

AGENDA

Hanover Consumer Cooperative
Society, Inc.

Annual Meeting

Saturday, April 1, 2023

10:00 a.m.

Cornerstone Community Center, Hartford, VT

Time	Agenda Topic	Presenter
10:00	President's Welcome	Nick Clark
10:05	Introduce Co-op Values	Lindsay Smith
10:10	Approval of the 2022 Meeting Minutes	Orin Pacht
10:15	<i>Celebrating the Co-op - General Manager</i>	Amanda Charland
10:30	<i>Investing in the Co-op – Director of Finances/Board Treasurer</i>	Peggy O'Neil/Jamie Shechtman
10:40	<i>Co-op Values Working Session</i> - Discussion -	
11:00	Member Comments & Questions	
11:10	Close of Business Meeting	
11:10	Candidates Forum Introductions Candidate Q & A	CJ Jackson

DRAFT ANNUAL MEETING MINUTES
April 2, 2022
Virtual Meeting via ZOOM

Present: 32 Members, 8 board members, 7 employees, and 7 candidates.

Board

Members: Kevin Birdsey, Marta Ceroni, Nick Clark, Rosemary Fifield, Jessica Giordani, Conicia Jackson, Peggy O'Neil, Orin Pacht

Board

Members

Absent: Emmanuel Ajavon, Manish Kumar

Employees: Amanda Charland (Director of Cooperative Engagement and General Manager-Elect), Ken Davis (Writer), Paul Guidone (General Manager), April Harkness (Governance & Community Engagement), Lori Hildbrand (Director of Administrative Operations), Mark Langlois (Director of Finance), Allan Reetz (Director of Public & Governmental Affairs)

2022 Board

Candidates: Mary Lou Aleskie, Peter Bouchard, Eric DeLuca, Marlene Furness, Jessica Giordani, Karin Nicoll, Lindsay Smith

Guests: Melissa Scanlan (Author, Gerstenberger Scholarship awardee), Jeffrey Wheeler (Auditor, Baker Newman & Noyes, LLC)

President's Welcome

Board President Nick Clark called the 86th Annual Meeting to order at 10 a.m. via Zoom and welcomed Co-op members, employees, candidates, and guests.

Guest Speaker

Board member Orin Pacht introduced guest speaker, author, and Gerstenberger Scholarship award winner Melissa Scanlan. Melissa gave an overview of the cooperative business model as a potential driver of environmental action, an avenue to address food insecurity and improve food systems, and the power of non-financial reporting to improve cooperative outcomes. She answered some questions and offered a link to her book *Prosperity in the Fossil-Free Economy: Cooperatives and Design for Sustainable Businesses*.

Business Meeting
Approval of 2021 Annual Meeting Minutes

MOTION: Board Secretary Rosemary Fifield moved to approve the 2021 Annual Meeting Minutes with a revision to include board member Marta Ceroni as in attendance. Marta Ceroni seconded the motion.

VOTED: 25 in favor. 0 opposed. The motion passed.

Business Update

General Manager Paul Guidone provided an overview of 2021 activities including progress toward a plan developed by consultant Vermont Energy Investment Corp. to help the Co-op reach net-zero emissions by 2030. He reviewed the implementation of the \$15 per hour starting wage for Co-op employees, comprehensive third party review of compensation plans, and work on business planning for the service centers, prepared foods, Co-op Kitchen, and the Community Market.

Co-op Finances

Board Treasurer Peggy O'Neil and Director of Finance Mark Langlois presented the 2021 financial report. The Co-op will receive an unmodified financial audit report for 2021, which means "the financial statements present fairly, in all material respects, the financial position of the Cooperative." Peggy provided a compelling visual walk through of one of our stores. Mark presented the financial picture of the Co-op including the implications of \$2.2 million in member discounts in 2021.

Member Comments & Questions

Co-op member Michaela Delegianis asked a few clarifying questions related to the proposed bylaw revisions and a member asked a question related to single-use plastics at the Co-op.

Close of Business Meeting

Board President Nick Clark closed the business meeting at 11:00 a.m.

Adjournment

The meeting adjourned at 11:00 a.m.

Respectfully submitted,

April Harkness
Governance & Community Engagement

Rosemary Fifield
Board Secretary



State of New Hampshire

Department of State

2023 ANNUAL REPORT

Filed
 Date Filed: 3/28/2023
 Effective Date: 3/28/2023
 Business ID: 14358
 David M. Scanlan
 Secretary of State

BUSINESS NAME: HANOVER CONSUMER COOPERATIVE SOCIETY, INC.
BUSINESS TYPE: Domestic Consumer Cooperative
BUSINESS ID: 14358
STATE OF INCORPORATION: New Hampshire

CURRENT PRINCIPAL OFFICE ADDRESS	CURRENT MAILING ADDRESS
45 S Park Street Hanover, NH, 03755, USA	PO BOX 633 HANOVER, NH, 03755, USA

PRINCIPAL PURPOSE(S)	
NAICS CODE	NAICS SUB CODE
Retail Trade	Supermarkets and Other Grocery (except Convenience) Stores
NOT REQUIRED	

OFFICER / DIRECTOR INFORMATION		
NAME	BUSINESS ADDRESS	TITLE
Nicholas Clark	3998 Route 113, Thetford Center, VT, 05075, USA	President
Conicia Jackson	10 Pleasant St, PO Box 184, Lebanon, NH, 03768, USA	Vice President
Orin Pacht	7705 VT-113, Thet Ctr, VT, 05075, USA	Secretary
Margaret O'Neil	42 Meadow Valley Road, Cornish, NH, 03745, USA	Treasurer
Marta Ceroni	29 Evenchance Road, Enfield, NH, 03748, USA	Director
Manish Kumar	2 Deer Run Lane, Lebanon, NH, 03766, USA	Director
Jessica Giordani	30 Spring St, Apt 2, Lebanon, NH, 03766, USA	Director
Mary Lou Aleskie	530 River Rd, Lyme, NH, 03768, USA	Director
Eric DeLuca	PO Box 355, Wilmot, NH, 03287, USA	Director
Jennifer Tietz	PO Box 1106, Wilder, VT, 05088, USA	Director
Lindsay Smith	259 Shaker Hill Rd, Enfield, NH, 03748, USA	Director

I, the undersigned, do hereby certify that the statements on this report are true to the best of my information, knowledge and belief.

Title: **President**

Signature: **Nicholas Clark**

Name of Signer: **Nicholas Clark**



State of New Hampshire

Department of State

2023 ANNUAL REPORT

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Secretary of State

The information given below shall be as of the fiscal year end during 2022 or as of January 1,2023.

REPORT OF CONDITION AS OF

12/31/2022

(month-day-year)

Paid in Capital:	\$2,829,153.00
If a share association, number of shareholders	26186
If a nonshare association, number of members	0
Number of members admitted during year	0
Number of members withdrawn during year	0
Total receipts:	\$85,940,073.00
Total expenditures:	\$86,240,535.00
Total assets:	\$45,182,712.00
Total liabilities:	\$35,921,690.00



Hanover Consumer Cooperative Society, Inc.
Annual Meeting
April 1, 2023

2022 Financial Report

Presented by:

Peggy O'Neil, Treasurer

Jamie Shechtman, Director of Finance

Income Statement – 2022 vs 2021 Actuals

Year-over-Year Results				
	2022		2021	
Gross Sales	88,248,414	100.0%	87,194,274	100.0%
Less: Discounts	2,308,341	2.6%	2,260,301	2.6%
Net Sales	85,940,073	97.4%	84,933,973	97.4%
Less: Cost of sales	58,931,125	66.8%	57,065,989	65.4%
Gross profit	27,008,948	30.6%	27,867,984	32.0%
Store Wages & Benefits	12,423,297	14.1%	13,579,145	15.6%
Other Operating Expenses	7,639,044	8.7%	7,323,873	8.4%
Board of Directors Expenses	120,101	0.1%	111,298	0.1%
General & Administrative Expenses	7,053,481	8.0%	6,615,191	7.6%
Less: Total Operating Expenses	27,115,822	30.7%	27,518,209	31.6%
(Loss) income from operations	(106,874)	-0.1%	349,775	0.4%
Other income (expense)	(167,159)	-0.2%	(95,096)	-0.1%
(Loss) income before income taxes	(274,033)	-0.3%	254,679	0.3%
Provision for income taxes	(26,429)	0.0%	(217,722)	-0.2%
Net (loss) income	(300,462)	-0.3%	36,957	0.0%

Diminished margins due to inflation

Wages down due to staffing shortage

G&A expenses up due to increased POS system licensing fees, recruiting expenses for new Director team, increased wages on merchandising team due to 2 retirements with successors overlapping for training purposes.

No patronage refund

Balance Sheet – As of 12/31/22 vs 1/2/2022

	2022	2021
Cash and cash equivalents	\$ 1,814,765	\$ 4,434,229
Accounts receivable - trade and other	538,512	887,365
Inventories	2,249,744	2,030,349
Other assets	728,572	576,803
Investments in Treasury Bonds	2,329,942	-
Property and Equipment, net	9,880,408	9,813,323
Operating lease right-of-use assets	25,115,049	-
Investments in other cooperative associations	1,598,388	1,532,942
Interest rate swap asset	927,332	207,729
Total assets	45,182,712	19,482,740
Operating lease liabilities	26,294,937	-
Accounts payable	2,175,411	1,732,972
Accrued payroll and benefits	483,323	504,328
Accrued expenses	519,707	701,906
Equipment obligations	112,879	169,279
Long-term debt	5,561,262	5,749,876
Deferred rent	-	1,015,697
Deferred income taxes	566,396	439,249
Mandatory redeemable stock	207,775	123,355
Total liabilities	35,921,690	10,436,662
Capital stock	2,829,153	3,059,189
Donated capital	526,258	353,013
Retained earnings	5,172,064	5,472,526
Accumulated other comprehensive income	733,547	161,350
Total Equity	9,261,022	9,046,078
Total Liabilities and Equity	\$ 45,182,712	\$ 19,482,740

Decrease in cash due to purchase of \$2.3 million of investments.

New operating lease right-of-use asset related to new accounting standard. Offset by new liability.

Increase in swap asset due to higher interest rates. Offsetting interest expense on variable rate debt.

New operating lease liability related to new accounting standard. Offset by new asset.

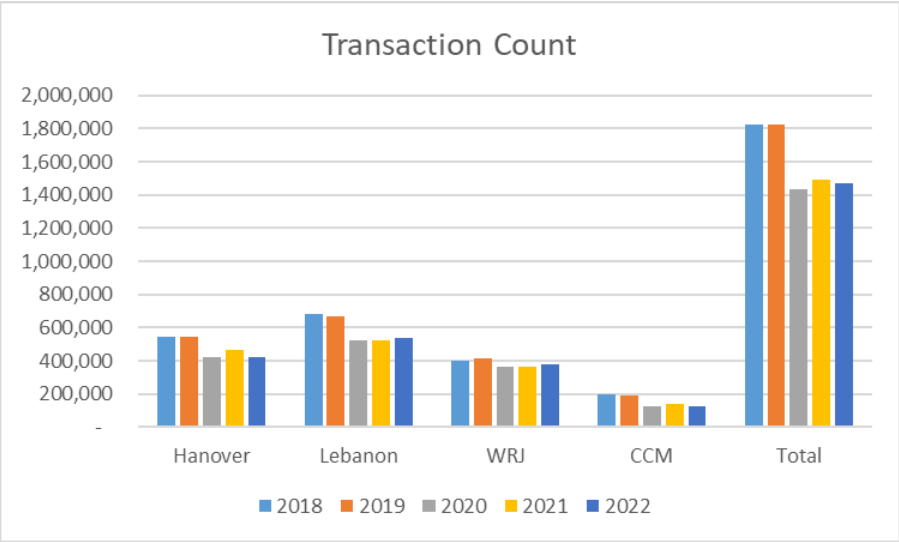
Long-term debt balance consists of two term loans for Lebanon and Hanover, respectively.

Mandatory redeemable stock represents B2 shares.

Capital stock solely represents A shares and partial A shares.

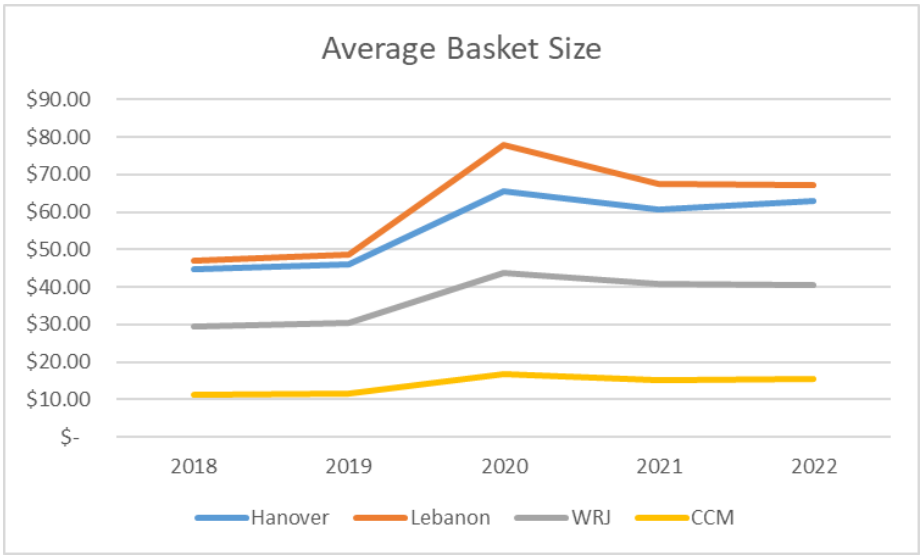
Food Stores' Sales Metrics – 5 Yr Trailing

Net sales, customer count, average basket size



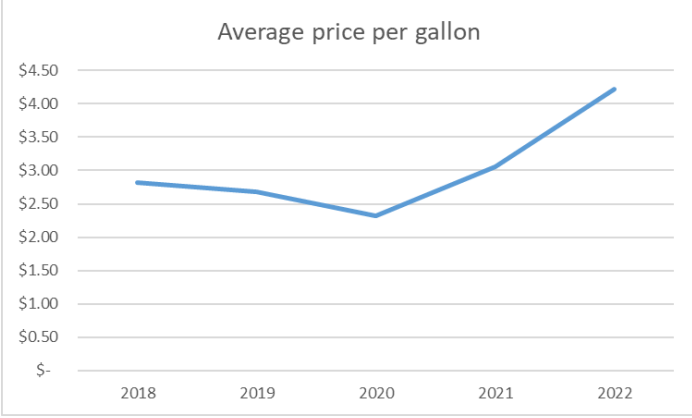
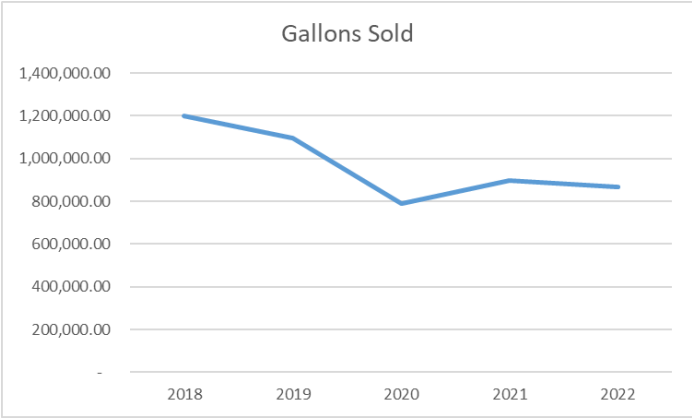
- Transaction count decreased drastically starting in 2020 due to the COVID-19 pandemic.
- In all food store locations, the customer counts never returned to their pre-pandemic highs.

- Basket size has moved inverse to transaction count over the trailing 5 year period.
- When transaction count dropped in 2020, average basket size increased significantly.
- Since widespread access to the vaccine has been available since 2021, average basket size came down slightly from their 2020 peaks, but all stores have still sustained significantly higher average basket sizes than before the pandemic.

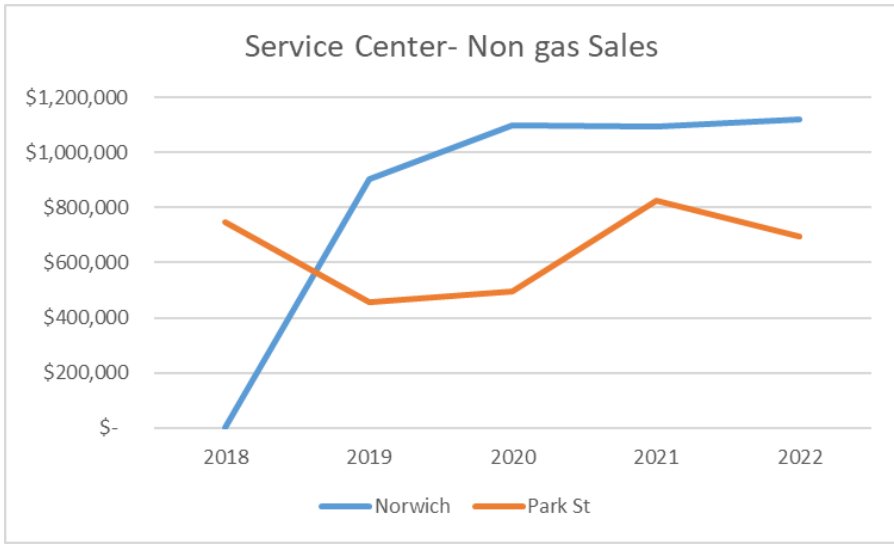


Service Centers' Sales Metrics – 5 Yr Trailing

Gallons of Gas Sold, Average Price per Gallon, Repair Sales



- Gas sales took a large hit during the onset of the pandemic, due to both gallons sold and average price per gallon
- While sales have returned back to pre-pandemic levels, this is only due to rising prices. Total annual gallons sold has not recovered from the dip seen during the pandemic.



- Repair sales at Norwich increased significantly in 2020 despite the pandemic as 2019 was only their first year in business and they did not operate for an entire year. Since 2020, sales have been steady at the Norwich location.
- Park St repair sales saw a large decrease upon the opening of our Norwich location but have recovered back to pre-Norwich levels.

Wages and Benefits

Wages/Benefits as a % of Sales

During the year ended December 31, 2022, the Co-op's total personnel expense (including wages and benefits) was equal to 20.1% of sales. The average percentage for multi-store co-ops in the U.S. was 24.7%.

Co-op Pay Ratio for Highest vs Lowest Paid Employee

For the year ended December 31, 2022, the Co-op's average pay ratio for highest vs. lowest-paid employees was 5.8:1, putting us below the average for B Corporations in the U.S.

**THE AVERAGE
PAY RATIO FOR
HIGHEST VS.
LOWEST-PAID
EMPLOYEES AT
B CORPS IS 7:1
(VERSUS THE
AVERAGE
144:1)**

#BetterBusiness



2022 Year-End Bonus

During December 2022, the Co-op rolled out a bonus program to recognize employees during an extremely difficult year. Employees were recognized for their hours worked, as well as their tenure with the Co-op. In total, this cost the Co-op approximately \$210k, accounting for approximately 2/3 of the net loss in 2022.

Hanover Consumer Cooperative Society

GLOBAL ENDS



2020-2025

“The Hanover Consumer Cooperative Society exists so that there are accessible, trustworthy, high quality, cost-effective goods and services that meet the needs of our diverse and inclusive community.”



Hanover Consumer Cooperative Society

A NOTE FROM THE GENERAL MANAGER

Preparing an Ends report is a pinnacle moment in the year of a General Manager. It's a time to reflect on all the things that really define our identity as a cooperative. The Ends are the set of outcomes, informed by the membership, that the Board expects of the organization. It's the General Manager's job to keep the organization working toward these outcomes.

Envisioning the Ends as a pinnacle moment is especially fitting this year, as I reflect on my first year as the Hanover Consumer Cooperative Society's General Manager. In my role as GM, I spend much of my time focused on the pinnacle—on helping navigate our teams to the top of the mountain. And just like climbing a mountain, we can all become so focused on traveling the path, planning and preparing for the journey ahead, and navigating the obstacles and challenges on the trail, that we don't always reflect on how far we've come.

The Ends gives us an important opportunity to look behind us and see just how far we've actually traveled and to take a moment to be proud of the effort we put in and the challenges we navigated.

While I have the honor of reporting out on this work, it is not my work. It is the work accomplished by the remarkable community of employees at the Co-op. This work is a reflection of cooperation in action. No single individual has built any of this—it has taken a team working together toward our shared vision: a well-nourished community cultivated through cooperation. I couldn't be more excited and honored to celebrate the accomplishments of the incredible team of employees in 2022.

Our business has been a powerful force for good in our community for decades. There are few businesses like us that have had such a profound impact on the development of their communities and have built such an incredible legacy.

I hope that in reflecting on 2022—one of the most challenging times this business has navigated in recent memory—our community of employees, members, vendors, and business partners will take a minute to appreciate how incredible our Co-op is.

We can want this business to be better and continue to work toward accomplishing the great things we know are possible in our future, but at the same time, we can also be extraordinarily proud of the business we already have and how much good exists because of it.

The following is the 2022 Ends Report for the Hanover Consumer Cooperative Society.

With Appreciation,
Amanda Charland, GM



***Our business has
been a powerful
force for good in
our community
for decades.***

E1 SHOPPERS HAVE ACCESS TO A RANGE OF GOODS AND SERVICES INCLUDING, BUT NOT LIMITED TO:

1.1. FAIR TRADE GOODS

1.2. LOCALLY PRODUCED GOODS

1.3. ORGANIC GOODS

1.4. CONVENTIONAL FOODS

1.5. AFFORDABLE GOODS AND SERVICES

INTERPRETATION:

I interpret this to mean that our Co-op exists to provide a balanced selection of products and services in our various business divisions. These products will at a minimum include foods that are:

- **Fair Trade.** These products strive to create more equitable trade relationships that benefits farmers. We measure fair trade by recognizing products that have received third-party certification.
- **Locally Produced.** Local is one of the most important values of our cooperative. Due to the erosion of this term by large box stores trying to dilute the meaning and intention of the term “local” to gain market share, the Co-op has chosen to define local on our own. Our definition not only meets the definition of both the states of VT and NH, but it is also more rigorous. The goal of the Co-op is to continue to use the term local in a way that helps Co-op shoppers have a trustworthy way to identify products that they can invest their dollars in and know that the money truly stays with our local farms and businesses.
- **Organic Goods.** Organic products are recognized as products that attain the USDA’s Organic Certification. The USDA defines their standards as, “USDA certified organic foods are grown and processed according to federal guidelines addressing, among many factors, soil quality, animal raising practices, pest and weed control, and use of additives. Organic producers rely on natural substances and physical, mechanical, or biologically based farming methods to the fullest extent possible.”
- **Conventional Foods.** Conventional foods are defined by the Co-op as general products that do not carry any of the distinctions mentioned above. Based on industry standards, conventional foods are known to have lower retail prices, making them an important part of the Co-op’s strategy to ensuring customers have access to a wide range of food at various price points.
- **Affordable Goods and Services.** In addition to maintaining a variety of price points in our product selection through a mixture of natural and conventional groceries, the Co-op offers programs centered around providing better pricing for consumers. The key program we use to provide the most affordable product line is our Co-op Basics program, an everyday-low-price (EDLP) program that we strive to keep low margins on and offer the most competitive price possible for the consumer.

E1 INTERPENETRATION CONTINUED

Additionally, I interpret access to food to mean that the Co-op has a variety of programs helping to provide food for our community. We do this through programs that discount the price of food in our food stores or through partnerships with local organizations where food is donated to the community.

We offered several other programs to make our food more accessible. In 2022, the Co-op continued to:

- offer a member discount program giving members 10% off one monthly shopping trip;
- maintain our ability to accept EBT and WIC;
- run our Food for All program, providing a 10% discount to qualifying participants; and
- participate in the Double-Up-Bucks program, offering up to 50% off produce for qualifying participants.

Our Co-op also maintained the following food donation programs in 2022:

- Willing Hands Donations
- Pennies for Change Food Access Partners Program
- Food Drive Events

In our auto service centers, our Co-op offers a program called Car Connects, where we provide no-cost or greatly subsidized auto services to people in need in our community.

DATA

Range of products compliance will be demonstrated when the Co-op continues to offer a variety of products based on consumer demand in the categories above.

RANGE OF PRODUCTS

	Sales	# of Brands	% of Total Sales	#of SKUs	Sales	# of Brands	% of Total Sales	#of SKUs
Organic	\$14,408,719	N/A	17.94%	4,443	\$14,402,490	N/A	17.93%	4,343
Fair Trade	\$1,862,116	75	2.32%	850	\$1,847,090	401	2.30%	750
Local	\$16,265,979	403	20.25%	4,204	\$16,499,138	77	20.54%	4,238
Cooperative Brands	\$3,646,165	25	4.54%	1,041	\$3,613,827	25	4.50%	1,002
Conventional	\$19,195,170	N/A	23.90%	6,458	\$19,315,860	N/A	24.05%	6,204
Co-op Basics	\$1,897,552	N/A	2.36%	561	\$2,034,421	N/A	2.53%	579
Total Brands	N/A	4,696	N/A	N/A	N/A	4,661	N/A	N/A

Affordability compliance will be demonstrated when margins are at or below industry standards. This indicates that the Co-op is diligently working to maintain margins to operate a fiscally sound business in a responsible way that doesn't pass exorbitant costs to our consumers. Additionally, data shows that the Co-op has offered a variety of programs to make goods and services more affordable in 2022 and that those programs were utilized by customers.

MARGINS

Food Stores & Community Market

	<u>Hanover</u>	<u>Lebanon</u>	<u>WRJ</u>	<u>CCM</u>	<u>Average Across Locations</u>	<u>Industry Average*</u>	<u>Variance</u>
Grocery	29.0%	28.5%	28.2%	31.3%	29.2%	36.5%	-7.3%
Beverage	30.2%	30.6%	28.5%	32.8%	30.5%		
HABA	39.7%	40.3%	35.7%	30.8%	36.6%	44.8%	-8.2%
Bulk	37.6%	37.5%	33.8%	38.5%	36.8%	39.5%	-2.7%
Beer	23.9%	24.3%	23.6%	25.0%	24.2%	28.0%	-3.8%
Wine	26.3%	28.0%	32.5%	35.5%	30.6%	28.0%	2.6%
Cheese	33.5%	34.9%	36.7%	35.9%	35.2%	37.2%	-2.0%
Deli	33.9%	33.7%	35.4%	31.1%	33.5%	48.1%	-14.6%
Bakery	24.2%	25.6%	25.0%	26.0%	25.2%	56.8%	-31.6%
PFD	24.4%	27.9%	28.5%	29.1%	27.5%	24.8%	2.7%
Sushi	23.0%	22.4%	25.0%	24.5%	23.7%		
Frozen	29.1%	29.3%	29.6%	34.8%	30.7%	35.6%	-4.9%
Dairy	26.8%	27.1%	27.6%	30.5%	28.0%	29.2%	-1.2%
Meat	21.8%	23.7%	26.5%	23.7%	23.9%	28.6%	-4.7%
Seafood	31.7%	29.0%	29.2%	30.2%	30.0%	29.3%	0.7%
Produce	34.0%	36.2%	36.8%	32.5%	34.9%	32.8%	2.1%
Floral	37.1%	40.1%	36.1%	32.9%	36.5%		
Blended	29.8%	30.5%	30.5%	30.9%	30.4%	35.7%	-5.2%

***NOTE: Based on all co-ops from Co-metrics reporting**

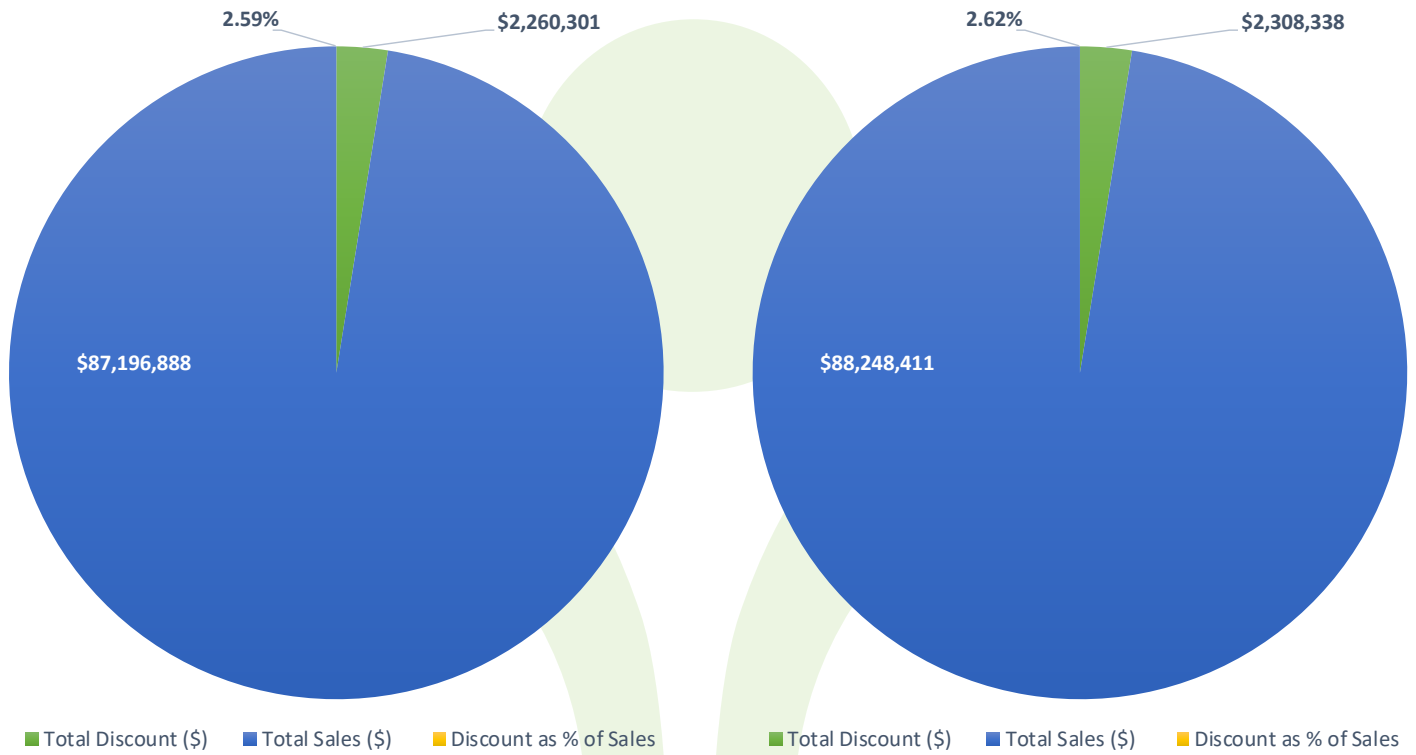
Service Centers

	<u>Park St</u>	<u>Norwich</u>	<u>Average</u>	<u>Industry Average</u>	<u>Variance</u>
Parts	39.0%	44.9%	42.0%	45.0%	-3.1%
Tires	-8.7%	13.6%	2.4%	9.2%	-6.8%
Gas	9.2%		9.2%	10%	-1.1%

MEMBER DISCOUNT

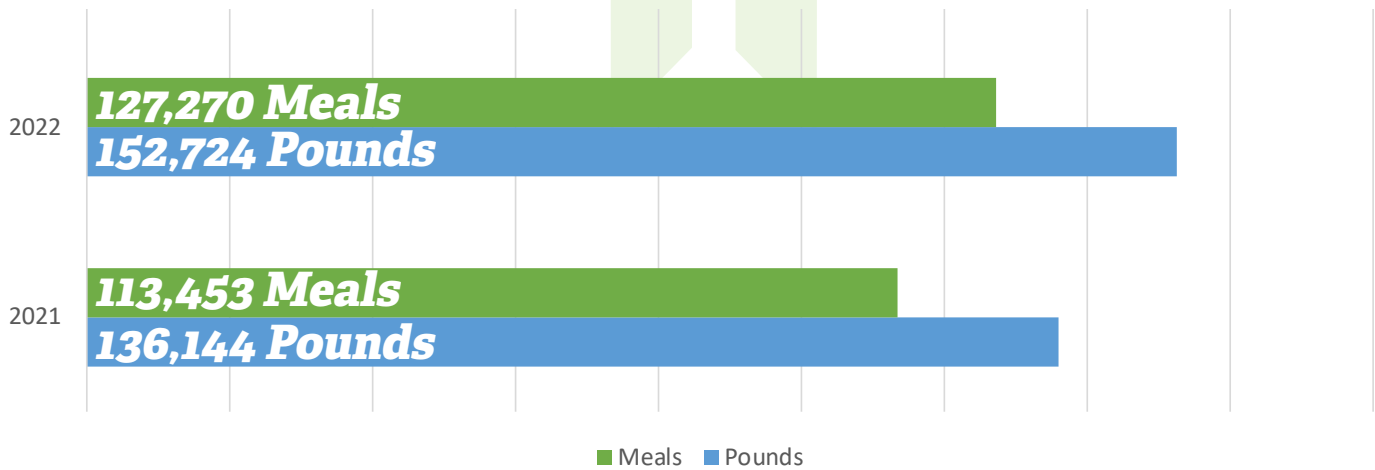
2021

2022



ACCESS PROGRAMS

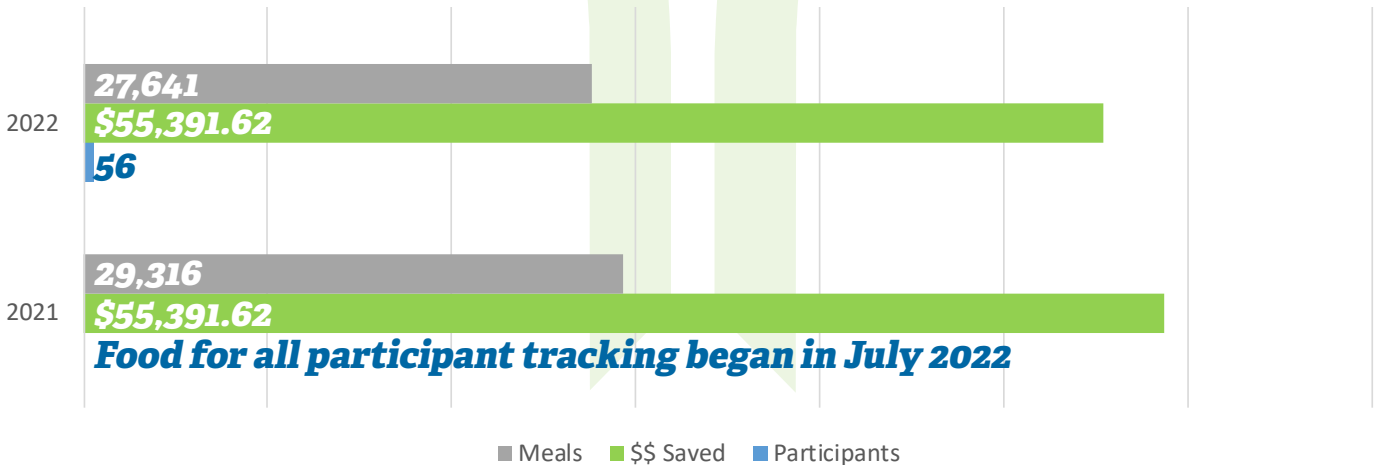
WILLING HANDS



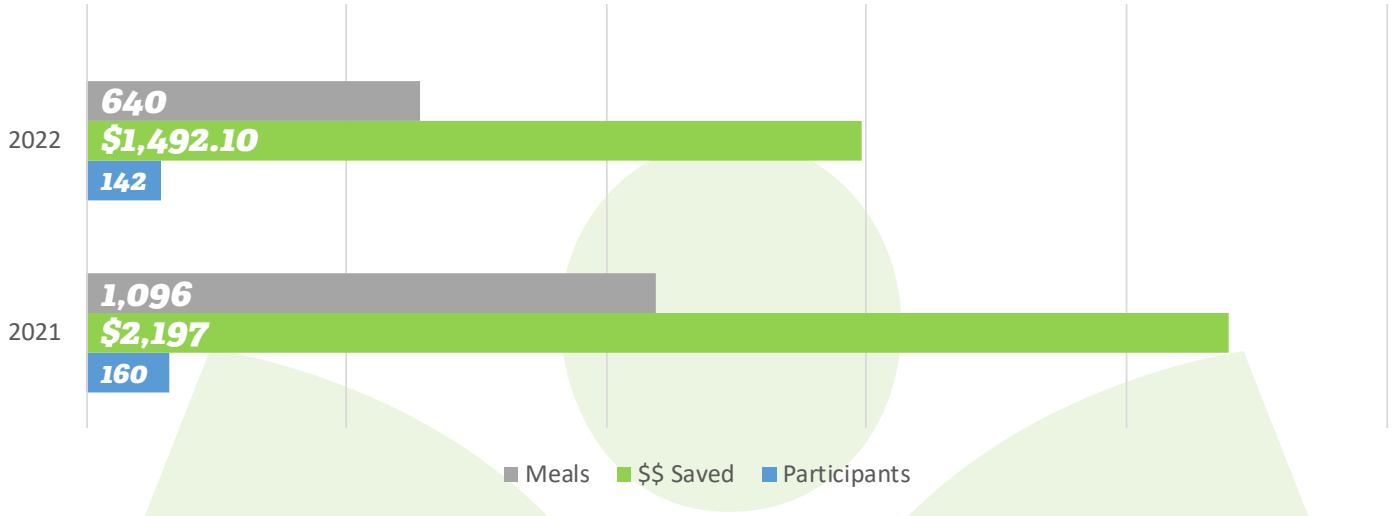
EBT / WIC

	SALES (\$)	TRANSACTIONS #
EBT Cash	\$124,356	3,028
EBT SNAP	\$723,636	17,069
EBT TOAL	\$847,991	20,097
WIC	\$38,007	1,021
COMBINED PROGRAMS TOTAL	\$885,998	21,118

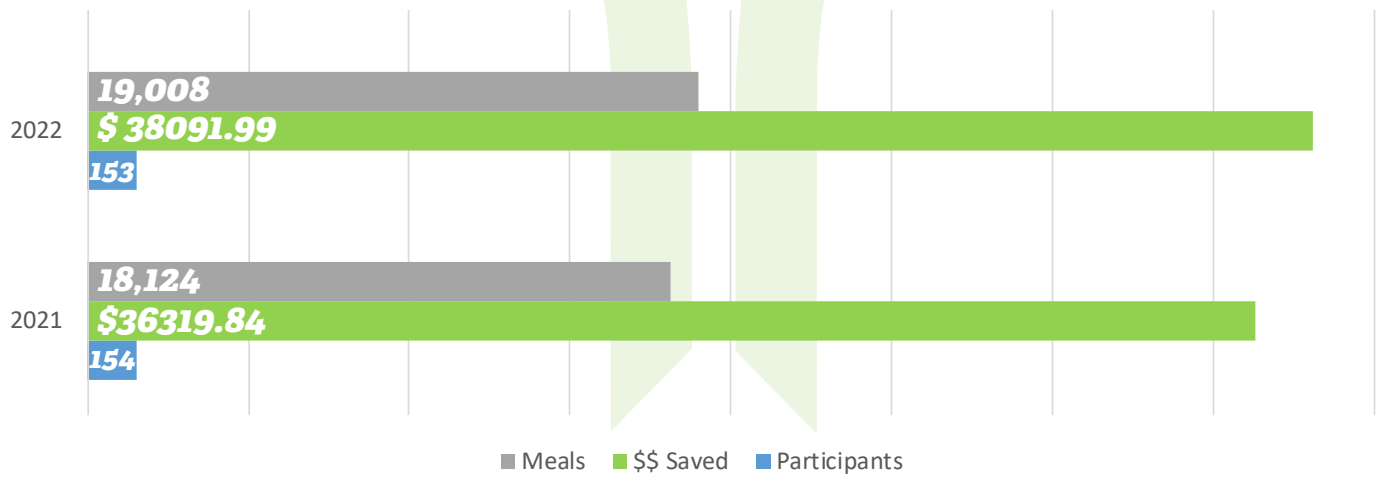
FOOD FOR ALL



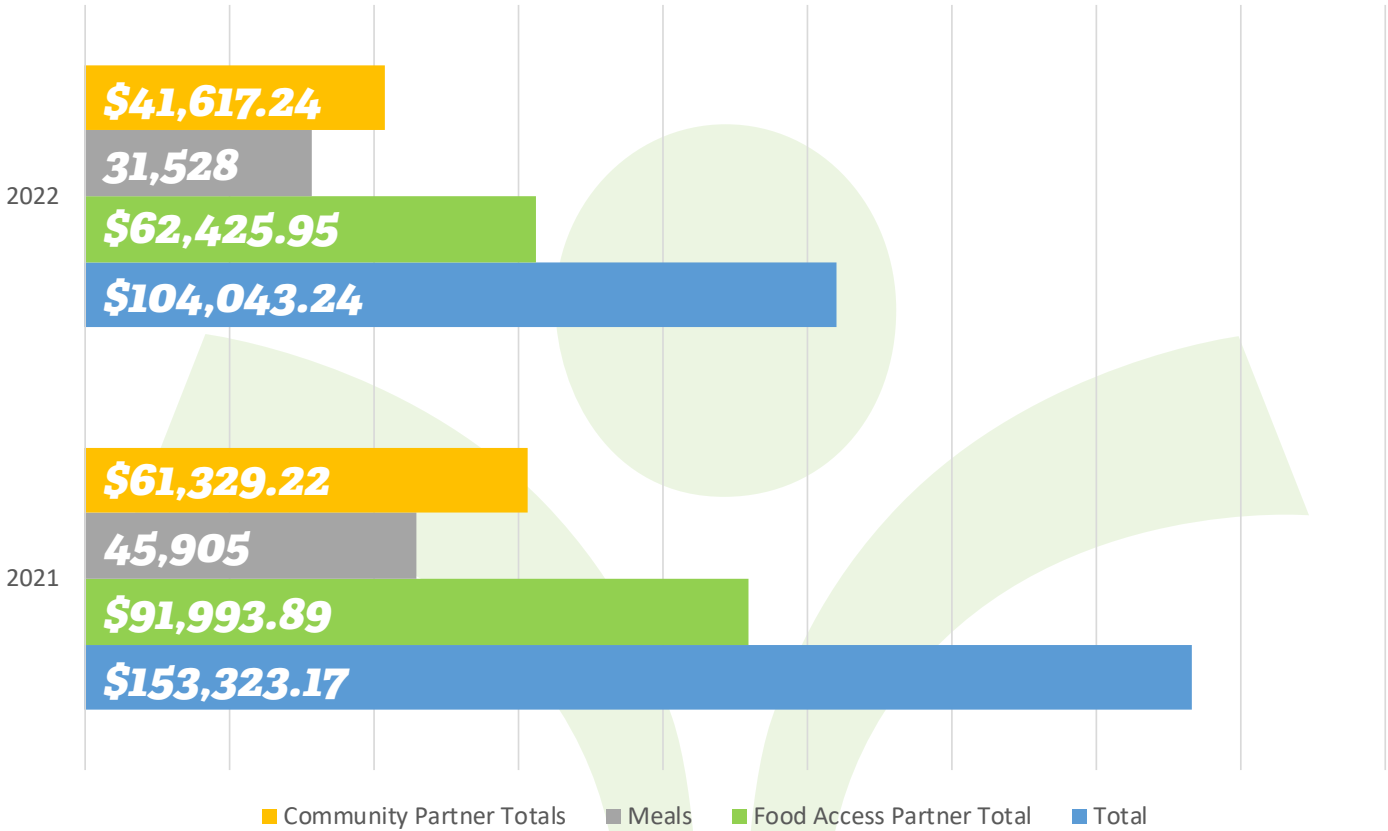
SHRED EVENT



DOUBLE UP BUCKS

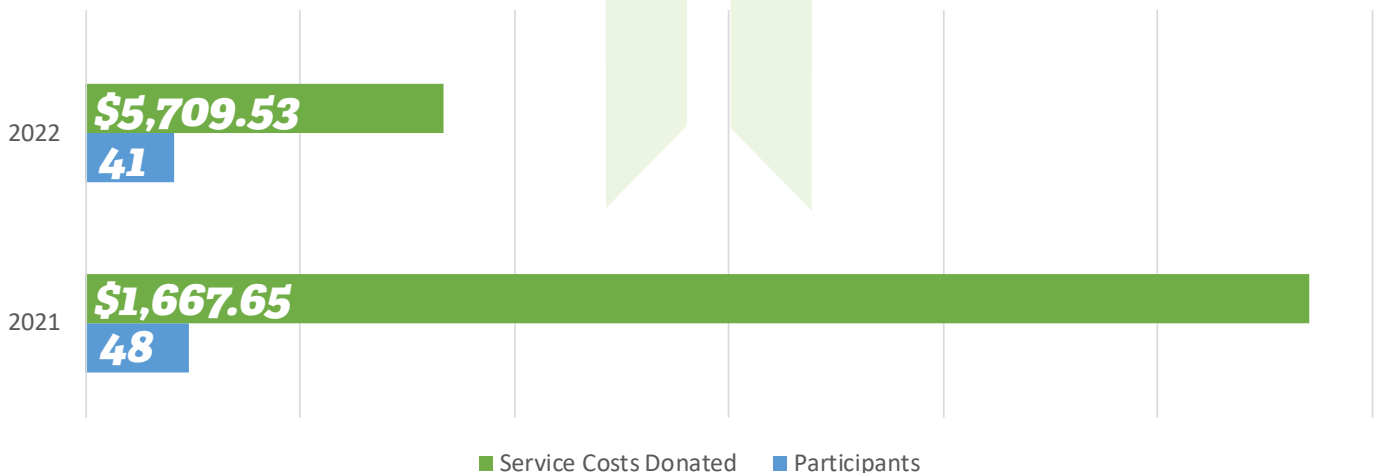


PENNIES FOR CHANGE



***Meals calculated using Feeding America Equation for Dollars Donation/\$1.67 per pound of food, lbs of food/1.2 lbs. equals one meal.**

CAR CONNECTS



***NOTE: The tracking, eligibility, and disbursement practices were modified from 2021 to 2022**

COMPLIANCE DETERMINATION: In Compliance.

E2 SHOPPERS EXPERIENCE A POSITIVE, PERSONALIZED EXPERIENCE.

2.1. SHOPPERS HAVE ACCESS TO GOODS AND SERVICES AT TIMES, PLACES, AND MODES THAT MEET THEIR NEEDS.

INTERPRETATION:

I interpret this to mean that the businesses our cooperative operates, both food stores and automotive service centers, offer a variety of options for goods and services that meet customer needs to the greatest extent possible. Additionally, our locations should be open to the community during business hours that meet community needs and should be easy to access.

Our locations are situated in a variety of towns in the community that are accessible both by public transit and personal vehicles during standard business operating hours. Our goods and services are comparable to other businesses in the area while also offering unique products that can't be found elsewhere. Consistently, in our previous customer surveys, customers continue to tell us the number one reason they shop our food stores is that they can find products and services they can't find elsewhere. Similarly, customers continue to support our business model at the automotive service centers, where we differ from much of the service industry and employees are not incentivized to sell products or services that customers do not need.

The most important key to maintaining stores that are open to the community and provide the kind of service and selection our members are looking for, are our employees.

During 2022, we had an unemployment landscape unlike anything our business has experienced in recent history. Unemployment rates hovered between two and three percent. In order to remain open at all locations, teams had to pivot and adapt to these new conditions quickly. In 2022, in order to remain open, our services were modified, we invested in various technology solutions to support staff, new product lines were brought in to minimize the workload in full service departments, and store hours were modified to help ease the burden on employees. Toward the third quarter, new recruiting strategies were implemented that helped dramatically reduce the number of open positions we carried through much of the year. All of this helped us maintain service to our community at a time when other businesses were closing their doors for days at a time or, in some cases, closing entirely. Our ability to maintain the level of service we did during 2022 is a remarkable testament to the dedication of employees to our community. In 2022, our employees went above and beyond for our community, adapting to conditions that we have never experienced before. It was through their determination, creative thinking, and collaboration that we were able to continue offering goods and services to the community.

E2 DATA

Range of products compliance will be demonstrated when the Co-op continues to offer a variety of products based on consumer demand in the categories above.

MEMBERSHIP

Year	New Membership	Cancelled
2022	1,166	191
2021	1,230	152

TRANSACTION COUNT FOOD STORES

Year	Transactions
2021	1,488,228
2022	1,470,668

Compliance will be demonstrated when the Co-op makes significant investment in employees and maintains competitive benefits, which indicates that the Co-op continues to invest in being a better workplace.

COMBINED WAGES & BENEFITS IN 2022:

\$17,261,893

COMBINED WAGES & BENEFITS AS A % OF SALES IN 2022:

20.1%

Employee Benefits for 2022:

- Health Plans with a range of coverage and deductibles
- Dental Plan
- Vision
- Paid Sick/Personal Time Off
- Paid Vacation
- Paid Holidays
- Extended Illness Bank
- Paid volunteer time
- Employee Discount – 20% off groceries and auto services

- 401K – no matching required
- Life Insurance
- Supplemental Life Insurance
- AD&D Coverage
- Short Term Disability
- Employee Assistance Program
- Work United Support Program
- Educational Scholarships
- Tuition Reimbursement
- Discounts at other local business

COMPLIANCE DETERMINATION: In Compliance.

E3 ***OUR COMMUNITY HAS CHOICES WITH POSITIVE ENVIRONMENTAL, HEALTH, AND SOCIAL IMPACTS.***

3.1. SHOPPERS UNDERSTAND THE ENVIRONMENTAL, HEALTH, AND SOCIAL IMPACTS OF THEIR CHOICES.

INTERPRETATION:

I interpret this to mean that the Co-op operates our business in such a way that provides a resource for our community to find choices that fit their values. Making healthy, environmentally, or socially conscious choices are very personal to the consumer and can be subjective. With the availability of information that exists today, consumers are well equipped to select products that meet those choices. Therefore, I interpret this to mean that the Co-op will operate our business in such a way that when a consumer shops our stores or service centers, they are choosing to invest their dollars in a business that has positive social and environmental operations.

DATA

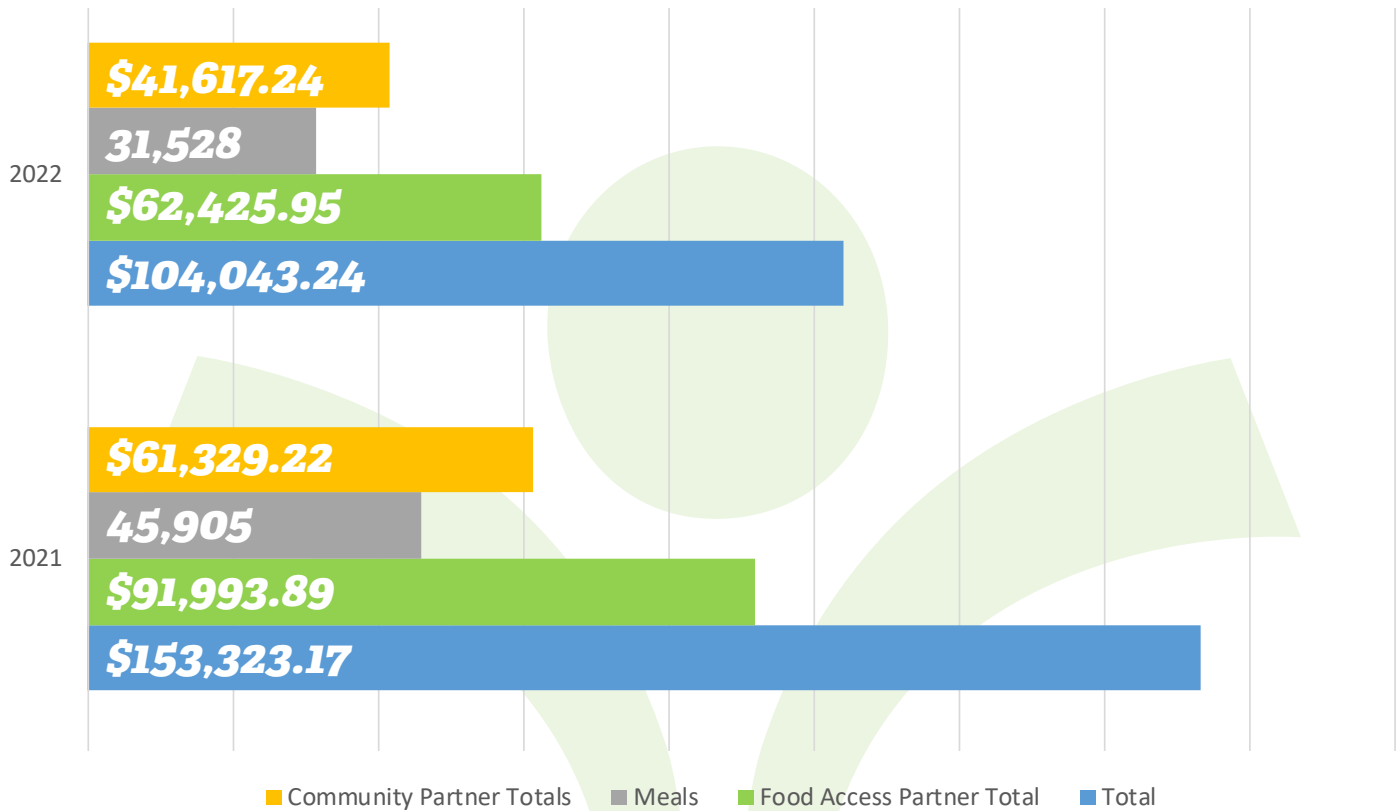
Compliance will be demonstrated when the Co-op has invested in social programs that support the community.

Compliance will be demonstrated when the Co-op has actively put a plan into place to become a more sustainable business through waste management goals and net-zero greenhouse gas goals.

Compliance will be demonstrated when customers become members, indicating that they have chosen to become owners due to an alignment in social and environmental values.

E3 DATA CONTINUED

PENNIES FOR CHANGE



Willing Hands:

1 new truck + 1,000 miles traveled weekly providing food for those in need.

Mascoma Cooperative Preschool:

Provided STEM activities for children.

Hanover Conservancy:

Helped with care for Mink Brook Nature Preserve and other local trails.

Hartford Community Coalition:

Provided 370 meals to Hartford homes.

Listen Community Services:

100+ Meals for community dinners, stocked food pantry, help with heating bills.

Good Neighbor Health Clinic:

Provided tele-health capabilities.

Grafton County Mental Health Court:

Provided funds for unexpected car repairs and rental assistance.

Hanover Street Friday Food Program:

30+ food bags each Friday for families.

Windsor County Mentors:

Provided one-on-one mentoring for youth.

Maynard House:

27,000 guests received affordable healthcare accommodations.

Friends of Mascoma:

Stocked Friends Feeding Friends food pantries.

Walk to End Alzheimer's:

Funds for Alzheimer's care, support, and research.

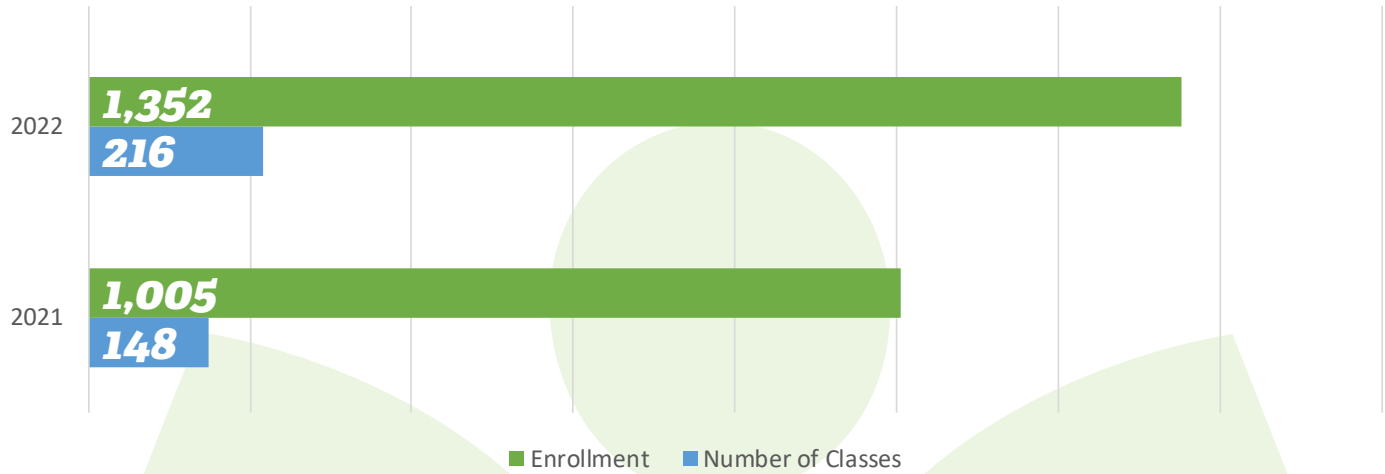
West Central Behavioral Health:

Served 2,000 children, families, and individuals.

Headrest:

430,000 hours of service on 24/7 help support hotline.

CO-OP LEARNING CENTER CLASSES



HANOVER CO-OP COMMUNITY FUND:

This year, we had 9 applicants (all local non-profits) and \$15,200 to allocate—with a cap of \$2,500 for each project. The selection committee reviewed each application carefully.

THE 2022 HCCF AWARDS ARE:

Kearsarge Food Hub – Plastic Reduction Program - \$2,500

Friends of Canaan Village, Inc. – Flower Planters - \$1,200

White River Land Collaboration – Community Gathering Space - \$2,500

COVER Home Repair – Home Weatherization Programs - \$2,500

Growing Peace Project – Teaching Gardens - \$2,500

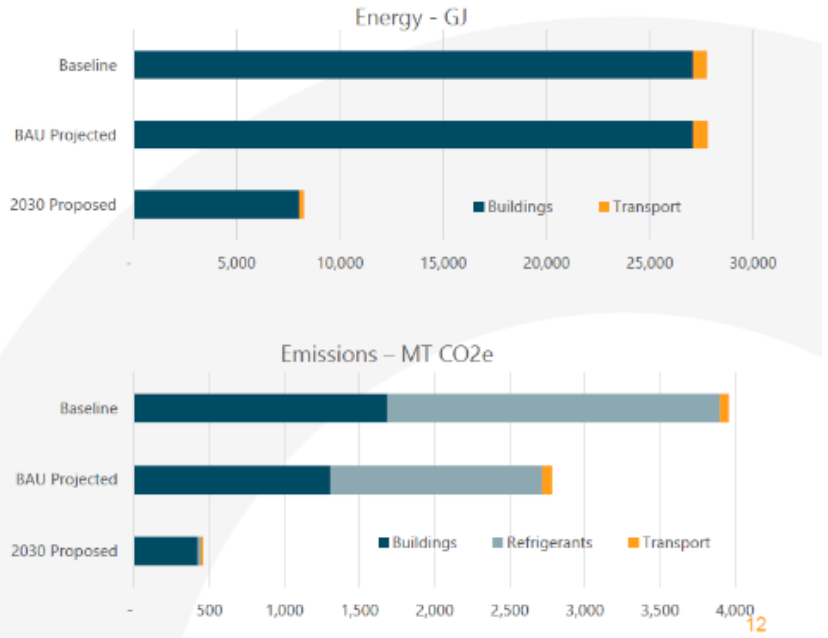
Friends of Northern Rail Trail – Cycling with Age Program - \$2,500

Vital Communities – Gerstenberger Scholarship for Leadership Upper Valley - \$1,500

SUSTAINABILITY OBJECTIVES

Net Zero: Energy (GJ) and Emissions (MT CO2e)

- Action Plan can reduce:
 - Building energy - 70%
 - Transport energy - 68%
 - Building emissions - 75%
 - Refrigerant emissions - 99%
 - Transport emissions - 78%



veic

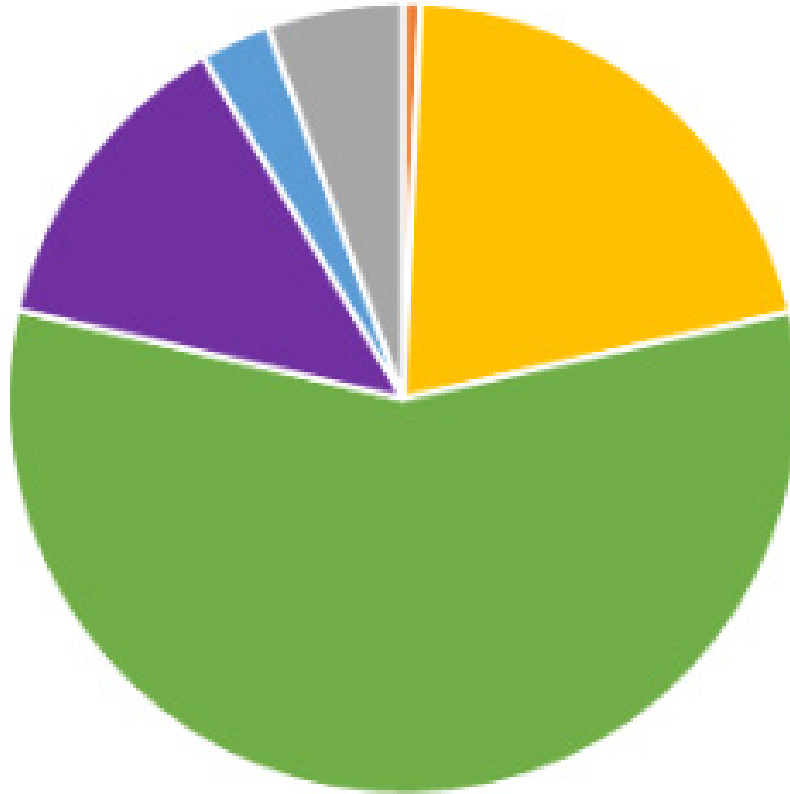
1. All Co-op provided packaging will be reusable, compostable, or recyclable by 2024.*
2. All Co-op locations will be zero-waste by 2025.**
3. The Co-op will implement an extended producer responsibility program by 2024.
4. The Co-op will implement a zero-waste product policy, including category growth goals, by 2024.

*For certain hard-to-replace-or-recycle items, including produce bags and meat trays, etc., the Co-op could opt to provide services by [Terracycle](#) or another zero-waste solutions company to enable customers to return and recycle these items.

**Following the Zero Waste International Alliance (ZWIA)'s definition of zero-waste as 90%+ diversion rate.

***NOTE: Currently, the Co-op is at 70% diversion from landfill.**

Reasons Members Joined 2022



■ Classes ■ Discounts ■ Local Foods ■ Ownership ■ Sustainability ■ Other





Statements from Candidates

2023 CANDIDATES FOR BOARD OF DIRECTORS



Nick Clark

THETFORD
CENTER, VT.

(INCUMBENT)

CANDIDATE STATEMENT

I have served on the Board for 3 years and as President for the last 2 years. We have seen challenges and successes. We've adopted ambitious emissions reduction goals, expanded our commitment to employee well-being, and hired a fantastic new General Manager. The biggest lesson I've learned from my board colleagues is the importance of cooperation. We work together to ensure the greatest possible outcomes for all Co-op stakeholders. The work is rewarding for that reason. It truly is a community.

There is more work to do. There is more we can do to facilitate employee well-being, support local producers and suppliers, and increase diversity, equity, and inclusion. The role the Co-op plays in the community is crucial not just in terms of food access and automotive services but through its giving programs such as Pennies for Change and its support for other cooperatives. The Co-op's future is bright, the people warm and welcoming, and the vision — a well-nourished community cultivated through cooperation inspiring. I look forward to continuing to be one part of the team that makes it all possible.



Tracey Cutter

HILLSBORO, N.H.

(EMPLOYEE)

CANDIDATE STATEMENT

I was born and raised in NH then ventured to San Francisco Bay Area after high school to go to college for Accounting. I spent 25 years living and working in the fast growing and very diversified Silicon Valley. I returned to NH in 2010 to help care for aging family members and its quality of life and sense of community. My love of food and finding good quality food for all is important to me. Giving back to community is a core value. I have been on many school and church committees both here in NH and in CA. My three children are spread around the world and I am starting a new chapter in my life and I can't think of anything better to do than to give back to my community.

I love everything outdoors. I have become an avid beekeeper to help sustain our ecosystem. I love working in my flower gardens and giving to my family, friends, and local food pantry. I enjoy hiking, skiing and kayaking. I look forward to learning and helping the coop give to its members and community.



Peggy O'Neil

CORNISH, N.H.

(INCUMBENT)

CANDIDATE STATEMENT

Thank you for considering me as a Board candidate for the 2023 board elections for the Hanover Consumer Cooperative Society. I have served on the Board since 2020 and currently am Treasurer. My board service has deepened my respect and appreciation for the Co-op and our cooperative business model. I did not know a lot about the cooperative model of commerce when I first joined the Board. Today, the cooperative model of commerce inspires me and I am in awe at our Co-op's place in the international cooperative community. Now I have a more knowledge and a greater appreciation for what it takes for our Co-op to remain strong and forward facing.

When I joined the Board in 2020, it was because I love to cook (and still do) and the Coop is my go to shopping experience. I so enjoy walking into our Co-op grocery stores—they are always bustling and still they are calm and welcoming. This past holiday season, check-out lines at the Lebanon Co-op Store were deep into the store—everyone was friendly and patient. Co-op employees greeted each of us with a smile and as if we were the first person. Now that I am well into my first term as a Board member, my knowledge and appreciation for all that goes into my and other shoppers experience at our Co-op



Eileen O'Toole
HANOVER, N.H.

CANDIDATE STATEMENT

I have been a resident of the Upper Valley for over 10 years and hope to support our members and community as a Co-op board member. I bring 25+ years of experience spanning advertising and marketing, event management, strategic planning, capital campaigns and fundraising, experiential learning, program creation, and numerous leadership positions on boards and committees. My current role focuses on supporting students' entrepreneurial ventures and endeavors. Innovation is a key component of both my work and my overall way of thinking.

I am an avid supporter of our local businesses and community and hope that my experience can serve to ensure our entire community and member group has opportunities to be both heard and informed. With many recent changes to our community population and the potential for a massive increase in Dartmouth's student population, strategic planning now is crucial to the Co-op continuing as a leader for our community rather than being surpassed or replaced by a regional or national chain who is positioned to innovate to adapt to our community needs.

I look forward to the opportunity to learn from past and current board members along with Co-op employees and management. My hope is to give back to the Co-op and our members through working to ensure long-term growth and vitality.



Lynn Ellen Schimoler
ESSEX, VT.

CANDIDATE STATEMENT

My name is Lynn Ellen Schimoler, I live in Essex and have two children. We enjoy visiting VT farmer's markets, eating out at restaurants that offer locally grown food, getting outdoors often, and playing/watching the game of Lacrosse.

I went to High School across from the Hanover Co-op location. My friends and I would visit the Food Bin often, and my mother owned a Health Food store called Honey Gardens in Lebanon, NH. I am a member of coops in Northern VT, and a new member at the Co-op Food stores. I was a former Director at Onion River Coop, and part of my role was collaborating with National Cooperatives Grocer on co-op expansions in the Northeast including spending time in the Hanover produce department observing incredible merchandise resets and learning how your commissary operates.

I'm interested in serving on the Co-ops' Board of Directors to bring my skills and talent with operations, project management, finance and passion for food - particularly the Vermont and regional food supply chain to this Board. I'd be able to leverage my connection to a rich network of partners within that supply chain in order to assist with advancing the goals of the Co-op Food stores, regionally and nationally. I'm passionate about cooperative economics and committed to assisting this business

(continued on page 3)



Caterina Tierney
LEBANON, N.H.

(EMPLOYEE)

CANDIDATE STATEMENT

My name is Caterina Tierney and I am running for the board of directors, not only an employee but as a citizen of the Upper Valley. I recognize all the good that the Co-op does for the community, from providing well-paying safe and meaningful employment for residents, to nourishing those who may be somewhat down on their luck, by working with the state programs available and going above and beyond with programs such as Food For All.

I love that everyone in the Co-op is involved in decision making but I feel that I am ready for a larger leadership style role within the organization. I believe that the impact I can make as a younger member of the community is valuable and I feel that my perspective as a college graduate would also be beneficial. I love the time that I have spent as an employee of the Co-op, I love the time I have spent as a new member to the Upper Valley, and I like that this is another way I can serve those who may not have a voice in places of power. I would be honored to receive your vote and if you have and questions or concerns for me, please come stop by my line at the White River Junction Store.

**Disclaimer: No candidate statement has been edited or modified and is printed as received.*

Candidate Q&A

Each candidate was asked to answer four questions for Q&A (see section under each candidate statement on the Co-op website). These answers will give you additional insight into their unique perspective on topics such as "What do you see as the biggest challenges for the Co-op in the coming years and how can we prepare for them?"

Visit www.coopfoodstore.coop/vote

Peggy O’Neil

(cont.)

locations has grown exponentially. There is magic that happens—it is the smart, kind, strategic and innovative people—our employees—who are making our experience such a good one working within a cooperative model.

Hearing from and listening to our members, our farmers, our producers, our shoppers and our employees is an important aspect of being a Board member. As a Board member, I commit to fully participating in the iterative and intentional process of always being curious, always open to adaptation and change, always learning and questioning, and guided by our cooperative principles. I commit to serving with integrity and respect for our cooperative model of business and I will work hard to ensure our Co-op remains strong and forward facing. Thank you.

Lynn Ellen Schimoler

(cont.)

model thrive. The co-op model allows a community to address an ambitious set of needs - overall wellness, social, and economic. I’m excited to help advance the needs of the members and eaters in the Upper Valley community and those members external to the area demographic. A grocery store can be the gateway to provide access to and navigation through these needs and I’d be honored to participate in this work.



Our business has been a powerful force for good in our community for decades.



“Local is one of the most important values of our cooperative. We are pleased to announce that our Local Producers Fair will be back this August.” — Amanda Charland, GM

CO-OP PRINCIPLE #2

Democratic Member Control—Exercise Your Right to Vote



HOW TO VOTE

The Co-op Board of Directors is made up of 12 volunteer Co-op members, including up to two employees.

This year we have six candidates running for five open seats on the Co-op Board of Directors. There is only one seat available for an employee this year.

TO VOTE BY PAPER BALLOT:

- Paper ballots are available in stores.
- Mark each box that corresponds with your vote.
- Vote for no more than FIVE (5) candidates.
- Put paper ballot in an envelope and write your member number and zip code on the sealed flap. *(Member number and zip code must match the information listed in our membership database. To verify this information call, or visit Member Services.)*

TO VOTE ONLINE:

- Go to www.coopfoodstore.coop/vote and click on "CAST YOUR VOTE."

QUESTIONS?

Contact Member Services at:
603-643-2667

memberservices@coopfoodstore.com

VOTING PERIOD—APRIL 1-30

HOW TO VOTE

TO VOTE ONLINE:

- Go to mycoopvote.com and click on "CAST YOUR VOTE."

TO VOTE BY PAPER BALLOT:

- Mark each circle that corresponds with your vote.
- Put paper ballot in an envelope and write your name and member number on the sealed flap. (Member name and number must match the information listed in our membership database. To verify this information, call or visit Member Services.)

QUESTIONS?

Contact Member Services at:
603-640-6580
memberservices@coopfoodstore.com

VOTING PERIOD APRIL 1-30

BALLOT

Six candidates are running for the Board of Directors seats, two of which are employees. This year there is only one employee seat available. Please vote for only one employee candidate.

I vote for the following FIVE (5) candidates for the Co-op Board of Directors:

- | | |
|--|---|
| <input type="radio"/> Nick Clark (incumbent) | <input type="radio"/> Eileen O'Toole |
| <input type="radio"/> Tracey Cutter (employee) | <input type="radio"/> Lynn Ellen Schimoler |
| <input type="radio"/> Peggy O'Neil (incumbent) | <input type="radio"/> Caterina Tierney (employee) |
| <input type="radio"/> Write-in _____ | |

Any duly-elected write-in candidates will be seated based on interest and eligibility.

All ballots must be received by close of business (9 p.m.) on Sunday, April 30, 2023.

NOTE: All ballots *MUST* be in an envelope with member name and member number clearly written on the envelope. If not, those ballots will be considered invalid and will be discarded!