longer term global trends we ensure that we focus on environmental impacts that are relevant to our business, and the longer term sustainability of our communities.



83% of our waste is now being recycled (up from 21% in 2009), diverting 3,700 tonnes of waste from landfill (saving the business over £250,000 on landfill taxes).



Our food waste recycling process produces enough renewable energy to power 40 homes a year.



Our overall energy use within the Society has reduced by 4.5% in 2014, resulting in the business reducing CO₂ emissions by 1,800 tonnes (saving circa £360,000 on energy costs). Linked to this, our Christmas holiday switch off campaign (ensuring that all lights and none essential items were switched off across our sites during the holiday period) enabled us to save over 100 tonnes of CO₂ over the Christmas bank holiday.



We achieved the Carbon Trust Standard in recognition for excellence in managing, reporting and reducing our carbon emissions



180 delegates attended our Community Energy Conference in Birmingham, bringing together experts to discuss and showcase community renewable energy projects.

Through FRTS we have reduced total primary packaging (of own brand packaging) by 39% since 2006, and 1% since 2012. We have also maintained a 15% reduction in the carbon impact of The Co-operative Food's own-brand packaging compared to 2009.



Operational energy consumption has fallen by over 10% since 2009 saving over 5,000 tonnes of CO₂. Operational eco-efficiency gains are now running in excess of £1 million per annum, as a result of our on-going energy saving and recycling activity.



In partnership with the Salvation Army we enabled over 70 tonnes of clothing to be recycled at our trading sites, generating an average monthly income of over £1,000 to be re-invested back into Social Responsibility activities.

During the year we recycled 83% of our Society waste (2013/2014: 75%). This represents 3,733 tonnes of materials. In total we produced 4,504 tonnes of waste during the year. We also achieved a 4% reduction in carrier bag use, equivalent to saving 1.8 million carrier bags (saving the business circa £18,000 per annum on carrier bag costs).



Our CO₂ for the year was 2.1 tonnes per £1 million turnover, (2013: 2.3 tonnes). This figure is calculated from energy consumption (1,504 tonnes CO₂) and colleague business miles (1,040 tonnes of CO₂). As our electricity comes from 100% green sources.

Case Study - Energy Saving and Recycling

Our sustainability activity across our operations has made considerable positive environmental impacts. As a result of our energy saving awareness programmes and energy saving property projects, our annual energy consumption across our properties has fallen by over 10% since 2009 (saving over 5,000 tonnes of CO₂).

Recycling of operational waste has increased almost five-fold over the last six years, from a 21% recycling rate in 2009 to 83% in 2014. As of summer 2014, we have set up a scheme with other Co-operative Societies to backhaul our waste through our distribution network to one central place. This has enabled even more of our waste to be diverted from landfill and reduced waste removal costs by circa £200,000 per annum. Through our recycling programme, we send our food waste to anaerobic digestion to produce renewable energy. This process produces 477,000 kwh of renewable energy per annum, providing enough energy to power 40 homes in the community for a whole year. Operational eco-efficiency gains are now running in excess of £1 million per annum, as a result of our ongoing energy saving and recycling activity.



Case Study - Award winning Sustainability activity

In 2014/2015 we have been awarded the Carbon Trust Standard, and achieved re-accreditation of Business in the Community's Environmental Leadership Award. These awards have been achieved in recognition for the Environmental performance of our business, particularly our year on year reduction in energy usage and increased recycling levels. Overall the awards demonstrate that we value natural resources and are taking measures to reduce their use, we are collaborating with key stakeholders to influence environmental benefits beyond our direct operations and are demonstrating the business benefits of cutting dependency on diminishing natural resources.



Defending the Environment 2015 targets

- Reduce energy usage by 3%
- Increase recycling to 85%
- Reduce carrier bag usage by 20% (from 2012 levels)
- Reduce paper usage by 20% (from 2013 levels)



Defending the environment – Co-operative Energy

Why defending the environment matters - Working with colleagues and members, we have systematically championed sustainable development across our products and services, and this is exemplified through our Co-operative Energy business.

Performance in 2014 - Energy mix

In 2011, we launched Co-operative Energy and began supplying electricity and gas to customers across England, Scotland and Wales. From the outset we pledged that the carbon content of our electricity would remain less than half the national average. We have subsequently met or surpassed this target, and most recently (year ending March 2014) we secured 68% of our electricity from renewable sources. Our gas supply is from conventional sources and we will seek to actively avoid gas derived from shale until the impact of such developments is better understood and support a moratorium on commercial development.

Support for community renewables

In addition to our general support for renewable energy, we actively seek to source power from community generation initiatives and independent generators. By offering long-term power purchase agreements we provide a secure market for community energy and significantly enhance a project's viability.

In 2014, we had 26 agreements in place for 48MW of renewable energy supply (2013: 13MW), 19 of which (39MW) were active during the year. Twelve agreements were in place with community projects (nine active), which ranged from co-operatives through to charitable trusts and crowd-sourced debt offerings. These nine community energy projects generate enough output to power 8,000 homes. Looking further ahead, we hope to have 80MW of agreements in place by end 2015, and 160MW by end 2016.

Community Energy Output

Scheme	Type	Capacity
Westmill, Oxfordshire - wind	Co-operative	3.9MW
Baywind Harlock Hill, Cumbria - wind	Co-operative	2.5MW
West Solent, Hampshire - solar	Co-operative	2.4MW
Galson, Isle of Lewis - wind	Charitable trust	900KW
Great Dunkilns, Gloucestershire - wind	Crowd-sourced debt	500KW
Berwick, Northumberland - wind	Charitable trust	500KW
REG High Down, Cornwall - wind	Crowd-sourced debt	500KW
Whitby Esk, Yorkshire - hydro	Co-operative	50KW
Neen Sollars, Shropshire - hydro	Co-operative	50KW

In July 2014, we launched User Chooser, a facility that allows customers to control the energy mix of the electricity they buy. Customers visit our Energy Hub website, register and then choose the generation type they prefer and, if relevant, the specific generation site to be utilised. In July we sponsored Community Energy Fortnight 2014 and organised our second Community Energy Conference at Birmingham NEC in 2014.



Energy Companies Obligation and Smart Meter roll-out

Once energy suppliers in the UK reach a threshold number of customers they become obligated to fund the installation of energy efficiency improvement measures across the UK domestic housing stock. In 2014, Co-operative Energy began to discharge its Electricity Company Obligation (ECO) commitments by working with bilateral delivery partners and Local Authorities to fund projects to targeted energy users, including the fuel poor. In 2014, Co-operative Energy also prepared for its contribution to the national roll out of Smart Meters from 2015. These will give consumers detailed information about their energy consumption and enable them to better manage their usage, costs and environmental impact.

Lobbying for Good

The UK energy market is skewed toward six large incumbent corporations who control 90% of supply. At the same time, the penetration of renewables in UK energy supply is some of the poorest in Europe. This means that a progressive new entrant such as Co-operative Energy faces an uphill struggle to deliver a fair and sustainable offering. It is therefore vital that we engage with policy makers and influencers at the highest level and argue for a more balanced legislative and regulatory regime – one that recognises the value of fair, low carbon co-operative solutions.

Public policy engagement, 2014

Community Energy

As an active member of the Community Energy Coalition, Co-operatives UK and the Social Economy Alliance we lobbied for: reinstatement and reform of tax relief for investments in renewable energy; review of EC's Environmental and Energy State Aid Guidelines; FCA to reverse position of refusing to sanction new bona fide co-operatives involved in community energy provision. We also supported production and distribution of 'Lessons from Germany,' which describes the potential of community energy when given appropriate policy support (distributed to MPs, Peers, UK MEPS and members of the Welsh Assembly and Scottish Parliament) and events at four

Party Conferences (arguing need for a low carbon economy and better support for community renewables). In parallel, we also supported the development of a call for a mandatory community right to invest in sizeable renewable energy projects – which was fed into 'Shared Ownership Taskforce' and now features in 'Social Economy Alliance' manifesto.

Renewable Energy and Climate Change

In support of the need for an accelerated deployment of renewable energy in the UK we: sponsored the production and distribution of 'Unlocking Finance and Investment', which sets out the need to harness crowdsourcing in support of renewable energy expansion; part-sponsored the production and launch of 'The Economic Benefits of Renewable Energy: A potential windfall?' at the House of Commons; signed the Trillion Tonne Communique and the call for scientifically informed global greenhouse gas reduction targets.

Warm Homes and Fuel Poverty

We are a supporter of the Energy Bill Revolution campaign and call for improvement of UK's energy inefficient housing stock. Separately, we responded to the Labour Party's Energy Efficiency Green Paper consultation, supporting the designation of energy efficiency as a national infrastructure priority and the proposed shift to an areas based approach to housing upgrade.

Market Reform

We made a detailed submission to the Competition and Markets Authority's Energy Market Investigation and Labour Party's Powering Britain consultation. We argued that a structural market imbalance has stifled competition and led to consumers not engaging actively in the market. Moreover, that excessive regulatory change has disproportionately affected smaller suppliers, and acts as a barrier to market entry and growth.

Defending the Environment - Co-operative Energy 2015 targets

- Ensure that the carbon content of the electricity we supply remains less than half the national average
- Lobby for Good and ensure that fair, low carbon co-operative solutions have the opportunity to thrive in energy markets
- Deliver on Energy Companies Obligation and contribute to Smart Meter roll-out





Why developing young people matters - Working with partner schools and through dedicated workshops we hope to inform young people about the values of co-operation.



We have engaged 60 young people in the Green Pioneers programme in 2014, working with Walsall Academy and The Community College Bishops Castle. Subsequent sustainability projects relating to this programme have been rolled out in these schools, further engaging a wider total of 1500 young people.



We have directly engaged with over 1000 young people in 45 interventions in our seven partner schools during 2014, supported by over 50 colleagues.



We provided 202 work experience placements in 2014, with placements taking place in every trading group (this represents an increase in placements of over 50% since 2012).



We attended 3 Fresher's Fairs in 2014 – Oxford Brookes, Gloucester University and The University of Wolverhampton. In total we signed up 850 new student members.



We have engaged with over 300 young people in two further education colleges (Walsall College and Swindon New College) at 4 events during 2014.

£170,000

Over the past 10 years, we have donated over £170,000 to The Outward Bound Trust, enabling approximately 750 young people to benefit from an Outward Bound experience.

Case Study - Green Pioneers

This unique programme is designed, in partnership with The Outward Bound Trust, to engage young people from our selected Partner Schools in sustainability awareness, whilst developing their employability skills. This is achieved through a practical residential week at an Outward Bound Centre, followed by a combination of classroom activities and a visit to Midcounties trading sites, culminating in the participants completing a presentation to a group of senior Midcounties representatives.

The purpose of this programme is to create young co-operators of the future and to raise awareness of Midcounties in a younger generation and to firmly plant in their minds the link between shopping with us and the support we give to them and their local communities.

The Green Pioneers Programme is unique in that it is a partnership between us, The Outward Bound Trust and the school involved. The programme is not simply about a week long residential, but is about creating a legacy that will continue to positively impact the students and school long after the programme has come to an end. In 2014 we supported 60 young people to become green pioneers (exceeding our target of 48 young people), which has benefited 1500 people in school community as a result of subsequent projects.



Case Study - Stores as Classrooms

The Midcounties Co-operative's 'Stores as Classrooms' initiative is part of our ongoing commitment to supporting the education of young people in the local community. Schools local to our stores use our store as a classroom to run their lesson. In 2014 we hosted 3 primary schools running 5 lessons for over 300 children. Topics included fair trade, and Maths challenges.

One of the more challenging topics to accommodate was 'The Great Fire of London', however, this was managed successfully with 80 children from Franche Primary School visiting Franche Road food store over a two day period. The children visited the in-store bakery where they heard how bread is made and how we ensure the safety of colleagues working in the bakery and throughout the store. This helped them to understand how different the conditions were at the infamous Pudding Lane Bakery where the Great Fire started.



Developing Young People 2015 targets

- Deliver, via facilitation of colleague volunteering, a full programme of agreed activity within schools in our trading area
- Offer quality work experience placements
- In accordance with the regional communities plan, develop relationships and promote the Developing Young People strategy to increase opportunities to form partnerships and maximise collaborative working across the business





Why developing co-operative links matters - Co-operation among co-operatives is a key principle in the co-operative business model and, as a successful co-operative, we want to support and work with others. By doing so we can help to improve the reach of the co-operative way of doing business.

**COOPERATIVE
FUTURES**
business for good

We gave £100,000 to support the development of co-operatives through Co-operative Futures

The **co-operative** funeralcare
Part of The Midcounties Co-operative

Our Funeral business is the UK representative of the Funeral Co-operatives and Mutual Enterprises (FCME), helping to promote co-operatives and mutual enterprises at a local, national and international level through the values and principles of the co-operative movement



**WE HELPED SUPPORT
17 NEW CO-OPERATIVES**

This year 83 co-operatives were advised or supported by Co-operative Futures and 17 new registrations of co-operatives were completed.

£280,000

In total we provided £280,000 worth of grants to support Co-operatives in 2014

Case Study - Midcounties Funeral Group developing Co-ops around the world

In 2012, The International Year of Co-operatives, the first International Meeting of Funeral Co-operatives and Mutual Enterprises (FCME) took place in Quebec City as part of the first International Co-operative Economic Summit. The Midcounties Co-operative Funeral Group is the UK representative on the Committee which also consists of funeral Co-operatives in Seattle, Peru, Columbia, Costa Rica and Canada.

The purpose of this new Funeral Co-operatives and Mutual Enterprises is to promote funeral co-operatives and create a network for these co-operatives to allow them to share and grow and to publicise the sector.

Our funeral group is very much involved in developing co-operatives not only in the UK but around the world. Group General Manager – Simon Fisher recently completed a term as President of the National Association of Funeral Directors, the UK's leading trade associations for the funeral sector, which allowed the opportunity to promote co-operation and social values.

Case Study - Think Tiny Co-operative – 'Building and making things to create a fairer world'

Our support for Co-operative Futures has helped the development of Co-operatives, such as the following.

'Think Tiny Co-operative' design and construct a range of 'Tiny' products and solutions. They aim to show how fun a sustainable lifestyle can be by building, making and up-cycling. So far the products and activities include a forest garden, build a beehive workshop, setting up a 'Tiny' Brewery holding an upcycled raft race and even an outdoor health spa. There are many more things to come.

The purpose of the co-operative is to provide a collective identity to create and develop new 'Tiny' solutions, learn new skills, share ideas and be a vehicle for community work and education. Co-operative Futures has worked with them to agree their collective vision for the future, explore who the members should be and how they will work together.

The **co-operative** funeralcare
Part of The Midcounties Co-operative



**WE HELPED SUPPORT
17 NEW CO-OPERATIVES**

Developing Co-ops 2015 targets

- To continue promoting co-operatives and mutual enterprises at a local, national and international level through our Funeral businesses representation on the Funeral Co-operatives and Mutual Enterprises (FCME)
- Continue working with Co-operative Futures to develop Co-operatives in the UK



Member and Colleague Engagement



Why engaging our members and colleagues matters - As members and colleagues are our key stakeholders, we work closely with them to ensure we're campaigning on matters that they care about and that we're doing all we can to engage and support them.



We engaged with more than 25,000 members during the year with 635 members attending our informal members' days. We also achieved 45% member trade

EXCEPTIONAL

We achieved a colleague engagement score of 80 measured through our annual colleague survey (our survey provider ranks this as EXCEPTIONAL for our sector)



We delivered 12,646 Essential Business Skills (EBS) learning hours and 84% of our colleagues are qualified to NVQ level 2 (or equivalent) or above

We are pleased to say that across the Society we maintained engagement levels in a year where there were significant changes in a number of Groups. The question of colleagues being proud to work for Midcounties remained stable and improvements were seen in the questions, 'I understand that if I'm doing my job well this contributes to our overall success' and 'If asked I could explain what the DOES Values are'



69 managers completed the Managers Development Programme

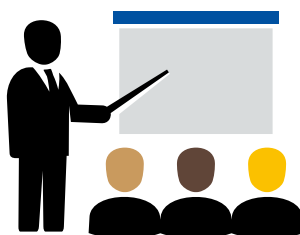


We attracted a record 754 members to our AGM.

Attendance rates for our Colleague Council meetings were at 80% for the year



We beat our target of the number of injury accidents/ incidents reported as a moving annual trend, with 746 reported (ahead of our target of 964)



As part of our ongoing development into how we train and support colleagues we have introduced new training modules including conducting effective colleague reviews, dealing with conflict and social media



We have reviewed and installed (where necessary) hearing loops across all Food Retail stores investing over £100,000 in this initiative. We also carried out awareness raising for colleagues around the hearing loop systems

Case Study - Colleague engagement in our Post Offices

Our Post Office Trading Group managed to increase their colleague engagement score to 81 in 2014 (from 80 in 2013), whilst having to go through considerable changes within the business to reflect the needs of our customers (including changes to the Post Office formats to enhance our services, and the extension of trading hours across various sites). In order to achieve this, a range of two-way communication was carried out, shaping the way we have managed the process and enabling necessary changes to be made along the way. Communication activity included the following;

- Engagement with all Post Office Managers at our annual Managers' conference and at a dedicated Post Offices conference explaining why these changes were being made
- Bespoke information packs providing details on the changes for Managers to communicate to their sites
- On-going conference calls and communications to update colleagues on these changes and to discuss any concerns



Case Study - Member Events

We engaged with more than 25,000 members through events and activities in 2014. These include educational events around key issues such as health, fairtrade, local food, and climate change. Our events also include our formal AGM and Half Yearly Meetings. At our 2014 AGM we attracted a record 754 members.

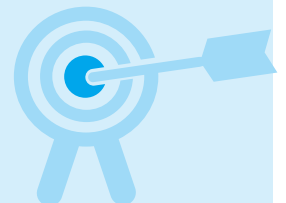
As a further opportunity for our members to engage in their co-operative we also run member days.

The Membership Strategy Committee developed the idea of Member Days as a vehicle for elected members to talk to the local members about their entire membership experience and to gain a broader understanding of their needs. A range of member days were carried out in 2014 enabling members to discuss key issues accordingly. The events have been a real success with 635 members attending Member Days in 2014.



2015 targets

- Engage with at least 1,000 members at Member Days.
- Engage with 1,450 members at formal member events (AGM and Half Yearly Meetings)
- To achieve 46% trade with members
- To increase the level of member cross-trade to 17%
- To enable 25,000 members to get involved in Co-op Activity
- To ensure that at least 73% of our colleagues have NVQ level 2 (or equivalent) or above
- Achieve at least an 80% attendance rate at Colleague Council meetings
- Maintain our colleague engagement score of 80 across the Society
- Ensure that the number of injury accidents/ incidents reported as a moving annual trend does not exceed 781
- Continue to ensure that Health and Safety legal compliance is maintained across all of our trading groups



This report has been reviewed by Sustainability West Midlands

Sustainability West Midlands is the sustainability adviser for the leaders of the West Midlands. We are also the sustainability champion body for the region, designated by government. We are a not-for-profit company that works with our members in the business, public and voluntary sectors. As a founder of Climate UK we also work nationally through a network of similar champion bodies.

Drawing on this knowledge we have worked with The Midcounties Co-operative to conduct an independent resilience and sustainability review. The review covered the key environmental, economic, and social uncertainties that our businesses and communities may face and the sustainability priorities where working together will deliver the best future in terms of jobs, carbon reduction, and healthy lives.

Our overall assessment has indicated that The Midcounties Co-operative is continuing to make good progress in building a resilient business that is contributing to a sustainable future where it operates.

Highlights for this year include:

- Sector leadership – The Midcounties Co-operative has continued to demonstrate leadership such as championing the co-operative business model during a time of national media interest, improving on its ranking within the ‘fair tax’ reporting standard, awards for the integration of sustainability within its business reporting, generating energy from food waste while increasing donations to local food banks.
- Delivering clear environmentally and financial results – The energy and waste reduction programmes are delivering clear cost savings, which are probably under reporting the wider environmental and community benefits, such as greenhouse gas reduction beyond CO₂.
- Growth of the energy business – The energy business is continuing to grow and act as a catalyst for change through the local support and purchasing from community renewable schemes, to lobbying for good with partners to open up the energy market to more local and low carbon providers.

Dr Simon Slater, Sustainability West Midlands, Chief Executive, March 2015.



Key achievements



We have received the prestigious Queen's Award for Enterprise in Sustainable Development in recognition of our positive environmental initiatives, sustained growth and contribution to our local communities

We achieved a 4.5 star rating in Business in the Community's CR Index, scoring 98% against an average score of 91%



We raised £550,000 for our Charity Partner Teenage Cancer Trust, beating our stretch target of £500,000

We returned £1.5 million to our local communities through grants, fundraising and volunteer support



Trade with our members has increased and now accounts for 45% of all sales

We were the first business to be reaccredited with the Fair Tax Mark for being transparent about our tax affairs



Keep in touch



We are happy to provide publications in alternative formats

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