

Hanover
Consumer
Cooperative
Society
Ends
Report

For the Year

2010

Submitted by Terry Appleby
March, 2011

Ends Global – The Results We Aim to Create in the World

The Hanover Consumer Cooperative Society exists to provide cooperative commerce for the greater good of our members and community.

We discern seven distinct groups comprising “our members and community,” as follows:

- 1. Co-op members*
- 2. Non-member customers*
- 3. Co-op staff and their families*
- 4. Local suppliers*
- 5. Local community*
- 6. Larger cooperative community*
- 7. Past and future generations of Hanover Co-op members*

Because of the Hanover Consumer Cooperative Society:

- 1. The Upper Valley will have a retail source of food that is affordable, healthy, grown and/or processed locally to the fullest extent possible.*
- 2. There will be economic value returned to the community via charitable contributions, outreach projects, patronage refunds to member and other avenues.*
- 3. Customers will be better educated about food issues and, as a result, make healthier choices than those who shop elsewhere.*
- 4. There will be vibrant cooperative sector in the economy, both nationally and regionally, and a local community educated in the value of cooperative principles and enterprises.*
- 5. The cooperative's bioregion will have a vibrant local agricultural community and that community will, in turn, have a reliable retail market for its products.*
- 6. There will be a major source of employment in the community that provides personal satisfaction to employees, livable wages and financial security for employees and their families.*
- 7. There will be a thriving business organization that protects and restores the environment.*

INTERPRETATION: I interpret this global ends statement to mean the Hanover Co-op will operate cooperatively structured businesses according to the Principles and Values of Cooperation (as defined in the International Cooperative Alliance's Statement of Cooperative Identity of 1995) to benefit our members and community. I broadly interpret our community to include the towns our members and customers live in and the larger cooperative community, extending around the world. I make this broader interpretation for two reasons: first, the Board identifies the larger cooperative community as a stakeholder group in this Ends Policy, and, second, the Cooperative Principles prescribe working together with other cooperatives through local, national, regional *and international* structures for the benefit of the cooperative movement. I interpret the primary beneficiaries of the Co-op's principal business activities to be the local member owners of the organization and our local stakeholders, while the greater cooperative movement receives our support in varied ways on a continuing basis.

The phrase "greater good" I interpret in two ways. I interpret this phrase to mean "improvement in the condition of" and the phrase refers to economic as well as social well being of the individual member or stakeholder group. I also interpret the greater good to mean "for the good of all". Thus, I interpret the global ends statement to direct the business (or commerce) of the society to operate in a particularly responsible fashion toward its members, and, in fact, the rest of the world (in the case of environmental sustainability). I believe interpreting the greater good as for the individual *and* the common welfare allows for a valid understanding of the collaborative benefits of cooperation. Operating in a responsible fashion means that the rules and policies by which the organization runs adheres to the ethical values of cooperation of honesty, openness, social responsibility and caring for others.

I interpret the inclusion of a list of stakeholders as a direction by the Society's Board to consider these groups as the primary beneficiaries of the work of the cooperative. This means to me that these groups have a special relationship with the Co-op and for whom we have special responsibilities of care. By a special responsibility of care I mean that these groups receive continual attention to their concerns and interests and that the Co-op operate in a fashion that ultimately promotes their interests. The stakeholders identified by the Board in this Ends statement should all receive benefits from their relationship with the Co-op. I interpret the primary beneficiary group as the membership because they are the owners of the business through their economic participation and their direction of the Co-op through democratic control. Consequently more benefits should accrue only to members.

I interpret the Global Ends Statement on "cooperative commerce" to mean that the Co-op can have businesses and services outside of our traditional area of commerce in food, but always operating as a cooperative and within the Cooperative Principles. I interpret this to mean that management, guided by Board oversight and driven by member need, has a range of potential activities in which to invest member equity in businesses that adhere to the Cooperative Principles.

I interpret the passage "There will be a thriving business organization that protects and restores the environment" as a broad statement of the Board's intent for the organization to promote practices of good environmental stewardship. I interpret this statement as an instruction for management to plan and budget with the environment as a serious consideration when

determining the use of Co-op operating and capital funds, using cost/benefit analysis that favors environmentally sound decisions, even when it will have short-term economic impacts. (That is, my interpretation is that the Board wishes investments made in sustainability to have an economic payback over a reasonable period of time, but possibly longer than a typical investment if the environmental impact is great.)

COMPLIANCE: Because Ends are statements about the long term, work toward compliance is demonstrated by activities that accumulate over a period of time, rather than are finished on a yearly basis. I submit that compliance is perceived by demonstrated progress on outcomes that are ongoing and evolving. I submit the following for Board consideration of Ends Accomplishment.

Summary

Over the past two years the Co-op struggled to achieve goals related to our triple bottom lines. In uncertain economic times we have continued to push for Ends accomplishment, sometimes to the unintended detriment of the economic goals of the Co-op. Some Ends have received more attention and subsidization by members than others. In the past year we have become more aware of not only the benefits of the good we do in the world but also the costs we incur to do good. Over the next few years we will continue to refine our ability to measure and report those costs more accurately.

While we have always been aware of the costs of our Ends, the accounting for them has not been precise due to a lack of measurement tools. As we have analyzed our operations in 2010 we have also been made more aware of Ends costs and how the zeal for Ends accomplishment can sometimes distort the affect on margins and ultimately on earnings. This was especially true in 2010 for our produce and meat departments, where factors related to Ends accomplishment were in part responsible for lowered margin results. Getting better at setting Ends measurements will allow us to control those costs more tightly and determine when the cost exceeds our ability to incur them.

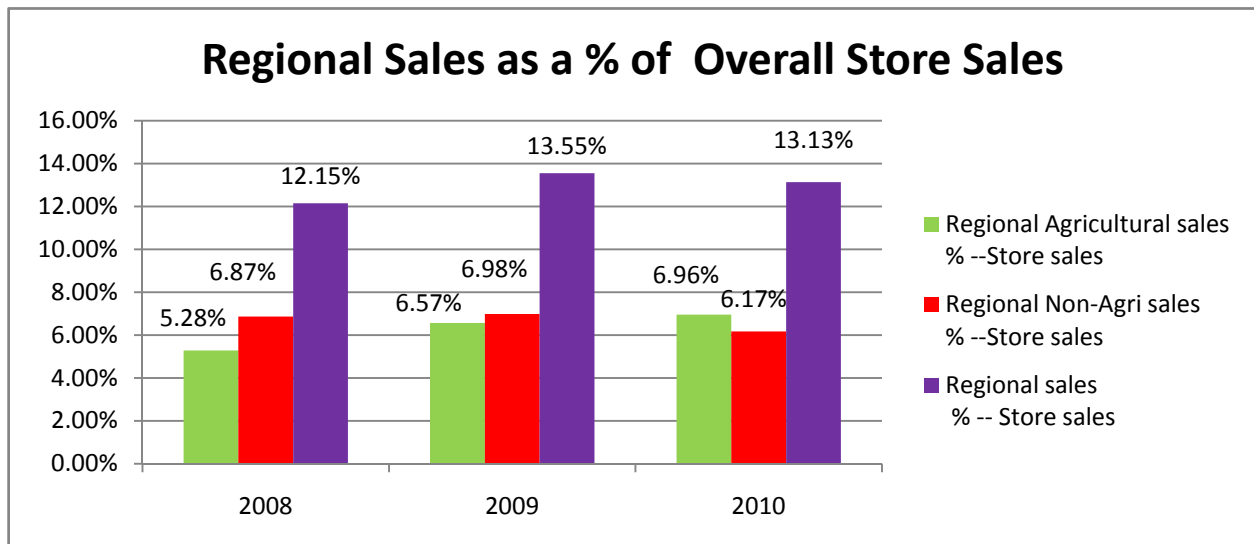
Our ability to define costs and measurable goals is an incremental process and is ongoing work of the Management Team. The following information is a distillation of work by the entire Management Team to understand and measure our work on Ends. Progress was made in almost all areas, with some exceptions. Our environmental impact was much greater in 2010 with the opening of the White River Junction store, as you'll read in the section under End 7. The store we inherited has a very old, leaky and inefficient refrigeration system. Although we were not able to replace the system in 2010 the good news is that almost the entire system will be replaced by the end of the second quarter of 2011. Our goal is to move the White River store closer to the efficiency standards of the other stores.

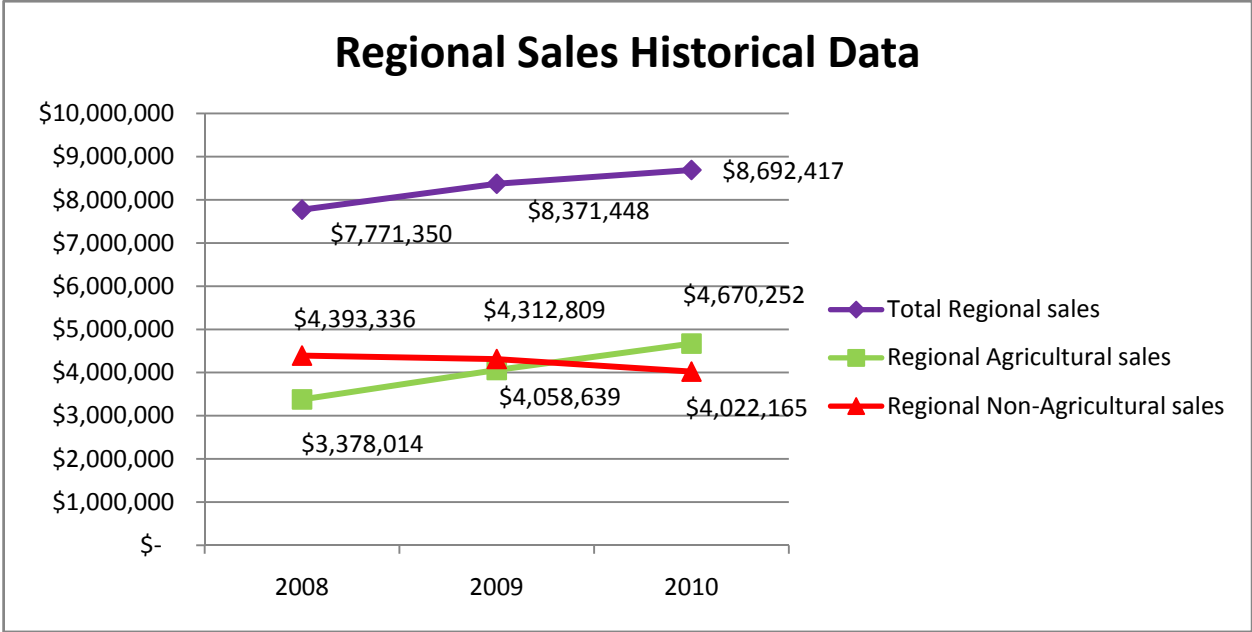
Another area where we saw a change in data was in the purchase of local non-agricultural products. However, the declining sales reflected in the data in End 1 were a function of how we categorize local. We reclassified a number of products last year when we determined that, because local producers had been purchased by non-local corporations they no longer fit the definition of a local product. We still sell those products but no longer judge them to benefit the local economy in the way they did when under local ownership.

END 1. The Upper Valley will have a retail source of food that is affordable, healthy, grown and/or processed locally to the fullest extent possible.

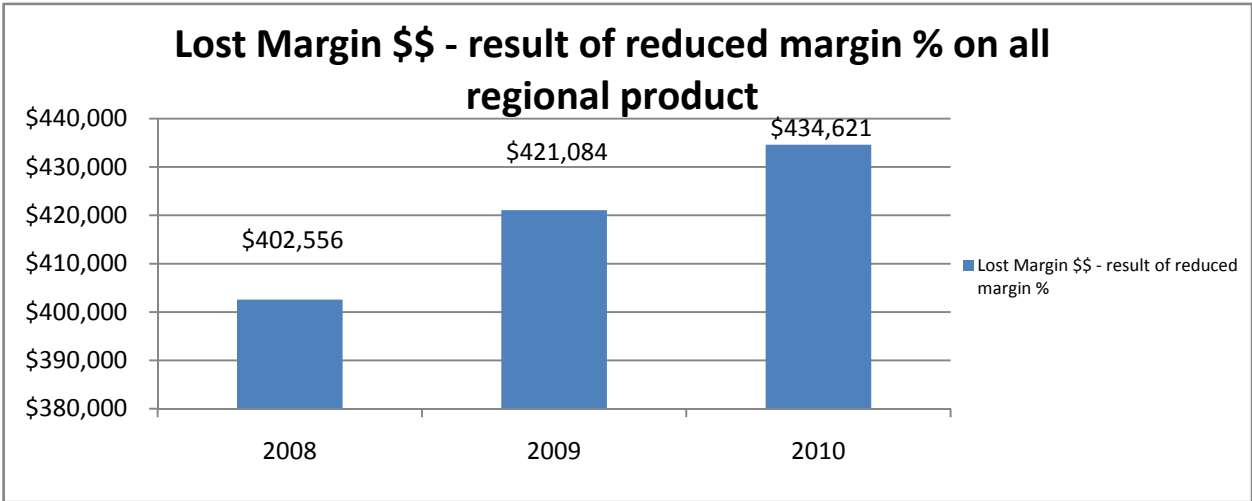
Stakeholders benefited: Member and nonmember customers, Co-op staff, local suppliers, our local community.

Activity – merchandising/operations: In 2010 the Co-op purchased \$5,937,790 from regional producers/growers (regional is defined as locally owned within 100 mile radius of our stores). These purchases resulted in sales of locally grown or produced foods totaling \$8,692,448 (or 13.13% of food store sales). The decline in retail sales as a percent of overall food store sales can be attributed to the more conventional product mix at the White River Junction and the absence of Bulk and HABA departments.



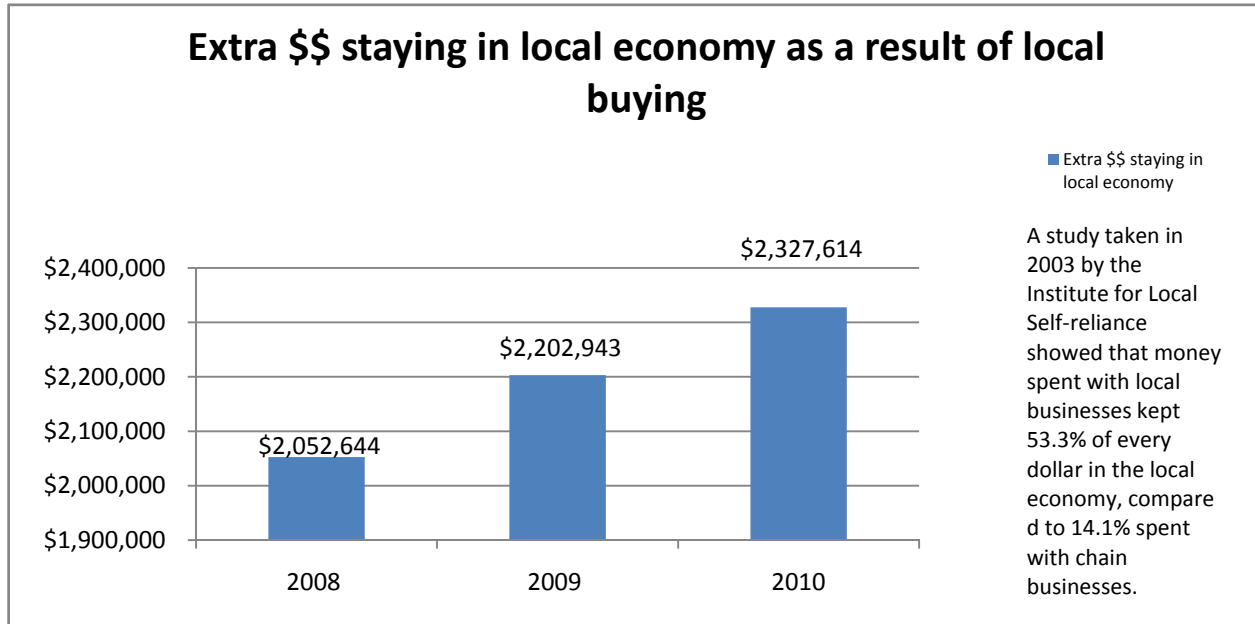


Cost: In efforts to support our regional producers/growers we reduce our standard gross profit margin by 5% on the majority of their products (primarily agricultural products). This reduction allows the local supplier to be paid an added premium for their products without increasing the retail price. The primary beneficiaries of this practice are the local suppliers. Members and shoppers also benefit by having local and regional foods available at sustainable and affordable prices that accurately reflect the true cost of producing local foods. The cost of this practice to the Co-op (and thus to members) in lost margin dollars is significant, as the next chart indicates.



Outcome: Community economic benefit to a strong local economy, as indicated in the next chart. Local producers benefit from the increased revenues due to sales of local products, consumers benefit from fresh, local products (a value evidenced by survey conducted during 2010) and the

community benefits from more dollars circulating in the local economy provided by the import substitution of local products for those brought into our region.



The local economy also can be said to have benefit from the work the Co-op did in 2010 through our support of the Local First Alliance. The Hanover Co-op was a major factor in the establishment of the organization and continues to play a significant role in the organization, as a sponsor organization and with three staff members and a former board member all serving on the Steering Committee.

Our Communications department continued to actively promote many local themes in print and radio advertising. Our signs for Local Shopping Strengthens Communities adorn Advance Transit buses (and also helps support mass transit, a sustainability initiative). Radio and print ads support local farming and producers. Our sponsorship of events like Vital Communities *Flavors of the Valley* helps make them viable promotional efforts for local farmers.

End 2. There will be economic value returned to the community via charitable contributions, outreach projects, patronage refunds to members and other avenues.

Stakeholders benefited: member and nonmember customers, co-op staff, and local community.

Activities and cost - Education: the Education and Member Services Department facilitated the return of economic value from the Co-op to the community in several ways. The Department assisted local non-profit organizations in their efforts to raise funds and raise public awareness about their charitable missions. We offered them immediate access to thousands of shoppers twice a year in each of our food store lobbies for their fundraising efforts; in 2010, 72 local organizations took advantage of the opportunity. We distributed donations in the form of product vouchers, checks, or gift certificates to aid their fundraising efforts outside of the stores. In 2010, 163 local non-profit organizations had the opportunity to multiply \$7,530 in donations by using them toward fundraising efforts.

We actively collected \$8,384 from shoppers for twelve Upper Valley charitable organizations through our Co-op Community Partner of the Month program, as well as giving them the opportunity to acquaint thousands of shoppers with their organization's services and needs through bulletin board displays, *Co-op News* articles, handouts, and a presence in our lobbies.

Through the Listen and Haven food drives, we provided 7,259 pounds of donated food and an additional \$3,322 in cash donations to be put toward feeding Upper Valley hungry. Twenty-nine Co-op member families used our community garden space to provide food for themselves and also donated extra produce to the Haven.

A record number of Co-op members saved \$5,014 on over \$17,000-worth of seeds by purchasing collectively through us, a reflection of the value they placed on the opportunity to grow more food for themselves in the current economy. We also offered gardening classes to help new gardeners increase their success at becoming more self-sufficient.

Members, staff, and vendors continued to actively participate in the good works of the Hanover Cooperative Community Fund (HCCF) by contributing a total of \$11,811 to the fund in the form of returned patronage refund checks, personal checks, and cash. The HCCF subsequently distributed \$8,595 in interest earned on its endowment to local non-profits, completing the giving cycle.

Every year Co-op staff, including Education Department, provides learning opportunities for 15-20 local students through Job Shadow Day and for all Upper Valley teachers through Educator in the Workplace. Through our participation in the Upper Valley Business and Education Partnership (UVBEP), we increase the learning and earning potential of Upper Valley youth.

Education staff helped to celebrate the grand opening of the Charles T. Wilder Community Center in Wilder, Vermont, through contributions that included staff time, activities for children and adults, and by facilitating donation of floral arrangements for raffle and decoration of the Center. We also participated in Glory Days of the Railroad in White River Junction, giving away apples to 300 people and creating good will for the new Co-op. Outreach also included participation in a health fair for 50 Dimatix (Fuji Film) employees, our neighbors on Etna Road.

Activity and cost – merchandising/operations: In 2010 the Upper Valley Haven received a \$50,000 donation from the Mascoma Savings Bank for purchasing goods to stock the food shelves at the Haven. The Co-op decided to support this effort by selling groceries at our cost to the Haven. Throughout the year we sold a combined total of \$33,738 of dried goods to the Haven, retail value of the product is estimated at \$44,800. Since the products were ordered in large quantities, usually as full pallets, we decided to deliver the product via our Co-op commissary delivery truck directly to the Haven. It is estimated that the cost of this effort to the Co-op was \$896. Estimated cost is based upon an assumption of 2.5% labor to retail sales value, minus 1/2% patronage refund from AG New England (the supplier of the product). The 2.5% labor assumption is half of the normal labor to sales ratio experienced in the grocery department. Since we were dealing with full cases and no shelf stocking was required this seemed appropriate.

Activity and cost – Hanover store operations: Senior/Shut-in Home Delivery Program
 The Senior/Shut-in Home Delivery Program has been in existence in some form for many years at the Co-op. The program originally served “shut-in” members by shopping for them and delivering goods in taxis. It has been in its current form for approximately the past 25 years. Recently, for the first time, we have had to turn away requests of clients to be added to the program because we are at capacity with the program and will require an additional investment of labor to expand. Currently the program is run by staff in addition to their other duties and responsibilities. Nine staff members currently are involved with the program as order takers, shoppers, and delivery drivers.

At the beginning of 2010 the weekly average for the program was 38 active customers. In the last 3 months of the year demand began to rise and by November we had 56 active clients from a total roster of 158. There are some margin dollars that offset the expenses of the Senior Delivery Program, the labor expenses related to it make this a highly subsidized activity.

				2010	2010 Total	2011	2011 Est. Total	Demand 2011??
Senior customer served each week				38		56		96
Fees charged			\$3.00	\$114.00	\$5,928	\$168.00	\$8,736	
Average amount purchased per customer				\$55.00		\$55.00		
			Weekly	\$2,090.00	\$108,680	\$3,080.00	\$160,160	
Weekly staff costs, fulfillment, delivery				\$788.50	\$41,002	\$1,162.00	\$60,424	
Vehicle expense		2010	160	\$120.00	\$6,240	\$135.00	\$7,020	
		2011	180					
Annual cost				2010	\$41,314	2011	\$58,708	\$98,358
Benefit per member served					\$1,087.21		\$1,048.36	

The area served is primarily Hanover, Etna, Lebanon, West Lebanon, Norwich, White River Junction, and Lyme. We have one customer in Norwich that is 8 miles from the store and one in Lyme that is 9.8 miles. These customers represent our maximum for distance of the program. The fees are extremely low at \$3 and would need to be raised to \$22.00 to cover the true costs. The program is highly appreciated by the 56 members that are able to use it. Demand for the program has created a waiting list of 10 members in 8 weeks. Absorbing these costs at the Hanover Store has become a challenge this past year.

While the program is highly subsidized it is also a program extremely valued by the members who participate. We receive several comments a year from senior members, or members with a temporary illness about the benefit they get from the service.

END 3. Customers will be better educated about food issues and, as a result, make healthier choices than those who shop elsewhere.

Consumers today receive information about food issues from blogs, websites, magazines, television, movies, books, community events, their healthcare providers, and the grocery store, to name a few. As a result, we have no way of accurately measuring changes that are a direct result of only our efforts. However we can document the opportunities we provided to Co-op members, shoppers, and community members in an effort to help them learn more about food issues, nutrition, and wellness.

Our full-time staff dietitian continued her in-person visits to area schools, employers, hospitals, and organizations at their request, and added radio broadcasts on nutrition on WGXL to her means of reaching thousands of people in the Upper Valley. She provided over 100 hours of free personal consultation to members, shoppers, and employees with specific wellness-related questions in addition to maintaining extensive information at point of purchase regarding wellness-based product recommendations and guidance for individuals with specific dietary needs. Her book, *Better Eating for Life*, continued to generate requests for presentations and classes from customers and from healthcare professionals for their patients and went into a third printing in 2010 in order to meet demand.

Our website, Facebook page, Twitter messages, and e-newsletters provided thousands of visitors, fans, and subscribers, respectively, with accurate, up-to-date information on food safety, nutrition, wellness, product, and consumer news. Through our active calling program, we personally informed members about potentially harmful products that had been recalled by manufacturers.

Five issues of the *Co-op News* provided information to over 9,000 member and non-member households about food preparation, food production and food safety, nutrition, and wellness. In addition, all issues of the *Co-op News* were made available on the web.

Over 80 community members, as well as over 400 staff, attended the Co-op's showing of "Fresh, The Movie." Fourteen community members participated in the four-session *Just Food* book group, and scores joined the *Menu for the Future* discussion groups we facilitated.

We provided the venue for a public presentation on pending GMO legislation in the state of New Hampshire put on by NOFA-NH at the Black Center. We also sponsored a talk on dairy legislation by members of New England Farmers Union.

Approximately 100 people heard an Education staff person speak at Riverbend Career and Technology Center about our support of the local food system.

Because of our public presence on food issues, the Education Department was contacted by Judith Colla, an epidemiologist with an interest in promoting health through food activism, for advice and collaborative efforts. We connected her with Catamount Earth Institute, New England Farmers Union, and other groups which have afforded her the opportunities she sought.

Having attended ServSafe and the Co-op Food Safety Certification courses, well-educated staff members were able to share food safety knowledge with members and customers for their benefit. Co-op cooking classes brought additional food handling and food production benefits to 200 participants who attended and, by extension, to those for whom they cook.

The newly established Co-op Kids Club and the free fruit program for children 12 and under encourages cooperative awareness and healthful eating. The free fruit program gave away an average of 500 pieces of fruit per month in each of four locations.

The Co-op's Annual Meeting and Expo focused on how food choices impact our region and the world and drew over 400 Co-op members and Upper Valley Residents. The Expo featured a 3 hour radio remote on a local station (WGXL-FM) that presented short 5-minute interviews to tell the story of our Ends.

CLASS DETAILS: students/ school staff: 119 total participants

# of participants	Organization Type	Organization Name
17	high school	Hanover HS
18	K-1 st	North Bridgewater Elem School
3	elementary school staff	Thetford Elem School after school snack pgm staff
8	Wellness Committee	Grantham Village School
4	Alternative School Programs	East Valley Academy (East Randolph, Vermont)
18	K-1 st	North Bridgewater Elem School
30	HS	Health Careers Institute at Dartmouth
4	school	Thetford School's After school program staff
16	HS	Hartford HS
1	Job Shadow Day	

Community Classes: 73 participants plus UVHEAL and WGXL

# of participants	Organization Type	Organization Name
6	caregivers of elders	Dartmouth Center for healthy aging
hundreds	DHMC wellness outreach	UVHEAL
thousands	radio	WGXL
15	mother's group	WHRC
2	WIC	WIC
10	Cardiac Rehab classes	DHMC

25	mothers group	Mothers of preschoolers (MOPS)
15	CHAD Molly's Place	October Healthy Family Series at the Family Center

END 4. There will be a vibrant cooperative sector in the economy, both nationally and regionally, and a local community educated in the value of cooperative principles and enterprises.

Stakeholders benefited: larger cooperative community, future generations of Hanover Co-op members.

Activities – Education: Education and Member Services staff continued to work with members of other co-ops, via email, phone, and in person to support co-ops helping co-ops¹. We especially enjoyed an opportunity to spend time with Canadian cooperators from Co-op Atlantic. We shared information and insights on the CGIN listserv and through specialized listserves, such as membership and marketing. We also facilitated staff participation in other listserves and through access to CGIN website materials.

Common Market Co-op used the *Co-ops Rock!* website as their presentation to area students. Original art (Ken Davis) about the cooperative movement posted to the *Co-ops Rock!* site was downloaded and circulated by cooperators in both the U.S. and abroad, including Davis, the Wedge, Outpost, and NCGA, as well as a housing cooperative in Ireland.

The Education Department facilitates donations to cooperative endeavors including the CGIN scholarship fund, NASCO, Howard Bowers, and Cooperartiva Festival. The Education Director serves on the board of directors of Cooperative Development Institute.

Education staff brought the cooperative message to approximately 40 students through three presentations to local high school classes in Hartford, Vermont, and Hanover, NH on cooperative history and the cooperative business model. Original art depicting the Co-op's Ends and Principles was created to bring cooperative knowledge to shoppers and staff at White River Junction.

Participation in UVBEP initiatives (Job Shadow Day, Externships, etc.) provided learning opportunities for three teachers and over 30 Upper Valley middle and senior high school students regarding the application of academic skills in the workplace and introduced them to the concept of cooperatives and the cooperative business model.

Our annual participation in Dartmouth's SEAD program provided learning opportunities for ten high school students from economically deprived communities outside the Upper Valley to learn about cooperatives and the cooperative business model as an alternative to the conventional way of doing business.

Our Co-op Facebook page brings cooperative education to more than 900 "fans" (to date) who have signed on to learn more; Twitter reaches more than 200 followers. The Co-op website also brings cooperative education to approximately 13,400 individual visitors who explore the website beyond its homepage.

Twenty-four new employees were oriented to cooperatives, their philosophy, values, and principles; the co-op's mission, the cooperative business model, and the variety of cooperatives possible.

Through the *Co-op News* we reach approximately 8,700 member and shopper households on a bi-monthly basis who have asked to receive the *News* by mail or pick it up in the stores. Over 20,000 members receive the March election issue and the Annual Report. These publications include articles about cooperative philosophy, values, history, principles, benefits, and practical application authored by the general manager, board president, and Co-op staff. To date we have not surveyed members to know if the articles are read or what impact they might have on the reader's attitude toward cooperatives and the cooperative principles.

We created CATV education videos for the Upper Valley region. Four videos have aired to Hanover, Norwich, Lebanon, West Lebanon, Hartford, Hartland, Cornish, Canaan, Enfield, and Plainfield.

Activities – organizationally: Co-op staff provides ongoing assistance to various cooperative enterprises in a number of ways. The Co-ops' operations manager and general manager offered advice and assistance (ongoing) to startup co-ops in New Haven, CT, Keene, Manchester and Walpole, NH. We offered technical assistance to help the Elm City (New Haven) co-op develop operating systems in preparation for opening. We spoke at organizing meetings in Walpole and Manchester. Co-op staff responded to numerous calls throughout the year for information requests from cooperatives across the country.

During 2010 we continued to assist Littleton Co-op primarily through the provision of professional marketing services. The Co-op's Communications Department provided Littleton with a complete communications plan to reverse a downward trend in sales. Services included market analysis, graphic design, media buying, broadcast production, radio remotes and media negotiations. The Co-op arranged to provide these services with the understanding that they be reimbursed on a schedule that allowed Littleton to conserve cash over the next year. Costs not reimbursed to the Co-op were 75 hours of time for the Director of Communications and 90 hours of our Graphic Designer.

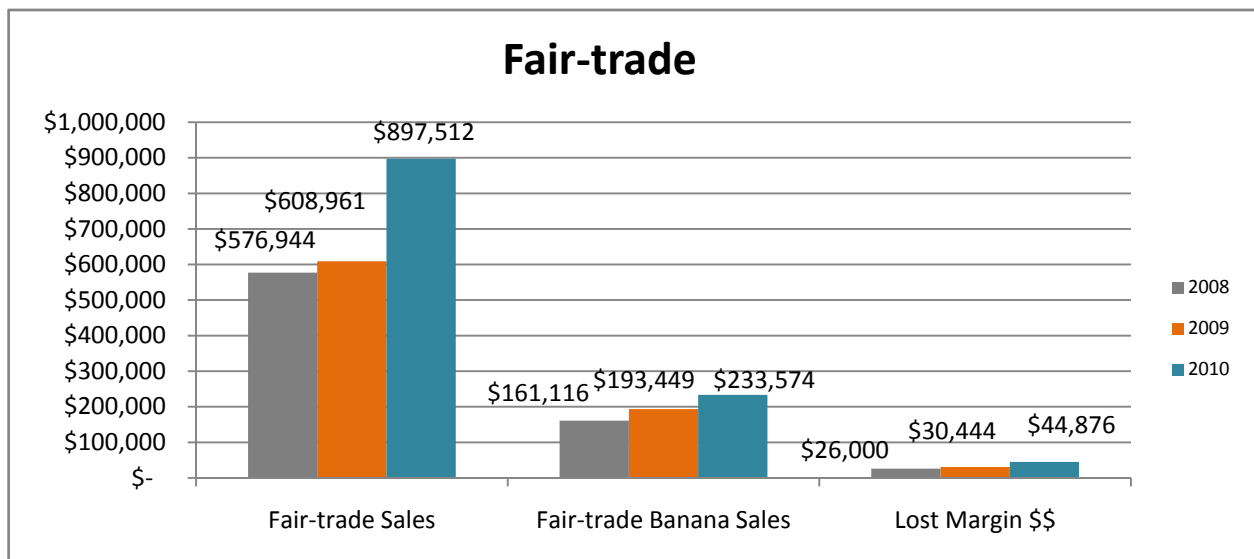
We maintained close communications with Upper Valley Food Co-op through the planning process leading up to the opening of the White River Junction store. In product line selections for our White River Junction store choices were made with a conscious intent not to harm the Upper Valley Co-op. In-store signage at our store made reference to products available at the Upper Valley Co-op. Advertising was purchased that featured the theme of two cooperative stores in White River Junction. Contacts are continuing between our cooperatives.

Co-op staff and Board members play active roles in cooperative organizations, including governance roles in Associated Grocers of New England, the National Cooperative Grocers Association, the Cooperative Fund of New England and the Cooperative Development Institute and participation in the Neighboring Food Co-op Association and the Cooperative Grocer's Information Network (CGIN).

We continue to support the Masters in Cooperatives and Credit Unions program at St. Mary's University in Halifax, Nova Scotia through the participation of Tony White as a student, through an annual \$1,000 contribution to the program and through participation in their annual members meetings. We also supported the election of David Thompson to the Cooperative Hall of Fame with a letter of recommendation and a \$500 donation to the Cooperative Development Fund.

Stakeholders benefited: international farmer cooperatives

Activity and cost - merchandising/operations: The Co-op actively promotes the sale of **fairly traded products** for the ultimate good of producers of commodities traditionally exploited within the international trading system. For all of 2010 the Co-op produce department has been particularly concentrating on Fair-trade bananas. Conventional banana growers have been exploited for years and have seen little if any improvement in earnings and working conditions. Our Co-op has partnered with Equal Exchange in a plan to replace conventionally grown bananas with Fair-trade. Before this can happen we must build up the volume of Fair-trade bananas to levels that allow our regional ripening houses adequate volume to properly ripen. We had anticipated hitting levels of volume that would allow us to make the switch to only fair trade bananas by the end of 2010. However concerns with ripening, suppliers and growers have proven to be more challenging than we anticipated. The current strategy is to try to make the switch sometime in the first half of 2011.



Outcome: Support for Fair-trade organizations ensures producer cooperatives are receiving guaranteed prices above a world market floor - even when world market prices fall. A premium is paid on top of the agreed Fair-trade price, and producers decide democratically how to use it. They typically invest it in education, health care, farm improvements or processing facilities to increase income.

END 5. The cooperative's bioregion will have a vibrant local agricultural community and that community will, in turn, have a reliable market for its products.

Stakeholders benefited: Member and nonmember customers, Co-op staff, local vendors, community

Activity: Local meats programs

2010 Saw our first complete year offering fresh, local pork raised in the Champlain Valley (Bridport) of Vermont by farmer Alethea Bahnke of Vermont Heritage Grazers.

Processed at Vermont Slaughter and Processing in Ferrisburgh, VT, the whole or halved pigs are delivered to the Co-op by Upper Valley Produce.

For the year, the Co-op purchased a total of 123 head or 26,110 pounds. These purchases had a total wholesale value of \$84,414 for the farmer.

The hogs are registered Tamworth, Tamworth-Berkshire crosses and Certified Pure Bred Berkshire. Soon the Co-op meat departments will be certified as retailers of Pure-bred Berkshire (Kurabota) a breed prized internationally for its superior flavor and quality. The Co-op will be the first authorized retailer of Certified Pure-Bred Berkshire in New England, indeed the first east of Indiana!

Humanely, raised on pasture, the pigs' diets are supplemented with grain, Champlain Valley apples and whey from area farmstead cheese operations. No unnecessary antibiotics are ever used, no hormones ever administered. Co-op staff have visited the farm and the animals and it is possible for anyone to do so.

In addition to offering all the traditional retail cuts of pork in the meat departments, the Co-op commissary has been hard at work developing sausages, smoked products, bacon and other value-added products in order to utilize the entire animal from "snout-to-tail" - a process necessary to keep the program viable financially and one which keeps the cost to Co-op shoppers as reasonable as possible.

It has been thirty years since the Co-op meat department's processed whole animals on a regular basis and while there is a revival of whole animal butchery among chefs and urban specialty food stores, very few grocery stores have embraced this process. The Co-op has done so, because of the importance of the local agricultural movement and Co-operative connections to NESAWG (Northeast Sustainable Agriculture Working Group), NFCA (Neighboring Food Co-operative Alliance), Farm To Plate and Local First.

Quote from owner of farm – "The Co-op Food Store's kind of support of a small farm is doing what others are just talking about.... You should be proud."

2010 was also the first complete year our meat departments offered fresh, regionally raised lamb from farms within Vermont and eastern New York State. Family farm raised, the lamb is distributed to the Co-ops by Vermont Quality Meats of Rutland, VT. The animals are processed in Westminster Vermont. All lamb is pasture-raised and grain finished. No unnecessary antibiotics are used.

For the year, the Co-op purchased a total of 257 head or 13,000 pounds. These purchases had a total wholesale value of \$73,000.

As with the pork, the Co-op has taken a whole-animal, snout-to-tail approach to processing these animals - allowing the best price to the farmer and the Co-op customer.

KEEP LOCAL FARMS - \$40,000

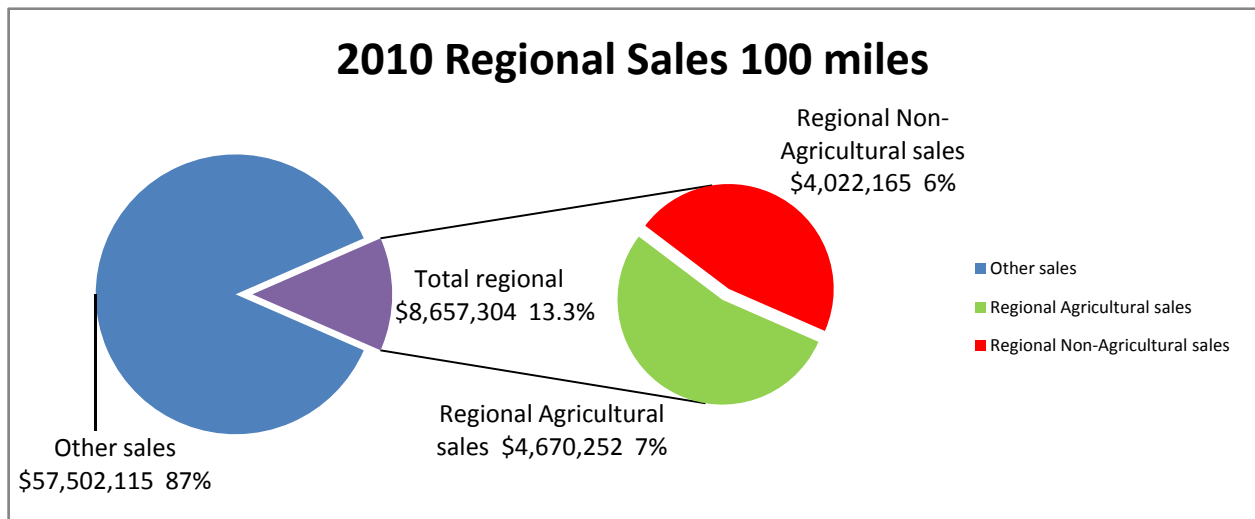
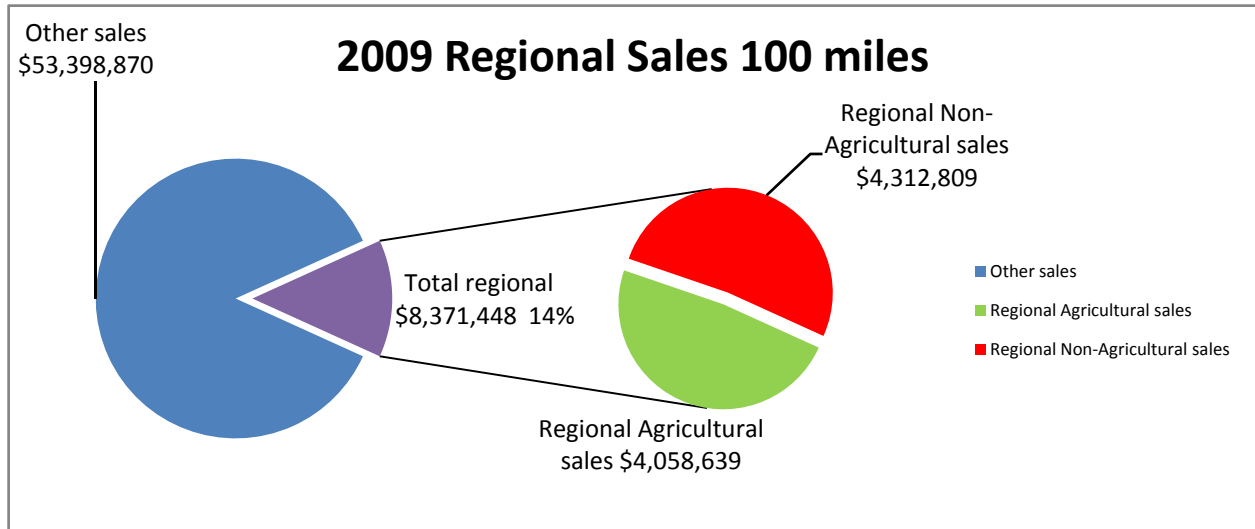
Co-op Food Stores announced in June that it will partner with the Keep Local Farms (KLF) initiative to help support struggling dairy farmers in New England. Co-op Food Stores is the first retail establishment to contribute a portion of milk sales directly to the Keep Local Farms program. Fifteen cents for every gallon of milk sold at the Co-op's three locations – Hanover, NH, Lebanon, NH, and White River Junction, VT – will be given to Keep Local Farms. For 2010 that amounted to \$40,000! A check will be sent to Keep Local Farms sometime in early March, the donation will be formally recognized by KLF at our 2011 Dairy Day. The initiative will help raise funds for New England dairy farmers, ensure a local, fresh supply of milk, and provide customers a way to support local dairy farmers and the local food network they help to sustain.

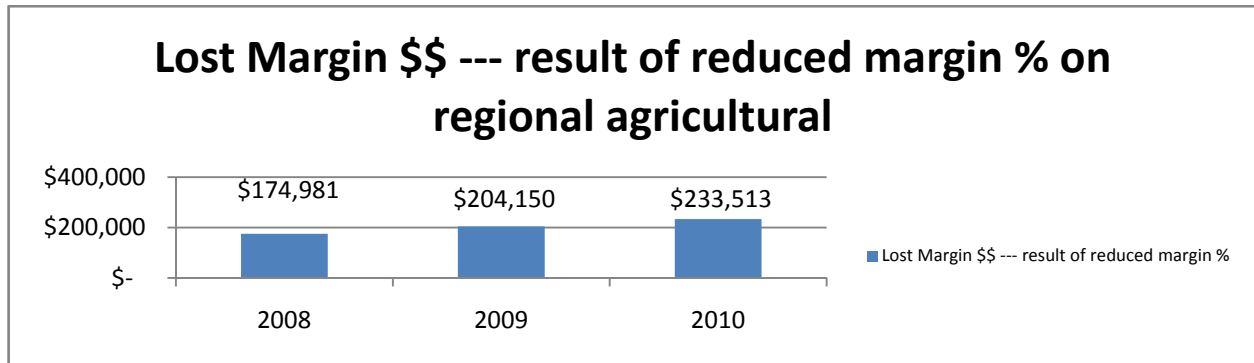
Excerpt from June 2011 Press Release - “Providing high-quality, local products to our customers has been part of our mission for 75 years,” said Terry Appleby, Co-op Food Stores general manager. “Maintaining a local dairy industry with Keep Local Farms fits in well with our long-standing commitment to local agriculture. Over one million customers visit our stores each year, so contributions from our milk sales can really have an impact. We hope that by raising the bar of financial commitment to Keep Local Farms we can inspire other stores to follow suit. We all benefit when local farmers benefit.”

“New Hampshire dairy farmers are struggling to survive and support their families due to this prolonged period of low milk prices that don't cover the high costs of feed, labor, energy and crop expenses,” said New Hampshire Commissioner of Agriculture Lorraine Merrill. “The Keep Local Farms program and partnership with Co-op Food Stores will provide dairy farmers with additional support allowing them the increased ability to sustain the farm for future generations.”

Launched in September 2009, Keep Local Farms is part of a broad effort to educate consumers about the value of local dairy farms and also to raise funds to support New England dairy farmers. Keep Local Farms is partnering with retailers, universities and businesses to support local dairy farmers and the products they produce while increasing the demand for local milk. The program was developed by the Vermont Dairy Promotion Council, New England Family Dairy Farms Cooperative and New England Dairy Promotion Board.

Outcome: A specific subset within the regional producers mentioned above (and included in the sales and economic benefits information) were agricultural growers and producers. This subset represents products that are either grown regionally or use regionally grown raw products in their production. Making up this subset are produce, meat, dairy, honey, maple syrup, Christmas trees, floral and wine producers.





Outcome: The Co-op is a **reliable market** for local agricultural producers. This market strengthened in 2010, even when same store sales were flat. The Co-op holds annual growers meetings for the produce and floral vendors. Growers meetings are used to address issues and concerns from past season and to set plans for the upcoming season. The meeting is an intricate part of the planning process for both the Co-op and the growers and has proven to be very beneficial to both. Over the years we have shared with other cooperatives the benefit of holding growers meetings. They are now considered a “best practice” by many for ensuring a steady supply of fresh local foods that satisfies the needs of the co-op and the growers.

Activity – Education/communications: Education staff met with local farmers to discuss the latter’s concerns about GAP and Senate bill 510 (Food Safety Modernization Act). As a result we worked closely with Seth Wilner (UNH Cooperative Extension) and state representatives to keep Co-op farmers abreast of current issues and developments around S.510. We encouraged members and customers to support the Tester Amendment that would protect small and mid-sized farms. The Co-op’s Communication Department quickly disseminated information on the legislation through local newspapers and Upper Valley radio stations. Communications costs of this legislation were \$1,530.

The Co-op joined the New England Farmers Union as a supporting member; the Education Director joined as an individual member, as well. The Ed Director participated in the annual National Farmers Union Legislative Fly-in with the Co-op’s support. This event brought to legislators of all six New England states an awareness of the political issues important to small and mid-sized New England farmers.

The Co-op also provided ServSafe training to one local farmer in preparation for meeting the expectations of the Food Safety Modernization Act.

Through the efforts of the Education Department, the Co-op hosted participants in the Women in Sustainable Agriculture Conference held at the University of Vermont, providing tours that introduced them to retail and food service opportunities for farmers.

Outcome: The Co-op provided farmers and allies with support services important to their interests. (The food safety bill that passed had many protections for small farmers.)

END 6: There will be a major source of employment in the community that provides personal satisfaction to employees, livable wages and financial security for employees and their families.

Stakeholders: Co-op Employees and their families

Major source of employment: In 2010 Co-op staff numbered 420 with the addition of the White River Junction store, a 16% increase in staff from the previous year. Wages and benefits paid to Co-op employees totaled \$11,674,124, an increase of 8.8%. Compensation to Co-op staff has a significant impact on the local economy.

Benefits allocated to staff cost the Co-op a total of \$2.8 million in 2010, up from \$2.5 million the previous year, or an increase of 13.1%. Rising healthcare costs and greater use of the employee discount were the primary drivers of these increases. Healthcare costs rose by 17.2% and costs for the employee discount by 13.2%. There were actually small decreases in dental and insurance costs last year, even though total number of staff increased. The maintenance of competitive benefits is a key outcome for Management.

Activities Management Team: A predominant concern of Management over the past two years has been the wage and benefit picture for our employees. It is a troubling reality of our business that we have been unable to raise salaries while at the same time having to ask our employees to pay more for healthcare. We have tried to avoid layoffs, hold on to employee benefits, hold raises to only those receiving promotions or who deserve raises due to equity issues. In 2010 we laid out terms for a bonus provision to benefit all staff. Although the earnings targets were not met a modest bonus was paid out to all eligible staff in early 2011.

Activities Management Team: Management attempted to address staff concerns stated in the 2010 Staff Survey in several ways. To address questions on the part of some respondents concerning the composition and role of Management Team we created a weekly staff bulletin that presented notes from the Management Team meeting. The bulletin includes a recap of meeting topics, answers to questions and occasional photos and informational pieces on Management Team members. The location of Management Team meetings was also shifted to allow more exposure of all members to different locations.

A major area of staff concern identified in last year's survey involved the relations between operations and merchandising functions. Rosemary Fifield invested many hours interviewing managers and merchandisers about their roles, responsibilities, expectations and concerns. Her work allowed us to clarify roles and responsibilities, set up some new expectations and work on gaining mutual respect for the work being done. It is difficult to gauge progress, but significant efforts have been made. We hope to know more about how staff view changes with the 2011 staff survey. The Board will receive results of the survey in April or May of 2011.

Activities – Education: We believe that one derives personal satisfaction on the job when the job allows for growth and development of the individual. It is also essential to be as knowledgeable as possible regarding one's department and one's employer, and how to interact successfully with fellow employees and with customers.

The Education Department provided opportunities for staff to improve their knowledge of food production issues, cooperatives, customer service, safety, and food safety through orientation, films, books, and certification programs, including nationally recognized ServSafe certification, which increases an employee's marketable skills. We also answered employee questions about products and product issues, facilitated recalls, and trained new employees for the White River Junction store.

Sixty new employees were oriented to cooperatives, their philosophy, values, and principles; the co-op's mission, the cooperative business model, and the variety of cooperatives possible, and additional classes for supervisors were provided in the areas of leadership, hiring, and dealing with difficult situations.

Upon request of the IT director, our trainer provided diversity training to IT staff to improve the quality of their interactions with other staff and with one another.

We screened the film "Fresh" for all employees to increase their awareness of current food production issues and to make sure they were ready to answer questions and concerns of their customers who had seen this film.

Two Education department staff learned how to use video equipment from CATV and began a program of creating public service announcements that showcased Co-op staff in fun ways. Education staff also facilitated the creation of new t-shirts from designs provided by staff, thereby involving our workers in the process while providing visual information about the board Ends.

Education staff facilitated the applications for and distribution of \$6,000 in scholarships for employees and their dependents as part of the Co-op's employee benefit effort.

We provided for distribution of the employee survey and conducted employee roundtables in all locations as a follow-up to ensure that employee concerns were clearly understood and communicated.

The staff dietitian researched and answered personal health questions for at least 38 staff, researched and answered staff questions about products, and trained 62 new staff members through the four-hour Co-op Food Safety Certification course.

In conjunction with Human Resources, she provided an active Employee Wellness Program including monthly wellness and nutrition articles and challenges available to staff at the time clocks. The Employee Wellness Program also provided the opportunity for screenings of important health measurements, which was taken advantage of by 78 staff members in 2010. The dietitian assisted approximately 25 staff with signing up for the Anthem \$50 rebate to their health savings account to increase the money provided to them for health coverage.

Operations

For the past two years the **Hanover Store** has been adjusting staffing levels to meet targeted labor ratios. With lower sales levels attributed to the economy, opening of our Community Market, and most recently adjusting to the migration of sales to our new WRJ Coop Store, it has been challenging for all our Hanover staff. It seems as though we have reached an appropriate level of staffing to meet our current level of sales. We have worked to maintain staff satisfaction in a changing work environment sometimes with less staff and a continued high expectation for great customer service.

Although annual raises across the board have not occurred, we have continued to promote staff and encourage advancement at the Co-op. At the Hanover Store in 2010, 25 staff members were promoted and received raises. Of the 25, 5 moved to supervisory positions, the remaining 20 moved up a level with increased responsibility and contribution to their department.

In 2010, 6 staff members from the Hanover Store had opportunities to advance with positions opening at the WRJ Co-op Store. The positions were: 1 department manager, 2 supervisors, 1 shift supervisor, a lead meat cutter, and a meat cutter apprentice. All received raises with their promotion to new levels of responsibility. In addition 7 Hanover staff people received equity adjustments to pay in 2010.

We continued to have fun and enjoy our co-workers at the Hanover Store in 2010. We often celebrate with food for many different occasions. We had our Third Annual Burger Cook-off competition in conjunction with the presentation of our Service Awards. In addition, other events occurring in 2010, appreciation lunches, pizza parties, taco parties, Super Bowl parties, Halloween contests, pot-lucks, and Fun Fridays. Store departments have little mini-events in their departments recognizing birthdays and goal achievements. Most all the events are planned and executed by staff members creating the themes, decorating, and preparing the food. We also give staff individual recognition with “Co-op Bucks” throughout the year. Although the dollar amount is minimal (\$5), its value to the staff member is acknowledging some extra effort, great customer service, or anything that any staff member thinks should be noted. In December 2010, each staff member received a \$100 worth of “Co-op Bucks” as a holiday gift, with many staff adding something special for their holiday meal with family and friends.

Open Book practices add to staff satisfaction as they gain financial understanding of the Co-op as a business. We believe being open with all the Co-op’s financial challenges adds to staff members financial security. There are no surprises in an Open Book business model. Every number is shared. We work to give every employee more opportunity to affect the outcome of financial success.

The **Lebanon** store held employee lunches in 8 of the 12 months in 2010. The events were put together by various managers and staff. Some of the lunches were contests including our 1st employee Chili cook off in February and a Halloween costume contest and potluck in October where staff voted for their favorites and coop bucks were given to the chosen winner. Others were sports themed (hot dogs on baseball opening day) or holidays on the calendar (taco lunch on Cinco de Mayo). In 2011 we have scheduled an event for all 12 months. New to this year are employee lunches that celebrate MLK day in January, a green themed St.Patrick’s day event in March, and a Veteran’s day event in November. The costs of these events are very minimal as we are often use shrink and vendor support.

We changed the Lebanon Manager’s meeting format in April from bi-weekly to weekly to increase communication and better share information with staff. Aside from the financials there are two items that hold a place on the weekly agenda that are worth mentioning. Customer service is a staple and managers/staff are rewarded with \$5 Coop bucks by their peers who nominate them while sharing a positive story for recent excellent service. Another weekly item is “what’s new with you” as managers share information with one another regarding new staff and

products, promotions and demos, and an occasional personal story that builds teamwork and an opportunity to get to know coworkers.

Staff safety continues to be a priority and many employees have taken advantage of our partnership with Hirsh's in getting vouchers for ANSI certified slip resistant boots and shoes. Shoe vouchers good for up to \$60 and boot \$100. We did not have a lost time accident "three days of work missed" in the calendar year of 2010.

The opening of WRJ created opportunities for several staff members including 7 from our Lebanon store. 3 of the 7 staff were promoted to higher level jobs and 4 were lateral moves. We also had several individual advancements within the store. In Lebanon, 17 employees had wage increases in the form of a straight promotion (range change) and 7 staff members received equity adjustments to pay.

Across all other areas of operations there were 7 more equity adjustments to pay in 2010: 2 each at Lyme Road, the Commissary Kitchen and in Administration and 1 at White River Junction. There were no changes to pay levels or equity adjustments at the Service Center.

END 7. There will be a thriving business organization that protects and restores the environment.

**Hanover Consumer Cooperative Society
2010 Sustainability Report**

Summary

The Co-op continued to make progress toward the Vision of its 2008-2012 Environmental Strategic Plan:

The Co-op is a thriving business entity that protects and restores the environment. Co-op staff understand the environmental impacts of the company's operations. Co-op shoppers are well-informed about the environmental impacts of their food choices. Through its operations, the Co-op supports a zero-waste food system powered by clean, renewable energy. Values and norms at the Co-op support the realization of this vision.

Several 2010 projects engaged Co-op staff in efforts to better understand the environmental impacts of our operations. These included a study of the cleaning chemicals in use at our facilities, creation of Standard Operating Procedures for Environmental Sustainability at the Co-op, and creation of an Energy Team.

To better-inform members about the environmental impacts of their food choices, we had planned to create and pilot a "Co-op Values" labeling program during 2010. The program would be designed to help shoppers identify Ends-aligned products in the aisles. Unfortunately, progress halted when the White River Junction project hit in late spring. Work will resume in 2011.

We continued to make steady progress toward zero waste in 2010.

We made significant progress on energy efficiency at our Hanover and Lebanon Stores in 2010, but gained a very inefficient store in White River Junction. The highlight of the year was establishing an Energy Team with representatives from Finance and Operations. The team has set strong goals for reducing the negative environmental impacts of our energy use.

Energy

Vision: The Co-op supports a food system powered by clean, renewable energy.

The Co-op realized significant improvement in energy efficiency at the Hanover and Lebanon Stores in 2010. These were the result of investments made in late 2009 and early 2010. The Hanover Store's EPA energy rating rose 2 points to the 99th percentile; the Lebanon Store's rating rose 10 points to the 96th percentile. With this, the "pre-WRJ" Co-op reached its goal of reducing greenhouse gas emissions 12 percent from 2007 levels – ahead of our 2012 deadline.¹

TABLE 1. HANOVER CONSUMER COOPERATIVE SOCIETY ENERGY PERFORMANCE 2010

Energy Indicators		2010 Value	Unit	Change from 2007 Baseline
Consumption	Electricity	3,443,797	kWh	3.6% increase
		11,750,201	kBTU	3.6% increase
	Fuels	7,845,054	kBTU	7.2% decrease
	Total Site	19,595,245	kBTU	1.0% decrease
Greenhouse Gas Emissions		1960	MTCE	1.1% increase

The White River Junction Store adds significantly to the Co-op's environmental footprint. We inherited a failing refrigeration system, an inefficient heating and cooling system, and outdated lighting. Based on the first 7 months of operation, we estimate that the building was performing below the 20th percentile for energy efficiency when compared with other grocery stores nationally. In comparison, our NH stores perform above the 90th percentile.

Our intention is to bring the White River store up to the 90th percentile or better within 3 years. We began the process immediately by renovating lighting, repairing refrigeration, and replacing one of the hot water heaters. More significant HVAC and refrigeration improvements are planned for 2011.

Refrigerant line leaks at the new store prompted attention from the EPA. In total, 912 pounds of 408-A were lost during our 2010 operations there. 408-A is being phased out because it contains a secondary refrigerant, R-22, whose production contributes to ozone depletion. The remainders of its components contribute to global warming.

We have not included refrigerant losses in our greenhouse gas accounting to date. We made a first attempt at including them when we collected loss data in 2009, but we did not yet understand how to manipulate that data in order to calculate carbon-equivalent emissions. Following up on the WRJ losses, we learned that the climate impact of major refrigerant loss could easily dwarf the climate impact of annual electricity and fuel use at the Co-op. To the best of our understanding, including the carbon-equivalent emissions due to 408-A leaks at WRJ in our GHG emission calculations increases our 2010 carbon footprint by 820 MTCE, or 41.8 percent, to 2,789 MTCE.

¹ Transportation fuel data continues to be a weak point in our greenhouse gas accounting. Vehicle mileage and fuel consumption data improved over 2009, but continues to be less than exact. 2010 values for the Commissary Truck were not available at the time of publication, so 2009 numbers were used. Due to addition of the WRJ store, we can expect that the actual value for that vehicle will be higher in 2010 than 2009.

Getting a handle on the scale of our refrigerant emissions, as well as the manner in which those emissions are generated (and subsequently avoided), is a priority for 2011. Past annual reports will need to be revised in order to reflect known losses in those years and refrigerants should be included in all Co-op GHG calculations going forward.

In October, we established an Energy Team. The Operations Director, Finance Director, and Sustainability Coordinator populate the team. The new Facilities Manager will join the team when that position is filled.

The Energy Team established a Strategic Plan to cap energy consumption, eliminate carbon emissions by 2050, pay competitive prices for energy, and continuously improve energy efficiency.

Materials

Vision: The Co-op supports a zero-waste food system.

Changes of the last two years culminated in significant waste-to-landfill decreases at the Hanover and Lebanon stores in 2010. In February, both stores reduced trash pickups from weekly to three times monthly. By year's end, pickups had been reduced to every 4-5 weeks. Staff agreed that, while possible, such infrequent pickup was not desirable because of the difficulty of cramming material in the compactors near the end of the period. We will try an every-three-weeks schedule in the New Year.

TABLE 2. HCCS RESIDUAL MATERIAL ACCOUNTING 2010²

ALL DATA IS IN POUNDS			Diversion							Landfill
Location	Year	Total Waste	Total Diversion	% Diverted	WH	FWfA	Compost	Recycling	Other	Landfill
Hanover	2010	960,022	762,502	79	195,242	86,826	92,868	387,566	0	197,520
	2007	997,988	529,108	53	101,600	0	0	427,508	0	468,880
Lebanon	2010	1,043,792	781,132	75	128,584	67,952	175,926	408,670	0	262,660
	2007	1,055,008	591,708	56	119,200	0	0	427,508	45,000	463,300
CCM	2010	61,080	42,374	69	7,800	0	10,160	24,414	0	18,706
	2007	57,200	15,600	27	0	0	0	15,600	0	41,600
WRJ	2010	220,521	172,521	78	24,461	12,186	45,562	90,312	0	48,000
Comm K	2010	190,154	93,146	49	0	45,396	0	47,750	0	97,008
	2007	312,208	121,808	39	0	16,000	0	105,808	0	190,400
Chiron	2010	7,461	6,473	87	0	0	1,001	4,358	1,114	988
	2007	3,718	3,226	87	0	0	0	3,226	0	492
Service Ctr	2010	52,939	29,539	56	0	0	0	5,155	24,384	23,400
	2007	56,000	28,700	51	0	0	0	28,700	0	27,300

RECYCLING

² Some of the data in the table is estimated. 2010 data is, generally, more accurate than that from 2007. And, data from the Hanover and Lebanon stores is, generally, more accurate than that at other locations. 2010 data for CCM, Chiron Springs, and the Commissary partially reflect the data gathered during waste audits at those facilities in December 2010 and January 2011.

Staff continued to improve our recycling rate in 2010. In response, we increased Zero Sort collection capacity at the Commissary and at the Lebanon Store (servicing Hanover, Community Market, and Service Center as well) during the second half of the year. At Chiron Springs the landlord contracted for Zero Sort in place of an OCC dumpster for tenants, which relieved the pressure to size-up Co-op bins and saved the Co-op from continuing to contract its own services.

We benefited by an unexpected opportunity to recycle waxed cardboard in 2010. Fundamental Solutions in Bath, NH provided collection containers to 5 locations in September and provides weekly pickup at no charge. Each location generates 1-2 cubic yards per week. Although the company will take *any* wax box, staff still put waxed meat boxes in the trash because – from a food safety perspective – they are uncomfortable with recycling them.

Concern about the environmental impacts of electronic waste has led staff to ask how the Co-op deals with its e-waste. In 2010 the Co-op recycled all 1114 pounds of its e-waste with Systems Plus. They, in turn, deliver it to WinCycle, a non-profit in Windsor, VT. WinCycle was established for the express purpose of providing a site in the Upper Valley where reusable electronic equipment could be refurbished for resale and obsolete equipment would be responsibly recycled.

COMPOSTING

Compost collection, which we launched in October 2009, increased over the course of the year. Collection at the Hanover Store more than tripled as departments adjusted to the program. Participation at the Lebanon and White River Junction Stores was constant across the year. All locations increased service frequency from once weekly to twice weekly in early June and maintained that frequency through the end of the year.

Waste audits late in the year showed that there is additional progress to be made in 2011. In particular, we found that the Commissary could reduce its waste to landfill an additional 80 percent by composting meat and paper towel waste. Paper towels are the main item being missed at the Hanover and Lebanon Stores. At the Community Market, meat and paper towels are not composted due to limitations of the recipients' compost systems. (The CCM gives away compostable materials rather than paying for the same compost service that the stores use.)

PERFORMANCE TRACKING

In order to improve measurement of the Co-op's progress toward zero waste, we conducted waste audits at four locations. Remaining locations will be audited in 2011. To date, the audits have shown that the Co-op's waste diversion programs are resulting in 85-90 percent diversion, which is better than what year-long totals showed. The audits were conducted late in the year, so the difference may be that performance had improved significantly over the course of the year.

The Merchandising Department's Demo Team showed strong leadership by running zero waste demos and events in 2010. (That is to say, we designed the events to generate no landfill-bound waste other than the incidental waste from some of the vendors' product packaging).

CLEANING PRODUCTS

A subcommittee with representation from all locations (except the Service Center) looked at the Co-op's cleaning chemicals and established a set of Standard Operating Procedures for Cleaning that will be implemented in 2011. The new SOPs require use of certified green products and clarify the proper use of each type of cleaning product.

IN-HOUSE PACKAGING

Most departments transitioned from 50% PCR-content (post-consumer recycled) hinged lid plastic containers to 100% PCR-content hinged-lid containers in 2010. They are among the most frequently used packaging products at the Co-op. The NCGA (National Cooperative Grocers' Association) packaging program facilitated the change. We also worked with Packaging 2.0 and NCGA to test a prototype 100% PCR round container late in the year. The round is easier to open than the hinged container, yet retains the clarity and leak-proof quality of the hinged.

SHOPPING BAGS

Shoppers reused more than 1 million shopping bags in 2010, surpassing our goal. But, it wouldn't have happened without the help of the new White River Junction store. We had hoped that bag reuse might exceed new bag use in 2010, but it did not. New bags represented 58 percent of total bag use at the Hanover and Lebanon stores, down just 1% from 2009.

GIMME 5

The Co-op continued to offer the Gimme 5 program to shoppers. Twenty-three member-volunteers made the program possible by giving over 108 hours of their time to staff collection events. The Co-op collected approximately 3,370 pounds of recyclable material.

Culture and Education

Vision: Co-op staff understand the environmental impacts of the company's operations. Co-op shoppers are well-informed about the environmental impacts of their food choices.

INTERNAL OUTREACH AND EDUCATION

The Sustainability Team reached a major milestone in 2010 when they established a set of Standard Operating Procedures for Environmental Sustainability in October. Staff training and departmental audits are planned for 2011. A first round of “test” audits showed that many departments are already operating in compliance with the SOPs.

Earth Week activities in April focused on the history of the first Earth Day and celebrated the progress made since. For the first time, a subcommittee of five Sustainability Team members organized Earth Week events.

COMMUNITY OUTREACH AND EDUCATION

Co-op News articles by the Sustainability Coordinator communicated the Co-op's 2012 Strategic Plan for the Environment to members.

Plans to pursue a “Co-op Values label” were put on hold when the White River Junction project launched. The new goal is to produce a program proposal in 2011.

The Co-op's Sustainability Coordinator continued to serve on the Sustainable Hanover Committee through the fall. In the spring, she convened persons in like-positions at DHMC, Hypertherm, and King Arthur Flour for quarterly get-togethers to share best practices and developments within each business. The forum has been enthusiastically attended and is expected to continue.

Education staff worked to reduce paper usage, facilitated composting and recycling, and generally supported the sustainability efforts of the Co-op. Service desk staff continued to turn used paper into pads, recycling 453 pounds of paper, up from 380 in 2009.

By instituting digital newsletters, we provided paperless class information to 1,492 people (601 in 2009), distributed paperless information on weekly specials to 1,621 (previously 499), and produced a paperless Wine and Specialty Beer newsletter for 1,397 subscribers (455 in 2009). Co-op updates on assorted topics of information went out to an additional 1,463 (458) and digital copies of the *Co-op News* went out to 1,547 (vs.560).

Our website, visited by over 13,400 individuals per month, allows shoppers to access information on specials electronically, potentially reducing dependence on paper flyers.
