

Membership and co-operation

As a co-operative, we're owned by our millions of members who have a say on the work we do and how we're run. Our insight shows that collective social commitment is stronger than ever so, in 2020, we evolved our membership proposition to further support our Vision of Co-operating for a Fairer World.

We're founded on the co-operative values of: self-help, self-responsibility, democracy, equality, equity and solidarity.

Our members believe in the ethical values of honesty, openness, social responsibility and caring for others. We use these values to guide us in fulfilling our purpose.

The co-operative Principles are guidelines by which we put our Values into practice:

1. Voluntary and open membership
2. Democratic member control
3. Member economic participation
4. Autonomy and independence
5. Education, training and information
6. Co-operation among co-operatives
7. Concern for community

Voluntary and open membership

- Anyone over 16 who likes the way we do business can join and have their say
- At the end of 2020, we had 4.34m active members.



Democratic member control

Democratic member control is achieved both in our governance structure and in other, less formal, ways.

Our Board is made up of 12 directors, of which four are Member-Nominated Directors. All of our Board directors are members themselves and they must meet both membership and eligibility requirements. Our Member-Nominated Directors are elected through a direct ballot of our members. Our Independent Non-Executive Directors¹ are appointed by the Board and subsequently submitted for election by members at our AGM.

We also have 100 members elected to our National Members' Council by individual and Independent Society members. Our Council has an important role in holding our Board to account for our performance, championing our values and principles, representing members interests, as well as influencing our policies and strategies.

Members are encouraged to have their say in our AGM and elections, this is done through our system of 'one member, one vote'.

National Members' Council

The Council uses its Co-op Compass, a monitoring framework, to support it in its role of holding the Board to account. It includes 4 lenses, with associated Key Performance Indicators (KPIs), and has a committee focusing on each Member Value, Member Voice, Ethical and Sustainable Leadership, and Co-operative leadership.

Our Join In Live events (page 80) are also important in assisting the Council in fulfilling its role of representing the views of members.

For more information on the work of the National Members' Council in 2020 - please see our Council Annual Statement, in our 2020 Annual Report and Accounts.

¹ A person who is appointed as an Independent Non-Executive Director or an Executive Director may act as such before becoming a member but it is deemed a condition of his/her appointment that he/she becomes a member within two months of his/her appointment.



AGM

Our members vote on motions at our AGM, which are put forward by our Board, Council or members.

Due to the restrictions imposed by the Covid-19 pandemic, members were unable to attend our 2020 AGM in person. Therefore we held an online event, which allowed members to ask questions virtually. 850 members viewed the event [online](#), whilst 20 members attended in person to ensure the meeting was quorate based on our Rules (2019: 620 attended a physical event).

Although our AGM was very different this year, we aimed to give members as much opportunity for them to join in as possible. Our efforts on this were recognised as we were shortlisted in the Governance Institute's Corporate Governance Awards.

In 2020, members voted on the following sustainability-related motions - full motion wording can be found in the notice booklet on the following link: www.co-operative.coop/agm

- **Motion from Independent Society members**
Support for the wider co-operative movement
Carried For: 53,183 (98.14%)
Against: 1,010 (1.86%) Withheld: 2,228
- **Motion from Independent Society members**
Ethical Retailing
Carried For: 52,720 (97.55%)
Against: 1,322 (2.45%) Withheld: 2,416
- **Motion from Council**
Climate change
Carried For: 52,423 (96.97%)
Against: 1,638 (3.03%) Withheld: 2,402

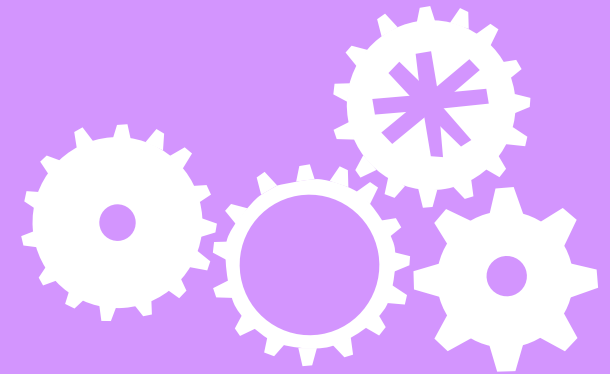
47,862 members voted

in our 2020 AGM and elections (2019: 60,549).

2% voter turnout

among eligible members (2019: 2.2%).

How our governance works



⚙️ **Members:** As a co-operative, we're owned by individual members and other co-operatives, not by shareholder investors. This means that as well as being rewarded for trading with us, our members have an opportunity to have their say on key issues including who represents them on our Council and Board.

⚙️ **Council:** Responsible for holding the Board to account. Acts as a guardian of our values and principles, our purpose and our constitution.

⚙️ **Board:** Responsible and accountable for determining strategy and holding the Executive to account.

⚙️ **Executive:** Key members of management running the business on a day-to-day basis in accordance with the strategy determined by the Board.

Member participation

Providing members with engaging and authentic, everyday opportunities to participate in the business they own is key to our relationship with them.

During 2020, 243,544 members joined in across a total of 88 separate opportunities.

(Compared to 147,637 members and 75 opportunities in 2019).

These included helping us to develop membership messaging in store, designing an Easter look for our gingerbread character Crumbs, and using our enhanced Co-op App for the first time. 2020 also saw the launch of the first ever member-inspired Irresistible crisp flavours.

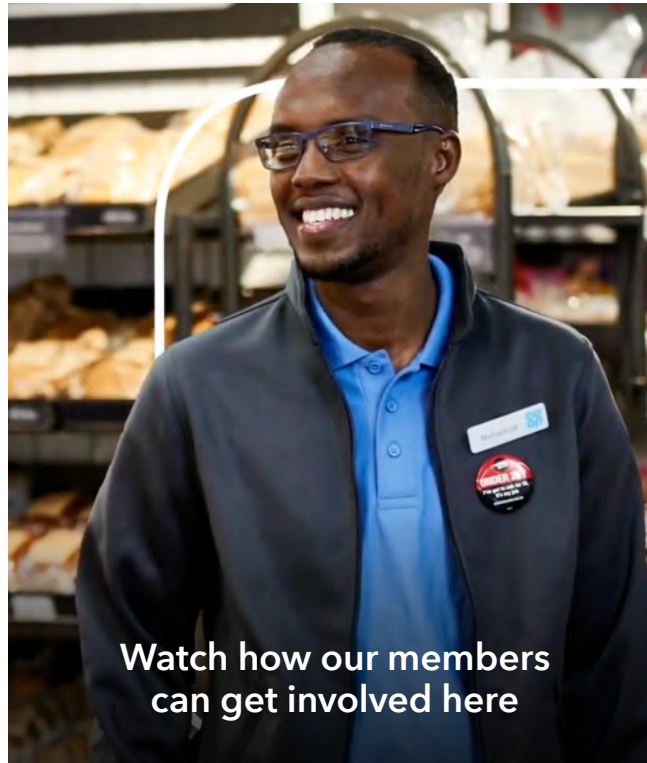
Through 'Join In', members shape our approach and influence our decision making on all matters of Co-op business, including policy development and implementation, product development, campaigning, community involvement and strategy.

In this way, member needs, priorities and preferences are much better understood and can shape our approach.

The pandemic shifted the focus of our member participation activities in part, as we sought to first identify, and then respond to the [wellbeing needs of members](#). Thousands of members joined in to tell us how they were feeling and to provide feedback on how Co-op and other members could help.

In response, we provided opportunities for members to support each other - by piloting [online bereavement groups](#) with Funeralcare; to connect, through a monthly [online members' quiz](#); to learn, by joining [online producer-led events](#); and to keep active, by offering [puzzles](#).

In 2020, work also began to learn more about the diversity of members who participate in Join In opportunities. This will continue throughout 2021; working with a group of members who will help to deliver our commitments to anti-racism and better representation.



Watch how our members can get involved here



Young members

We continue to focus on making sure young people are better represented in our Co-op. Our Co-op Young Members' Group is an advisory panel of six members aged 16-25 that helps to foster representation of young people in our Co-op.

Our Young Members Group paused their projects when the first UK lockdown hit in March, to focus their attention on young people's wellbeing through the crisis. They spoke to hundreds of young people to find out how they could help.

Working with Co-op colleagues, our Young Members developed a free online skills programme. [Boost](#) provides opportunities for 16-25 year olds to connect and learn with us online through podcasts, virtual get togethers and playbooks, to help build motivation, resilience and other practical skills.

Over 200 young people signed up to Boost, totalling 100 hours of participation.

162,696 active young members
(2019: 180,360 [®])

Co-operation among co-operatives

We're working to build partnerships that push the principles of co-operation forward and work together to help co-operatives and social businesses survive and thrive.

It's our ambition to be at the forefront of this movement, driving it forward and using our scale and influence to help others.

During this year, we've taken part in initiatives like:

- Creating a community response network with co-operative infrastructure organisations and other independent co-operatives, to help create joint activities and share solutions throughout the pandemic.
- Co-operatives Fortnight - the co-operative sector's national campaign to promote co-operation. This was reshaped to focus on the role of

co-operatives to #KeepCooperating, with a social reach of 12.5m (2019 social reach: 5m).

- Buy Social - a campaign led by Social Enterprise UK with Co-op, to raise awareness of the difference that social enterprises are making in communities all over the world and to encourage support for them.

In 2020 we worked closely with the Co-op Party to highlight the issue of violence against shopworkers in Parliament and in devolved assemblies. We have also received continuing support for our campaign on modern slavery and have been pleased to work alongside the party on the issue of access to food. We've also shared the economic advantages of our size and scale with others through a federal model of purchasing between ourselves and other large retail co-operatives in the UK through Federal Retail and Trading Services Limited (FRTS).



We continue to build our partnerships nationally and internationally, supporting growth and recognition for co-operatives. As part of this, **in 2020, we paid £6.27m** to support representative and affiliated bodies of the co-operative movement (2019: £3.12m).



Member economic participation

We want every member to choose Co-op again and again, so it's our responsibility to give them a reason to.

When members buy selected Co-op branded products and services, 2p for every pound spent goes to them and we give the same to community causes and organisations.

Members also have access to weekly personalised offers for money off the things they buy most in our food stores and exclusive deals and discounts across our family of businesses.

£50 million
earned by members

£15 million
paid out to local causes



Evolving our membership

During 2020, we carried out research to help us redesign Co-op membership so it better supports our Vision of Co-operating for a Fairer World and tackles the inequalities our communities are facing.

In September, we doubled what goes to communities when members shop with us. We also wanted to give our colleagues additional benefits through their membership so we've doubled their everyday discount on Co-op Food.

Through Co-op membership, our members also get money back on their membership card when they choose Co-op, access to weekly personalised offers for money off the things they buy most in our food stores and exclusive deals and discounts across our family of businesses.

All of this is now complemented by an enhanced Co-op app, which makes it easy for our members to choose their personalised offers, a local cause to support, donate part of their membership balance and scan a digital card at the till in all our food stores.

Education, training and information

We aim to give members what they need to play a part in our business, including all the information they need to make informed choices - whether that's buying a funeral plan or a loaf of bread.

In 2019, our Council commissioned research into best practice in member education, training and information across other member-owned organisations.

Findings from this work have been used to inform the development of a Council Member Learning programme, a training programme for our Member Pioneers and Join In opportunities on co-operation.

Concern for the community

When Co-op members buy selected Co-op branded products and services, 2p for every pound spent goes to community causes.

The funds raised by our members will be split two ways:

- Supporting the **Local Community Fund**, helping thousands of grassroots community causes. To date, two million members have selected a cause to support.
- Supporting the **Community Partnerships Fund** creating lasting change on big issues we care about.

You can read more about our updated community funding model [here](#).

🎯 2021 targets

Recruit 900,000 new members by the end of 2021.

We will increase the total number of times members participate to 449,000 through our 'Join In' and 'Member Voice' activities, voting in our AGM & National Members' Council elections, and making donations to our Community funds.

The National Members' Council will take action to increase the number of BAME Candidates standing for election to the Council, in order to be reflective of our Co-op Communities.