

CONTENTS

HCCS Board of Directors Meeting

January 28, 2026

Co-op Resource Center, 224 Holiday Dr. WRJ, VT

5:30 p.m.

Item	Page
AGENDA.....	2
November 19, 2025 MEETING MINUTES.....	3
Values	5
MONITORING	
EL 5 – Community Engagement	7
EL 6 – Environmental Impact	16
GP 9 and GP 10	23
Governance Committee	
Policy Revisions to GP 1, 2, 3, 4, and 11	27
GP 5, 6, 7, and 8 (Memo and supporting documents)	29
Board Monitoring Calendar	40
Commonly Used Acronyms	41

AGENDA

HCCS Board of Directors Meeting

January 28, 2026

5:30 p.m.

Co-op Resource Center, WRJ, VT

Time	Agenda Topic	Page	Board Action
5:30	Check In		Reflect & Decide
	Community Standards and Consent Agenda November 19, 2025 Meeting Minutes	3	
5:45	Member Input		
5:55	Values (Emily, Kyle, Infiniti)	5	Discussion
6:20	Monitoring		Decide
	- EL 5 – Community Engagement	7	
	- EL 6 – Environmental Impact	16	
6:35	Board Monitoring		Discussion
	- GP 9 and 10 (Triad Team C)	23	
6:45	Board Compensation		Discussion
7:00	GM Update		Information
7:10	Governance Committee		
	- Policy Revisions to GP 1, 2, 3, 4, and 11	27	Decide
	- GP 5, 6, 7, 8 (see memo)	29	Discussion
7:25	Other Business		Discussion
	- CCMA 2026		
	- Board Recruitment		
7:30	Adjournment		

DRAFT MEETING MINUTES

November 19, 2025

Co-op Resource Center

Present: Eric DeLuca, Mike Eigenbrode, Emily Hurd, Conicia (CJ) Jackson, Alice Kennedy, Mary Patterson, Peggy O'Neil (remote), Eileen O'Toole, Infiniti Sanderfer (remote), Lynn Ellen Schimoler (remote)

Absent: Kyle Creevy

Employees: Amanda Charland (General Manager), April Harkness (ESG Program Manager)

Alice Kennedy called the meeting to order at 5:30 p.m. and reviewed the community standards.

Consent Agenda: Agenda Review and August 27, 2025 Meeting Minutes

MOTION: Eric DeLuca moved to accept the Consent Agenda with an amendment to the Agenda: Adjust the Board Action for the Board Budget Approval from *Information to Decide*.

VOTED: 9 in favor. 0 opposed. 1 abstained. The motion passed.

Member Input

None.

MONITORING

EL 4 - Employee Well-being

Amanda Charland presented EL 4 - Employee Well-being to the Board.

MOTION: Eric DeLuca moved that the General Manager provided a reasonable interpretation and sufficient evidence of compliance for EL 4 - Employee Well-being.

VOTED: 10 in favor. 0 opposed. The motion passed.

Board Monitoring – GP 5, 6, 7, 8

Triad Team B presented their review of the governing policies and sends recommended policy changes to Governance Committee.

Board Budget Approval

Board Treasurer Peggy O'Neil reviewed the 2026 Board budget.

MOTION: CJ Jackson moved to approve the 2026 Board budget as presented.

VOTED: 10 in favor. 0 opposed. The motion passed.

Board Compensation

The Board will continue the discussion of board compensation policy in January and February 2026.

GM Update

Amanda Charland updated the Board on organizational matters.

Strategic Planning

Amanda Charland updated the Board on the strategic planning process and their invited and pending input.

Owner Linkage Committee

Owner Linkage Committee Chair Eileen O'Toole reminded the Board of the active 2025 Member survey, upcoming owner linkage opportunities and board recruitment to fill four open seats in May.

Board Development

Secretary Eric DeLuca alerted the Board to the next onboarding activity and the upcoming 2026 CCMA conference.

The meeting adjourned at 7:21 p.m.

Respectfully submitted,

April Harkness

ESG Program Manager

Eric DeLuca

Board Secretary

Values

To: Board of Directors
From: Kyle Creevy & Emily Hurd
Date: 01/20/2026
Subject: Updates to Co-op Values

Overview:

This memo summarizes proposed updates to the Co-op's core values, reflecting our evolving commitments to employees, community, local economy, and the environment. Each section presents the current version of the value statement alongside the new, revised version designed to clarify actions, incorporate measurable goals, and strengthen alignment with our mission.

1. Employees

Current:

We value the well-being of our employees and their families.

“We prioritize the well-being of our employees and their families by providing comprehensive support, fostering a healthy work-life balance, and promoting professional development opportunities.”

New:

We value the well-being of our employees and their families.

“We support the well-being of employees and their families by offering fair pay, meaningful benefits, and professional development opportunities, fostering a healthy work-life balance, and tracking employee satisfaction to ensure the co-op remains a great place to work.”

2. Community

Current:

We value a diverse, equitable, and inclusive community.

“We are dedicated to building a diverse, equitable, and inclusive community by actively engaging with individuals from different backgrounds, advocating for equal opportunities, and fostering an environment of respect, acceptance, and belonging.”

New:

We value a diverse, equitable, and inclusive community.

“We are committed to creating a diverse, equitable, and inclusive community by removing barriers to participation through affordability, providing fair opportunities in hiring and leadership, actively engaging underrepresented groups, and tracking our progress through participation data, outreach efforts, and annual reporting on equity, inclusion, and affordability goals.”

3. Local**Current:**

We value a resilient local food system and economy.

“We actively contribute to a resilient local food system and economy by sourcing locally, supporting local producers and businesses, and collaborating with community partners to ensure sustainable and thriving local ecosystems.”

New:

We value a resilient local food system and economy.

“We strengthen the local food system and economy by sourcing from nearby farmers and businesses, investing in community partnerships, setting clear targets for local purchasing, and balancing local sourcing with affordability to ensure access to healthy food while contributing to a sustainable and resilient regional economy.”

4. Environment**Current:**

We value being a regenerative business with a positive environmental impact.

“We promote environmental stewardship through sustainable practices and active investment in initiatives that have a positive and measurable impact on the environment.”

New:

We value being a regenerative business with a positive environmental impact.

“We commit to being an environmentally responsible business by reducing waste, conserving energy, and investing in sustainable practices that deliver measurable results, while lowering emissions, increasing renewable energy use, and tracking our progress toward becoming a regenerative, net-positive Co-op.”

Monitoring

EL 5 – Community Engagement

The General Manager shall not cause or allow a culture of community engagement to be jeopardized. Further, without limiting the scope of the foregoing by this enumeration, the General Manager shall not allow:

Interpretation: I interpret this to mean that our cooperative's stakeholders (customers, employees, vendors, business partners and community partners) will have both transactional and participatory opportunities with our cooperative that are actively fostered by the cooperative. The General Manager shall not allow for activities that would endanger the ability of stakeholders to take part in the values, principles, and business practices of the cooperative.

Compliance with EL5 will be demonstrated when the majority of sub points are in compliance.

Data: See below for data supporting 5.1- 5.3.

Compliance determination: In Compliance

EL 5.1: Inadequate or infrequent employee, owner, or customer engagement on:

Interpretation: I interpret this to mean that our co-op will ensure that opportunities exist for members, shoppers and employees to learn about the aspects of our business covered in points A through C (each interpreted with data below). These opportunities will be provided in a variety of modes to ensure that they are broadly accessible to a variety of learning styles and preferences from our diverse stakeholders. This information will be available in places and through mechanisms that help each stakeholder understand their relationship to the vision and values.

A. our Vision and Values,

I interpret this to mean that stakeholders will be exposed to information about our:

Vision: A well-nourished community cultivated through cooperation

Values:

Employees: We value the well-being of our employees and their families.

Community: We value a diverse, equitable, and inclusive community.

Local: We value a resilient local food system and economy.

Environment: We value being a regenerative business with a positive environmental impact.

Data: During the 2025 reporting period, employees were surveyed on their familiarity with the co-op's vision and values. The following data is from Leapsome, an online survey tool used by the co-op to survey employees. Here are the results to the following questions:

- I understand my company's mission and values: 68.8% agree or strongly agree.
- I feel proud of the co-op's involvement in social and environmental initiatives: 70.7% agree or strongly agree.
- The co-op effectively directs resources towards the co-op vision and mission: 51.8% agree or strongly agree.
- The co-op provides flexibility to accommodate my personal and family needs: 74.5% agree or strongly agree

People and Culture team members also conducted a pilot for stay interviews. Employees from every location were randomly selected to participate in sit down interviews with team members to dive deeper into co-op values at work, learning opportunities, leadership growth, and communication strategies – among other things. The themes from the findings inform the co-op's DEI strategies.

In 2025, the co-op conducted stakeholder engagement on building a strategic plan. Employee engagement included multiple strategic planning sessions across all co-op locations. Engagement was high and the themes will inform the strategic plan development. Other stakeholder engagement included owners and customers, community partners, vendors, and board members. This happened through short surveys. The questions posed prompted direct engagement on the co-op's vision and values.

Co-op owners and customers were provided opportunities to engage on the co-op's vision and values during the election month of April where voters are asked to weigh in on their thoughts on the vision and values as they exist now and whether there is opportunity for improvement. That data has been provided to the board. In addition, the recent 2025 Co-op Survey asks member-owners values related questions and opportunities to engage with and provide feedback on vision and values for the co-op. That data is being compiled and will be useful to the co-op and the board as it continues to assess the relevance of the current vision and values statements.

B. cooperative principles and values, or

I interpret this to mean that our co-op will ensure stakeholders have the chance to understand the essence of the Cooperative identity, values, and principles as defined by the International Cooperative Alliance (<https://www.ica.coop/en/cooperatives/cooperative-identity>)

Data: The co-op's employee Social Impact Team met several times during the reporting period to develop a strategy around cooperative giving and ecosystem support. This provided an employee engagement opportunity around the cooperative principles and values and culminated in a \$10,000 loan to the Plainfield Co-op through the newly created Eco-system Aid Fund. The loan is a very low interest rate loan (2.5%) over with a 10-year pay off.

The 2025 Co-op Survey provided an engagement opportunity for owners and customers with a question on which cooperative goals are most important, questions related to cooperative principles and values and opportunity for open ended responses.

In addition, throughout the year, several co-op blog posts, email news articles, merchandising, promotions, and web content included reference to the cooperative principles and values.

C. our history and organizational structure.

I interpret this to mean that the stakeholders will receive information about our cooperative's founding, its unique character over the decades, and the differences between our cooperative and its competitors.

Data: One of the most important ways in which the co-op engages employees, owners, and customers on our organizational structure is during the annual voting period and annual meetings of the membership. As a cooperatively run enterprise, where democratic participation in board elections, voting on bylaws amendments, and annual meetings where financial information is shared and explained create opportunities to engage and remind stakeholders of our unique business model.

The co-op's stakeholder engagement on strategic planning provided an opportunity to remind employees, owners, customers, vendors, and community partners that we are cooperative enterprise built on democratic ownership and participation.

The co-op's 90th Anniversary year (2026) is another opportunity for engagement on our history and organization structure. Preparations and planning include the following:

- Creation of new 90th Logo
- Implementation of a time capsule
- Monthly \$90 shopping sprees
- Big End of Year \$1936 shopping spree
- Birthday party (Fall Fest)
- 90th Swag (apparel, bags, member cards, gift cards, etc.)
- Community Art Project/Timeline/Mural

In addition, throughout the year, several co-op blog posts, email news articles, merchandising, promotions, and web content included reference to our cooperative history and organizational structure.

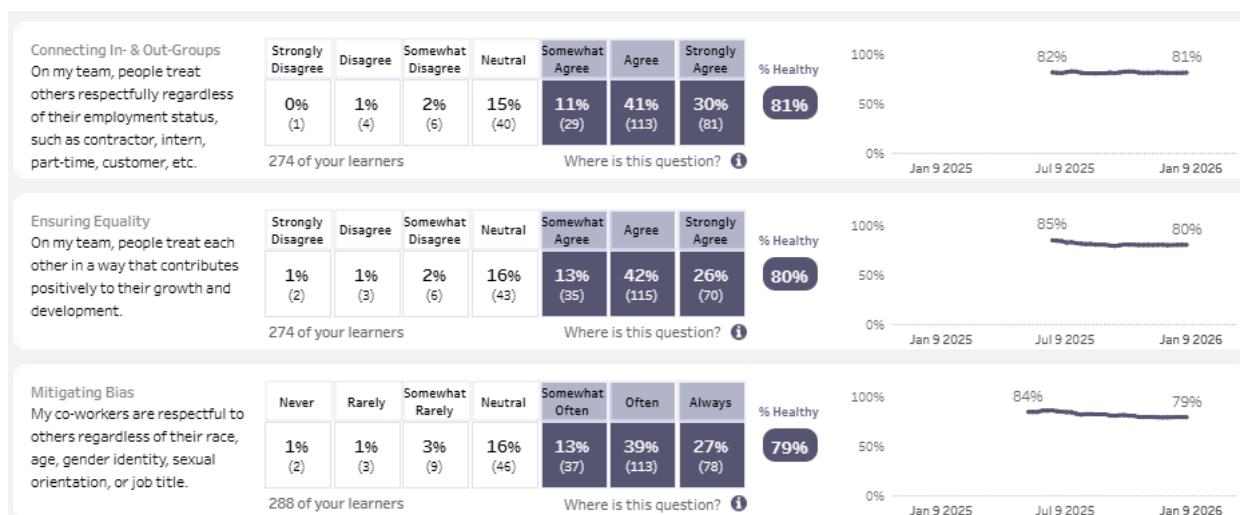
Compliance Determination: In compliance.

EL 5.2: An employee, owner, or customer culture or atmosphere that is unwelcoming or inaccessible.

Interpretation: I interpret this to mean that the co-op will provide a workplace and shopping environment that is fair and equitable, open and friendly, and one where stakeholders feel safe and valued.

Data: Using information provided by the co-op's online learning tool, Emtrain, and the external surveying company Leapsome, the following analytics provides third party data related to employee, owner, and customer atmosphere.

The table is employee feedback from 2025 Emtrain data:



The following data is from the 2025 Leapsome Employee Survey:

- 77 out of 106 responding employees expressed that they feel the co-op actively promotes diversity and inclusion in the workplace
- 69 out of 106 responding employees would recommend the co-op as a great place to work
- 90 out of 106 responding employees expressed that they feel safe in their work environment
- 73 out of 106 responding employees feel their manager values and respects diverse perspectives and ideas

In 2025, the co-op continued the launch of the employee recognition program to all staff, recognizing years of service. Feedback on the new option is positive. 52 gift cards to local area businesses of the employees' choice to honor their tenure. Orientation part two also provides new employees with a deeper understanding of the co-op including review of financials, food store and service center operations, cooperative ownership, the Board of Directors, how to get involved and who to contact if there is interest in learning more. The co-op continued a Training & Development newsletter.

The co-op further engaged with employees, owners and customers on the following projects in the Marketing & Consumer Relations department:

- Request for employee art for holiday bonus cards
- Weekly samplings of Kitchen foods for customer feedback where in several cases recipes were modified from customer feedback
- Halloween dress up drawings
- Pennies for Change Champions (top 10 Rounder Uppers in 2025--being announced week of 1/19)
- Monthly Flash Sales to create fun and excitement around products with customer and employees and giving more favorable price perception for accessibility
- Food access membership implementation
- Funding of double up during government shut down

Compliance Determination: In compliance.

EL 5.2.1: Uninviting stores, including factors such as layout, lighting, and customer service.

Interpretation: I interpret this to mean that the co-op will create experiences for customers that are appealing and welcoming. Our stores will be easy and comfortable for customers to access and patron.

Data: In 2025, the Facilities Team prioritized a comprehensive renovation of the Kitchen Facility. The existing infrastructure was significantly outdated and no longer aligned with the organization's operational requirements or employee well-being. This Capital Construction Project focused on three core pillars: ergonomic optimization, environmental remediation, and sustainability.

Kitchen Facility Enhancements

- **Workflow Optimization:** The floor plan was redesigned to improve food production efficiency, minimizing transit time between workstations to streamline operations.
- **Environmental Remediation (Moisture Control):** To address the lack of a moisture barrier in the original 1950s-era 4" slab, we installed a specialized Poly-Resin concrete floor system. This solution abates seasonal water vapor condensation, providing a durable, non-slip surface that ensures a safe working environment.

- **Sustainable Refrigeration:** We debuted our first CO2-based freezer and refrigeration system. By utilizing compressed CO2 rather than hydrofluorocarbons (HFCs) or ammonia, we have established a new eco-friendly standard for future Co-op renovations.
- **High-Efficiency Lighting:** The production space, including cold storage, was outfitted with integrated LED fixtures. These provide superior visibility and a long asset lifespan while significantly reducing electricity consumption.
- **Advanced Climate Control:** We installed a hybrid Make-Up Air (MUA) unit equipped with a heat pump. This system works in tandem with exhaust hoods to maintain nominal temperature and humidity levels, utilizing the heat pump to reduce reliance on LP gas for heating and dehumidification.
- **Automated Energy Management:** Occupancy sensors were installed in restroom facilities to automate lighting and ventilation. This energy-saving measure serves as a pilot for a standardized rollout across all Co-op locations.

While the Kitchen is not a customer facing “store”, the efficiencies, cleanliness, and management of the facility do impact customer facing experiences in the availability and quality of prepared food items.

Multi-Site Milestones

Beyond the Kitchen project, the co-op made significant progress toward layout, lighting and customer service in the following areas:

- Hanover Service Center LED Transition: The facility achieved a 100% LED conversion in 2025.
 - Operational Visibility: Working with Defiance Electric, we integrated specialized wheel-well lighting for vehicle lifts, enhancing safety and precision for our Technicians.
 - Smart Exterior Lighting: Exterior systems were upgraded with electronic timers and daylight sensors, allowing for autonomous adjustments based on seasonal light cycles and Daylight Saving Time transitions.

Compliance is also demonstrated when transaction counts in the stores demonstrate that customers continue to utilize our services, and we don't see dramatic declines in counts year to year. Though many factors can impact transaction counts (program/product availability, major weather events or community demographic changes, customer good will and brand perception, etc.), there were no major, long term disruptions in any of these key transaction factors during the 2025 reporting period. Transactions can be a good indicator of customers' ability to comfortably patron our locations. The ability to utilize self-checkout is another indicator of customer experience to increase efficiencies in transactions.

Food Store Total Transactions 2025	Food Store Total Transactions 2024	Change
1,529,839	1,483,711	3.11%

	Self-Checkout Transactions 2025	% of Total Transactions 2025	Self-Checkout Transactions 2024	% of Total Transactions 2024	Change
Hanover:	130,596	26%	108,774	23%	2.84%
Lebanon:	189,382	31%	208,341	35%	-3.69%

Compliance Determination: In compliance.

EL 5.2.2: Inadequate diversity, equity, and inclusion.

Interpretation: I interpret this to mean that our cooperative will be actively working on DEI initiatives. This means that we will be continuously seeking to define what DEI means for our cooperative and stakeholders, developing our intentions and strategies on how to improve in this space, and understanding how all stakeholders (with particular emphasis on employees and customers) feel about our cooperative and our efforts. While normally I wouldn't use the language of the EL in the interpretation, I believe this language is clear and that DEI work is an ongoing process to continue learning, improving and changing systems, practices and culture. Because of this, I believe the work of the General Manager is to ensure that the organization is continuously seeking to understand what DEI means, where we are doing well and where barriers exist to our work.

Data: The co-op has a 3-year rolling DEI Strategic Plan. Team members review progress and update the plan quarterly. The plan includes cross departmental engagement and promotes DEI integration into organizational processes, policies, and activities. It provides a structure and framework to ensure alignment with our values.

The co-op used the online employee learning platform Emtrain for quarterly micro-lessons for all staff. The leadership track expanded to include department managers and Resource Center Managers. The leadership program added quarterly consultant facilitated workshops to practice skills, engage with the material, and draft a charter for commitment to the culture and shared behaviors. Finalization and next steps for the charter to be completed in 2026.

- *Q1 Micro lessons* – Rethinking Assumptions, Recognizing Bias, and Black History Month (94% Completion)
- *Q1 Leadership* – Bias Interrupters, Ethnicity & Stereotypes, Identifying Microaggressions, Conducting Inclusive Team Meetings (98% Completion)
- *Q2 Micro lessons* – Bringing a Different Perspective, Creating Respectful Interactions, De-escalating Conflict (94% Completion)
- *Q2 Leadership* – Bystander Intervention, Adapting to Feedback Styles, Decision Making using 2 Gear Model (96% Completion)
- *Q3 Micro lessons* - Bullying & Aggressive Behavior, Social Media Drama at Work, When workplace jokes go too far (91% Completion)
- *Q3 Leadership* – Workplace Violence, Power Implications & Inclusive Workspaces, Power Implications & Off-duty Conduct (91% Completion)

Our Product Designation Initiative (PDI) merchandising strategy seeks out and highlight products that help us differentiate including Inclusive Trade (a National Co-op Grocers category which captures products owned/operated by at least 51% individuals/groups that identify as women, Black Indigenous, people of color, LGBTQIA+, disabled, or veterans). The following table includes data from these categories.

2025 Inclusive Trade Sales:	\$1,597,205.00	2025 BIPOC Owned:	\$181,922.00
2025 Inclusive Trade SKUS:	911	2025 Disabled Owned	\$597.85
		2025	
2025 Inclusive Trade Brands:	146	LGBTQIA+ Owned:	\$196,118.00
		2025 Veteran Owned:	\$34,978.00
		2025 Woman Owned:	\$972,010.00
		2025 Undisclosed:	\$211,579.15
2024 Inclusive Trade Sales:	\$1,487,101.00	2024 BIPOC Owned:	\$182,038.00
2024 Inclusive Trade SKUS:	764	2024 Disabled Owned	\$527.00
		2024	
2024 Inclusive Trade Brands:	113	LGBTQIA+ Owned:	\$174,926.00
		2024 Veteran Owned:	\$24,808.00
		2024 Woman Owned:	\$852,366.00
		2024 Undisclosed:	\$252,436.00
24 to 25 Increase Inclusive Trade Sales:	\$110,104.00	24 to 25 Increase BIPOC Owned:	-\$116.00
24 to 25 Increase Inclusive Trade SKUS:	147	24 to 25 Increase Disabled Owned	\$70.85
24 to 25 Increase Inclusive Trade Brands:	33	24 to 25 Increase LGBTQIA+ Owned:	\$21,192.00
		24 to 25 Increase Veteran Owned:	\$10,170.00
		24 to 25 Increase Woman Owned:	\$119,644.00
		24 to 25 Increase Undisclosed:	-\$40,856.85

In 2025, the co-op rolled out the Food Access Membership program. The program is a way for Co-op member-owners who are leaving to donate their shares to Co-op subscribers participating in our Food for All Program. Shares are donated to participants who've been subscribers the longest. As full member-owners, participants in the Food Access Membership program are automatically enrolled in Co-op Rewards and receive discounted member pricing on Big Deals. They can also vote and run for the board. So far, we've received two donations totaling 57 shares. This has allowed for 7 Food for All participants to receive shares and become full members!

Compliance Determination: In compliance.

EL 5.2.3: Facilities or communications that fail to meet or exceed Title II standards of the Americans With Disabilities Act.

Interpretation: I interpret this to mean that the co-op will not only meet federal and state ADA regulations but will also prioritize going above and beyond the standards.

Data: All co-op locations are in full ADA compliance, and all future Capital Projects give specific focus to ADA compliance and ergonomics. As of January 2026, the co-op's website is ADA compliant. During the construction of the new Kitchen we met all ADA requirements for entering and exiting the space. All restrooms and common spaces are ADA-compliant and have been inspected by both local and State of Vermont Inspectors and have passed compliance inspections.

Our web team is pleased to report significant progress in our efforts to make our digital presence more ADA compliant and accessible to all users. We have moved away from a "checkbox" approach toward an inclusive design framework, going above and beyond to ensure our site is welcoming to users with visual, auditory, and motor impairments.

- **100/100 Accessibility Rating:** Our website recently achieved a perfect score of 100 on Google PageSpeed Insights for Accessibility. This score confirms that our technical foundation—including semantic HTML, color contrast ratios, and screen reader optimization—meets the highest industry standards for accessibility.
- **Proactive UX Adjustments:** Beyond technical scores, we have manually optimized the user experience by: 1. implementing high-quality "alt text" for imagery (helpful to those with visual impairments using screen readers) and 2. eliminating distracting animations that can negatively impact the experience of users with seizure disorders or cognitive sensitivities.

"ADA Compliance" is a legal standard and an ongoing journey. There's always more that can be done. For now, we have an excellent foundation that provides a robust, high-standard foundation. Our site is very much in line with our inclusivity mission, and we are aligned with WCAG 2.1 standards. By focusing on an "accessibility-first" development process, we have mitigated significant risk and, more importantly, ensured that our content is reachable by the widest possible audience.

Compliance Determination: In compliance.

EL 5.3: Operational conduct or results that may jeopardize any of the organization's giving programs.

Interpretation: I interpret this to mean that the co-op will continue to create and maintain systems that support community needs through donations and will conduct business in a way that can sustain those programs.

Data: The co-op's giving programs remain strong. The Hanover Community Cooperative Fund distributed \$9,800 from the interest on the Twin Pines Cooperative Foundation endowment. These funds were distributed locally through grants and scholarships. The co-op's Values continue to play an important role in grant and scholarship selection prioritization to organizations that align with our values.

The 2025 recipients of HCCF:

1. Composting Association of Vermont – *Improving Food Waste Management & Nutrient Recovery for a Resilient Upper Valley.* \$2,500.
2. Sustainable Woodstock – *Grow Your Own Garden.* \$2,000.
3. NH Network Plastics Working Group – *Upper Valley Reusable Takeout Container Pilot.* \$2,000.
4. Hanover Community Food Pantry – *Food Pantry.* \$2,300.
5. Sustainable Lebanon – *Mesh Bag Mamas 2.0.* \$1,000.

The Pennies for Change program remains consistent with a 2025 total of \$16,380.56

2025 Community Partners		
Month	20% Partner	Total donated
January	WISE	\$1,398.50
February	Inclusive Arts Vermont	\$1,256.74
March	Hartford Community Coalition	\$1,633.68
	Supporting and Helping Asylums and	
April	Refugees	\$1,691.57
May	Kearsarge Food Hub	\$1,298.38
June	The Sharon Health Initiative	\$1,375.49
July	Hartford Community Restorative Justice	\$1,362.83
August	Senior Solutions	\$1,386.83
September	Future in Sight	\$1,624.74
October	Aging in Hartland	\$1,771.06
November	Claremont Soup Kitchen	\$1,580.74
December	SafeArt	
Total		\$16,380.56

Small donations in the form of gift cards and smaller monetary donations accounted for \$16,876 in charitable giving in 2025. Some highlights include:

- Claremont Soup Kitchen \$1,000 for Annual Fall Breakfast
- Pennies from Heaven donation to CHAD \$1143.19 in coordination with fuel supplier through Hanover Service Center
- Upper Valley Haven donation of Turkey Breast for Thanksgiving \$629.47
- Hypertherm Hope Foundation Food Support for Charity Golf Tournament \$737.62
- Refill NOT Landfill campaign from City of Lebanon-Support \$500.00

The co-op also continues to support local nonprofits including the Upper Valley Haven, LISTEN Community Services, and the Dartmouth Hitchcock's Norris Cotton Cancer Center's Prouty through at cost ordering.

Compliance Determination: In compliance.

EL 6 – Environmental Impact

The General Manager shall not cause or allow the positive environmental impact record of the organization to be jeopardized. Further, without limiting the scope of the foregoing by this enumeration, the General Manager shall not allow:

EL 6.1: Products that are unreasonably dangerous to human health, including tobacco products, and the use of said products on property owned or leased by the organization except in designated areas where appropriate.

Interpretation: I interpret this to mean that our co-op has safeguards in place to ensure a reasonable level of safety for our products. The co-op shall not allow for the sale of products that are definitively known to be unsafe to human health. In addition to tobacco (which has been defined in the EL), I interpret this to mean products that have been recalled by a manufacturer due to potential health concerns. The co-op will maintain safeguards against this including a responsive recall system and extensive food-safety measures.

Note that since there are many classes of products that may pose a risk to human health, but that are still allowed for sale by regulatory agencies. Some products can be shown to be dangerous to human health when heavily consumed. Arguably these products can be shown to be dangerous to health when consumed heavily but I do not interpret them to rise to the category of “unreasonably dangerous to human health”.

Compliance will be demonstrated when the co-op shows there are no tobacco products, policies exist to limit smoking on premise, and food safety recall systems have been utilized appropriately.

Data: Tobacco: A review of the inventory system in January 2026 indicates that the co-op did not sell tobacco products at any of our locations. A review of the employee handbook in January 2026 confirms that a policy is in place requiring employees who smoke to use designated areas to smoke and offers assistance for employees looking for cessation programs.

Food Safety: The co-op maintains a system to monitor products recalled by manufacturers or governmental agencies. Such a risk could be presented by bacterial or viral contamination, physical or chemical contaminants, or the presence of unlabeled allergens. When a recall occurs, we call members, use online channels, and in-store signage to alert shoppers. Protocols are in place and actively used to handle and dispose of recalled products. A review of our files in January 2026 shows that from January 2025 to December 2025, we facilitated 24 recalls and customer notifications.

The co-op also maintains a system to monitor any health concerns that may not yet be known to manufacturers or may come from our own co-op produced products. A review of our files in January 2026 shows from January 2025 to December 2025, 4 Food Borne Illness/Foreign Object instances were reported. All instances were single occurrences and were followed up and documented according to our policy. Reports and Standard Operations Procedures (SOP) are stored on a shared drive. Co-op Food Safety SOPs and core functions of the Food Safety Advisory Team are outlined in the Food Safety Manual. The team includes representatives from all food store locations and the Resource Center.

Compliance Determination: In compliance.

EL 6.2: Long-term environmental damage resulting from operations.

Interpretation: I interpret this to mean that the co-op will ensure its operating facilities, practices and future upgrades and renovations will consider their impact on the environment and use the most cost-effective, energy efficient methods and equipment available, and is further interpreted in EL 6.2.1 through 6.2.3 below.

Compliance will be demonstrated when the majority of 6.2.1 through 6.2.3 are found to be in compliance.

Compliance Determination: In compliance.

EL 6.2.1: Inadequate promotion of environmentally sustainable choices among employees, owners, customers, vendors, and suppliers.

Interpretation: I interpret this to mean that the co-op will encourage stakeholders to take advantage of product lines, programs, and operating practices that have more ecological sustainable impacts.

Data:

Employees

During the reporting period, the ESG Manager, Association Director of Cooperative Identity, and facilities team continue to do on-site, area specific, targeted learning and activities with employees. Employees participate in ongoing learning about the co-op's waste stream including diversion, recycling, and composting programs. Learning takes place across all co-op locations and feedback mechanism are established to solicit ideas and innovations in these areas. Employees across departments also engage with the co-op's Product Designation Initiatives and the social and environmental impact of the products we carry and services we provide. Employee learning translates to owner and customer learning as that information is shared on the floor. This includes the March promotion of products produced by B Corp certified companies and the April Earth Day promotion of zero waste products such as bulk items, refillable detergents, and reusable produce bags.

Owners and Customers

Employee learning translates to owner and customer learning as that information is shared on the floor. This includes the March promotion of products produced by B Corp certified companies and the April Earth Day promotion of zero waste products such as bulk items, refillable detergents, and reusable produce bags. We also spent considerable time in the bulk departments working on highlighting reusables and compostables over single use options.

Vendors and Suppliers

With the implementation of vendor and supplier "buy sheets" from the Merchandising team, vendors and suppliers are made aware of the co-op's values and the products we seek out that align with those values. The buy sheets include information about the co-op's desire to carry more and diverse selections from the local category (often a more sustainable option due to lower emissions associated with transport and less use of pesticides), third-party certified (with some having more stringent environmental standards), and zero waste products such as those mentioned above. We also continue work on expanding upon local to include regional products as a way to promote the sustainable regional food system.

The following chart indicates work done in 2025 to implement and promote the Co-op's Product Designation Initiative:

	2025			2024			Change		
	Sales	Brands	Skus	Sales	Brands	Skus	Sales	Brands	Skus
Local	\$16,429,235	406	4825	\$16,257,509	420	4533	\$171,726	-14	292
Organic	\$16,247,310	524	4055	\$15,825,245	544	4198	\$422,065	-20	-143
B-Corp	\$6,047,356	103	1598	\$5,967,671	97	1763	\$79,685	6	-165
Co-op				\$4,163,836	31	1016	\$165,144	0	-64
Owned	\$4,328,980	31	952	\$8,918,891	69	1363	-\$200,347	-3	-69
Zero				\$1,354,038	34	497	-\$94,379	6	20
Waste	\$8,718,544	66	1294						
Fair Trade	\$1,259,659	40	517						

In addition, throughout the year, several Co-op blog posts, email news articles, merchandising, promotions, and web content included information on and reference to the promotion and learning around environmentally sustainable choices.

Compliance Determination: In compliance

EL 6.2.2: Waste diversion that accounts for less than 90% of the co-op's total waste streams.

Interpretation: I interpret this to mean that the co-op will continue to work toward achieving a Zero-Waste status by diverting waste from the landfill to edible food recovery programs, agricultural use, composting and recycling.

Compliance will be demonstrated when the co-op makes progress toward 90% diversion rate.

Data: We continue to work toward our zero waste goals across all co-op locations. The new partnership with Casella composting has expanded our composting (after edible food is donated to Willing Hands and non-edible food is donated for agricultural use) to include commercially compostable products. This includes compostable packaging, paper towels, and other non-food compostable items. This change, along with improved signage, employee engagement and feedback mechanisms, and a focused effort from ESG, Associate Director of Cooperative Identity, and People and Culture team members, is likely the reason for improvement in this area.

Co-op Food Stores (including Kitchen, Service Center, and Resource Center)

2025 WASTE DATA (in tons)

	<u>2025</u>	<u>2024</u>
Landfill (Casella MSW Landfill)	239.8	268.1
Non-landfill		
Zero-sort Recycling	102.7	120.0
Cardboard	261.2	122.5
Plastic	7.1	-
Compost	229.6	163.0
Food Waste (Pig Farmers)	52.7	43.0
Food Waste (Willing Hands)	67.5	59.0
Lifecycle (Fryer Oil)	2.1	2.5
Scrap Metal	43.9	33.9
Secureshred (Paper & E-Cycle)	15	10.0
Tires	9.3	15.0
Waste Oil (Service Centers)	2.5	1.5
	1,023.5	838.5
Total Waste	1,023.5	835.5
Landfill Diversion	77%	67%

Glass Bottle Returns: 93,284

The ESG Manager is engaging with Center for Ecotechnology (CET), a company recommended by the River Valley Co-op in Northampton, MA after an informational site visit to learn more about their cutting edge sustainability work at their Easthampton location. CET offers free site visits and waste analysis for businesses working on waste goals. They also assist with signage, employee and customer engagement, and practical solutions. A multi-site visit is planned for our food store locations on January 22nd.

Associate Director of Cooperative Identity and ESG Manager are also engaged in early conversations with the Greater Upper Valley Solid Waste District, Composting Association of Vermont, Vital Communities, Grow More, Waste Less, and Agricycle on conceptualizing a more localized composting closed loop with regional trucking, composting facilities, and clean compost/soils as an end result. More to come.

While the co-op has made progress in this area, we are not quite at our goal. We'll continue to build in processes and accountability through strategic and business planning initiatives as well as facilitated leadership from location managers. As we continue to socialize our sustainability goals, solicit feedback from employees across the organization, and hear unequivocally from our members and shoppers that these values are essential, we expect to make further progress toward these goals.

Compliance Determination: In compliance.

EL 6.2.3: Net positive greenhouse gas emissions beyond 2030.

Interpretation: I interpret this to mean that the co-op's operating facilities, practices and future upgrades will use the most cost-effective, energy efficient methods and equipment available to attain the Board's net zero GHG emissions by 2030.

At this time, the co-op only reports on Scope 1 (from direct sources) and Scope 2 (from purchased electricity, heat or steam), however typically Scope 3 emissions (from other sources in the value chain) account for the largest share of most companies' GHG emissions. The global nonprofit Carbon Disclosure Project (CDP) estimates that scope 3 emissions account for an average of three-quarters of a company's emissions, however the importance of scope 3 emissions varies considerably by sector. On average, food retailers scope 3 emissions account for approximately 88% of total emissions (CDP). Because most of these emissions are outside operational control (farming, processing, transportation of purchased goods), they're hard to track and reduce.

Compliance will be demonstrated when the co-op makes positive progress toward zero emissions.

Data: The co-op continues to seek out low cost, easy to implement, strategies to improve efficiencies and reduce greenhouse gas emissions. Without major investments in areas such as a complete conversion across all locations to transcritical refrigeration systems, progress toward net positive emissions will be challenging.

2025 Facilities Team Projects:

- 1) Replaced the gas oven in White River Junction with an electric convection oven.
- 2) Replaced the walk-in doors for the Hanover Meat Department
- 3) Replaced 5 night curtains throughout all locations.
 - a. Replaced all interior and exterior lighting at Hanover service center with LED's. Exterior lights are on a digital timer that scales with daylight saving times
- 4) New kitchen build
 - a. Co2 Refrigeration System
 - i. Zero greenhouse gas emissions
 - ii. Captured a high level of savings through Efficiency Vermont
 1. 10,000 per unit at 4 units
 - b. Hybrid LP Gas/ Heat pump HVAC system for cooling and heating
 - c. Variable speed drive exhaust hood
 - i. Automatically scales exhaust up or down depending on need
 - ii. The exhaust hood is equipped with an automatic gas shutdown as a safety feature
 - d. Conditioned Make-Up Air Unit
 - i. Make-up air is heated or air-conditioned (depending on season)
 - ii. Keeps the interior air quality consistent when the exhaust hood is running
 - e. LED lighting throughout the space
 - i. Exterior LED lighting. Occupancy lighting/rest room ventilation. Lighting and ventilation are automatic via occupancy sensors, which help to minimize leaving lights/fans on when occupied.
 - f. Poly resin flooring.
 - i. This floor covering helps to abate moisture entering the space via the building's relatively thin slab, which has no moisture barrier. In our old space, we would encounter constantly wet floors during late spring and summer as humidity was traveling through the slab and condensing on the floor.

2025 GHG Data (all locations)

	2025	2024
Total Electric kWh	2,960,505	2,909,593
GHG factor	0.857	0.857
Total lbs CO2	2,537,153	2,493,521
	2025	2024
Total Propane Usage (GAL)	121,617	116,657
GHG factor	13	13
Total lbs CO2	1,581,021	1,516,541
	2025	2024
Total Oil Usage (GAL)	-	0
GHG factor	22.45	22.45
Total lbs CO2	-	-
Fleet Vehicle Gas (est.)	3,500	3,516
GHG factor	<u>19.59</u>	<u>19.59</u>
Total lbs CO2	68,000	68,878
Total lbs CO2 Produced	4,186,174	4,078,940

- *Best available data*
- *Refrigerant data not included*

While we haven't made progress toward the net zero emissions goal, we believe that without significant financial investment in infrastructure, the best way to achieve sustainability goals is a multi-pronged approach. This approach may include setting interim science based targets based on operational decision-making. For example, the installation of the CO2 refrigeration in the Kitchen will dramatically reduce emissions caused by refrigerant leaks. We'll continue to pursue sustainability projects as we renovate and update other locations including the White River Junction store.

We'll continue to explore work in the following areas:

- Set interim targets without prioritizing offsets
- Engage stakeholders - including board climate competency, prioritizing climate projects through community impact funds, supporting suppliers that adopt their own targets
- Publicly report our sustainability journey with honesty and transparency
- Partner with other businesses, non-profits, and climate action groups to further advance climate action more broadly
- Embed climate considerations into capital improvements, and business and strategic planning
- Prioritize long term health over short term profit

*many of these concepts come from *Project Drawdown* <https://drawdown.org/> – an independent nonprofit driving bold, science-based climate action.

Compliance Determination: Out of compliance.

Corrective Action Plan: At this time, reaching net zero GHG emissions by 2030 is unlikely, however work in this area remains an organizational priority. While member and board feedback show consistent desire for progress toward sustainability goals, questions around resource allocation to the different co-op values and priorities remain. It may be helpful for the board to engage in broader learning and understanding of the complexities of the costs and benefits associated with organizational values and limited resources.

Without significant investment in infrastructure improvements including a complete transition to CO2 refrigeration systems across all food store locations, net zero will likely not be achieved. While the board and leadership weigh priorities and ultimately allocate resources, we'll continue to work on low cost solutions such as energy efficiencies and energy efficient equipment replacement projects as they arise. We'll also continue dialogue with other co-op's, municipalities, and energy companies on renewable energy and community power options.

EL 6.2.3.1: The prioritization of the purchase of carbon offsets versus direct investment in reducing Co-op emissions or soil sequestration / regenerative agriculture.

Interpretation: I interpret this to mean that the co-op will not prioritize the purchase of carbon offsets, especially low-quality offsets, to achieve its net zero goals. While this can be a simple way for companies to market that they have achieved zero emissions it is an indirect mechanism and can hinder authentic, more meaningful environmental impacts from happening. The co-op will continue to find ways to invest in direct reductions and meaningful ways to reduce greenhouse gas emission.

Compliance will be demonstrated when the co-op shows that carbon offset purchases were not prioritized over other efforts.

Data: The co-op did not purchase any carbon offsets in 2025.

Compliance Determination: In compliance.

Board Self-Monitoring

Hanover Consumer Cooperative Society

Board of Directors

Triad C Monitoring Report

- **GP 9 Board Linkage with Owners**
- **GP 10 Board Committees**
- Eric DeLuca, Infiniti Sanderfer, Mary Patterson
- January 28, 2026 Board Meeting

GP 9.1: The language can be reasonably interpreted. Requirements may not have been met, as an external audit is commonly done to assess board accountability in inclusivity and equity. The Board may need a specific conversation regarding accountability for inclusivity and equity in order to better align with organizational vision, values, and other policies. Recommendations include defining equity and inclusivity as a board and considering whether our policies currently position the Board to be reactive rather than proactive.

GP 9.1.1: The language can be reasonably interpreted. The Owner Linkage Committee worked to gather and analyze survey data from member-owners and the community. The policy is consistent with the Co-op's vision/values, but execution of events may need a fresh look. Recommendations include concerns regarding events, such as whether or not events as they stand are building community and trust, and whether they are an effective use of Board time. Key questions include: Does Board activity at events fit with member-owner/shopper expectations? Do these activities create opportunities for board-inquiry topics? A gamified approach, such as a free raffle with "voting" on strategic priorities proved a great conversation starter in 2025.

GP 9.1.2: The Language is a bit vague and there may need to be more guidance on what counts as participation. While most, if not all, Board members participated in Triads, committee work, and other Board governance meetings, not everyone was able to attend linkage events, so this was completed to the best of our collective ability as the language currently reads. The policy may not be consistent with the Co-op's values: It may not be possible for all Board members to participate in owner-linkage events in-person, due to various factors including work schedule, family obligations, transportation, or disability. Therefore, this is inconsistent with our value being an equitable community.

Recommendations: Board members need to know up front the time and travel requirements. Virtual opportunities should be offered to support linkage outreach, which may also reach owners who can't get to events.

GP 9.1.3: The wording is currently vague and may need clarification. We did not have evidence of a formal assessment of alignment. The policy itself is consistent with changing needs/values/expectations of owners. Recommended changes: "Periodically" might be changed to more specific language. We also may need to redefine the criteria by which we're measuring.

GP 9.2: The policy can be reasonably interpreted. The Board has provided survey results as evidence of fulfillment. The intent of the policy is to focus on the HCCS-specific Values Statements. The co-op may benefit from more focused reflection across both the Co-op's Values and the internationally recognized Cooperative Values: self-help, self-responsibility, democracy, equality, equity, and solidarity; and the ethical values of honesty, openness, social responsibility and caring for others. One upcoming opportunity is a free webinar 2/25/26 that's focused on the Cooperative Values: www.smu.ca/iccm/coop-values.html Additional recommendations are to consider: Are we communicating in the most effective way possible or in multiple modalities? What percentage of our owners are aware of our communication, open emails we send, etc.? Is communication from the Board done in an accessible, easy to locate modality? Are their meaning and purpose easy to understand? (Are fonts accessible to screen readers, are visuals tagged, terms defined, etc.?)

GP 9.3: The policy can be easily interpreted. Evidence includes: The Owner Linkage Committee assigned Board review of multiple data sources with input from member-owners and/or community. The top theme was affordability. The Board is exploring the balance between listening to input and engaging in dialogue & sense making. Key questions: What is the Board's role? How can member-owner/community input effectively inform strategy? The policy is consistent with the

Co-op's vision and values. Question for reflection: Are we currently concerned with current owners or potential owners? Could the Board identify and define ways to participate virtually in the Owner-linkage process? What can we do to reach out to owners and promote dialogue without having to physically be there?

GP 9.4: This policy can be easily interpreted. The Owner Linkage Committee assigned Board review of multiple data sources with input from member-owners and/or community. The Board review centered on the theme of affordability. An ad hoc team took up the task of incorporating affordability into revised Values Statements and will report back to the Board with recommended revisions at the January 2026 Board Meeting. The policy is consistent with the Co-op's vision and values, but we may need to think about the inclusivity piece in action. Recommended reflection question (potentially starting with reflection within the Owner Linkage Committee, but also possibly broadly relevant for the Governance Committee in its work): Is this policy building trust?

GP 9.5: The language is difficult to interpret. What do we mean by impact and results? Evidence: Efforts have been made to meet fulfill the policy this year via the survey, presence at Co-op events, employee day, and other community events (WRJ Pride, LebFest), but we may consider more in-store, short engagements in addition to the larger events with lots of distractions. The policy needs to be clarified to be consistent with the Co-op's vision and values. Recommended reflection questions, potentially starting with Owner Linkage Committee, but also possibly broadly relevant for Governance Committee in its work: Is it simple? Is it easy to understand? Is it actionable?

Disclosure: Triad C includes the Bylaws Committee chair, who is also an Executive Committee member.

GP 10: Pending changes to GP 6: Vice President's Role likely being recommended by the Governance Committee suggest an upcoming need for a Board Development Committee. The Governance Committee may want to review the GP 6.1-3 policies [See below] to assess what responsibilities are appropriate for inclusion in a GP 10.5.5 sub-policy essentially outlining a charter for a Board Development Committee. This is the case due to adjusting the Vice President's mandate to focus primarily on Bylaws-defined roles and responsibilities, indicating a need for committee-level accountability.

<GP 6.1: The Vice President is responsible for ensuring the timely execution of the board's obligations, which include:

- Conducting the annual review of the Board's Vision and Values statements.
- Monitoring Governance Process and Board-General Manager policies.
- Fulfilling other time-sensitive board obligations.

GP 6.2: The Vice President is responsible for ensuring that effective candidate recruitment and training processes are in place, as well as board election and orientation procedures.

GP 6.3: The Vice President is responsible for identifying and considering board development opportunities aimed at equipping board members with the necessary skills and knowledge to fulfill their responsibilities. These opportunities may include attending CCMA and NFCA events, participating in cooperative development training sessions, visiting other co-ops and attending board meetings of other co-ops, and engaging outside governance and development consultants>

—per the 5/15/25 HCCS Board Policy Book

GP 10.1: Yes. This policy can be reasonably interpreted. The policy requirements have been met—published schedule; virtual link. The policy is consistent with vision, values, and other policies, including internationally recognized Cooperative Values such as democracy, honesty, and transparency. No recommended changes.

GP 10.2: Yes. This policy can be reasonably interpreted. Board members appear to be following this code of conduct without any (known to Triad members) complaints. The policy is consistent with internationally recognized Cooperative Values of democracy, inclusivity, and social responsibility. Recommended Changes: Change wording to “should adhere” and fix typo on “adhere”. Also: include a link to the Code of Conduct.

GP 10.3: Yes. This policy can be reasonably interpreted. The policy is consistent with internationally recognized Cooperative Values of self-responsibility and solidarity.

- The committees meet regularly. Across the first two quarters of this Board cycle, two committees have met five times, and one has met four times.
- The level of post-meeting reporting to the Board varies.
 - One committee maintains rolling notes in a single Doc, stored in Teams, summarizing each meeting.
 - Another committee's folder in Teams includes notes from select meetings (3 of 5), along with its annual work plan, as well as stakeholder-outreach question lists that structure and support its strategic inquiry this cycle.
 - A third committee has no meeting documentation shared with the Board via email or Teams this cycle but has actively engaged with the Board during Board Meetings when Board work intersects with its mandate.
- A primary intent of GP 10.3, when it was added to the Policy Book, was to increase Board-meeting efficiency by generating asynchronous written updates from committee meetings.
 - In practice, committees active in such communication use Teams as a repository of such information.
 - While Board members can access this information, anecdotal data suggests such opportunities are rarely pursued.
- Currently, rather than having standing Board-meeting agenda items for committee updates, the work of the committees shows up in Board meetings in conjunction with timely topics within the Board's ongoing work.

Examples include:

- Review and reflection on member-owner and community input.
- Suggested policy revisions in conjunction with Triad recommendations in GP monitoring reports or Board reflection on EL monitoring reports.
- One committee has waited to request time on a Board-meeting agenda until there is something material to share from its 2025-6 strategic inquiry process, which builds on previous committee work from 2024-5.
- This overall situation suggests a few questions for Board reflection:
 - *What does the full Board need to know about the ongoing work of committees?*
 - *At what frequency?*
 - *Is it sufficient for the full Board to engage in committee work when active topics intersect with Board meeting agendas and relevant events?*
 - *What would a committee-communication approach look like that is actively utilized by committee chairs, committee members, and Board members?*
 - *Are there roles for the ESG Program Manager to play in this process?*
 - *Does focusing accountability on Board members rather than operational staff yield the outcomes the Board intends?*
 - *If not, how does the Board make sense of that?*
 - *What changes might support desired outcomes?*

GP 10.4: Yes. This policy can be reasonably interpreted. The policy requirements have been met. The Board supports the GM. The policy is consistent with the Co-op's values. No recommended changes.

GP 10.5: Yes, this policy can be reasonably interpreted. Committee chairs briefly introduced the focus and work of each committee at the first meeting of the 2025-26 cycle, during which Board members selected a committee to join. At that time, the Bylaws Committee chair noted there may or may not be the need for an active Bylaws Committee this cycle. The committee took up this question in its initial meetings and decided to pursue a strategic inquiry implied by its work last cycle. It further decided not to bring any potential Bylaws amendments forward to the Board this cycle for consideration on the 2026 ballot. The policy is consistent with the internationally recognized Cooperative Value of self-responsibility. No recommended changes to the language.

GP 10.5.1: Bylaws Committee: Yes, this policy can be reasonably interpreted. Requirements have been met. The policy is consistent with the Co-op's vision and values. No recommended changes.

GP 10.5.2: Governance Committee: Yes, this can be reasonably interpreted. The policy requirements have generally been met. The committee has been meeting monthly. <Committee Responsibilities: 1.d. The committee updates the policy manual and Board Handbook to reflect current board practices and policies.> *Do we have plans to do this in 2026?* The policy is consistent with our vision and values. No recommended changes.

GP 10.5.3: Owner Linkage Committee: Yes, this policy can be reasonably interpreted. Yes, and maybe not. It would be helpful to define what the Board means by "diverse viewpoints" and seek out additional means of gaining insight into what owners want/need/value—especially for owners from lower socioeconomic communities. Are we really reaching our diversity goals engaging those from all socioeconomic sectors with our current efforts? (This may be a good discussion topic for the Board.) The policy is consistent with the Co-op's vision and values. No recommended changes, beyond taking a look at what we mean by inclusivity and diverse viewpoints.

GP 10.5.4: General Manager Search Committee: N/A

Governance Committee

Proposed Policy Revisions (from Triad A Monitoring Report)

GP 1 – Governing Style

GP 1.1: Only decisions made collectively by the board, as defined in Bylaws Article V: Board of Directors, Sections 8 and 10, are considered binding.

GP 1.2: The board is responsible for developing Vision and Values statements that reflect the perspectives of owners. These statements guide the board's decisions and actions.

GP 1.2.1: The board conducts an annual review of the Vision and Values statements using a process that directly engages owners to ensure their perspectives are represented. The review addresses the following questions

GP 1.2.2: The board provides an annual Vision and Values Report to owners before the Annual Meeting, with support from the General Manager.

GP 1.3: The board develops and revises Governance Process (GP), Board-General Manager (B-GM), Ends, and Executive Limitation (EL) policies to ensure they are consistent with the Vision and Values statements.

GP 1.3.1: The Board conducts an annual review of the Governance Process (GP), Board-General Manager Relationship (B-GM), Ends, and Executive Limitations (EL) policies to ensure alignment with the organization's Vision and Values statement.

GP 2 – Board Culture

GP 2.1: Establishing a culture of inclusivity: The board creates a safe and welcoming space where all board members feel valued, respected, and empowered to contribute their perspectives. The board encourages open dialogue, collaboration, and the expression of diverse viewpoints.

GP 2.2: Proactively seeking diverse viewpoints: The board values different experiences, backgrounds, and perspectives. It actively encourages board members to share insights, opinions, and concerns.

GP 2.3: Ensuring equitable treatment of board members: The board treats all members fairly in access to information, participation, and decision-making. It provides equitable support, resources, and training for all members, regardless of background or tenure.

GP 2.4: Promoting inclusive board recruitment and selection: The board actively recruits individuals from diverse backgrounds for open positions and ensures the selection process is fair and unbiased.

GP 2.5: Enhancing board member development and support: The board offers ongoing development opportunities, including training, workshops, and resources, with attention to diversity, equity, and inclusion.

GP 2.6: Ensuring transparent and accountable governance: The board communicates decision-making processes clearly and reports actions openly. The board holds itself accountable to foster trust and confidence among stakeholders.

GP 3 – Board Members' Code of Conduct

The board and its members are dedicated to maintaining conduct that is lawful, ethical, financially responsible, and centered on the well-being of people and the planet. Therefore, all board members are expected to:

GP 3.2: Be well-prepared for, attend, and actively engage in board meetings; participate in board retreats and trainings; take part in linkage events; and complete assigned action items in a timely manner.

GP 11 – Monitoring Board Performance

The board regularly reviews its governance and Board-General Manager policies to ensure effective oversight, accountability, and alignment with organizational goals.

GP 11.1: Monitoring teams: The board forms monitoring teams of three members, ensuring diversity by including individuals from different election year cohorts and varying levels of experience.

GP 11.2: Reporting findings: Each monitoring team submits a written report included in the board meeting packet. Reports address:

- Whether the policy language can be reasonably interpreted.
- Whether policy requirements have been met, supported by evidence.
- Whether the policy aligns with the organization's Vision, Values, and other policies.
- Any recommendations for changes.

GP 11.3: Reviewing recommendations: Recommendations for policy changes are referred to the Governance Committee for review. The committee drafts suggested revisions, if needed, and submits them with the original recommendation in the board meeting packet. The committee may refer relevant items to other committees or officers for further consideration.

GP 11.4: Monitoring schedule: The board maintains a monitoring schedule to ensure all policies are reviewed thoroughly and on time.

Memorandum

To: Members of the HCCS Board

From: HCCS Governance Committee

Date: 2/18/26

Subject: Proposed changes to Policy Manual

The Governance Committee recently reviewed policy recommendations from Triad B regarding GP 5, 6, 7, and 8 which describe the role of President, Vice President, Treasurer, and Secretary, respectively.

It was the recommendation of the Triad that we move the current useful but highly detailed descriptions from the policy manual to the orientation manual and maintain a higher-level overview in the policy manual. The **current descriptions** are attached to this memo for your review.

The governance committee, with the assist of April Harkness, reviewed older policy books for insight into how the Officer roles were defined/or not within the policy book. Kindly **see attached example from 2022**, wherein only the President and Vice President roles were defined.

April further reviewed and shared guidance from John Carver to ensure consistency with Policy Governance and reported a recommendation of minimum officers (perhaps just a chair and secretary) described with a minimum description such as:

- i. Chair – responsible for the integrity of board process
- ii. Secretary – responsible for the integrity of board documents

It is **not** the recommendation of the Governance Committee to remove any current officer roles. The above is to illustrate that per Policy Governance, minimal descriptions are ok.

At this time the Governance Committee would like to get a sense from the Board as to how detailed the description of the role of officers should be (while acknowledging each iteration of officers may see their roles differently), and where the description of the roles should exist.

We currently recommend the following and would like to encourage discussion and a vote:

1. Moving detailed descriptions of roles from the Policy Manual to the Orientation Manual with a specified method and cadence of review.
2. Keep the current, most high-level descriptions of each role in the policy manual (**draft proposal attached**).

Attachments:

1. **Current GP 5, 6, 7, 8**
2. **2022 Officer Roles**
3. **Proposed Officer Roles for Policy Manual (DRAFT)**

Attachment 1 – Current GP 5, 6, 7, 8

GP 5 – President's Role

In addition to the responsibilities prescribed by the Co-op's Bylaws, the board President ensures the integrity of the board's process and represents the board to external parties. Accordingly,

GP 5.1: The President ensures that the board operates in accordance with the Co-op's Bylaws, the board's Governance Process and Board-General Manager policies, and any applicable external regulations.

GP 5.2: The President chairs the Executive Committee and proposes the agenda for and chairs board meetings, exercising all the powers and responsibilities of the position as described in the Bylaws and Roberts' Rules of Order.

GP 5.2.1: The President ensures that board deliberations are fair, open, and thorough, while also maintaining timeliness, orderliness, and adherence to topics within the board's jurisdiction. The President manages the time spent on reports by limiting discussion unless a report indicates an issue.

GP 5.3: The President collaborates with the General Manager to foster a culture of cooperation between the board and operations.

GP 5.4: The President represents the board by announcing board-stated positions and communicating decisions within the scope delegated to the President to ensure consistent visibility of board outcomes to stakeholders.

GP 5.5: The President has the authority to gather information in a timely manner to address emergent issues requiring board deliberation.

GP 5.6: The President is supported by administrative assistance provided by the General Manager for duties assigned to the President.

GP 5.7: The President has no authority to make decisions on board policies related to Ends and Executive Limitations. Therefore, the President does not have authority to supervise the General Manager.

GP 5.8: The President may seek assistance from other board members for the aforementioned responsibilities, but ultimately remains accountable for the execution of this policy.

GP 5.9: The President is authorized to use any reasonable interpretation of this policy to carry out their responsibilities.

GP 6 – Vice President's Role

In addition to the responsibilities prescribed by the Co-op's Bylaws, the board Vice President ensures the continuity of the board's process and supports the fulfillment of the board's obligations. Accordingly,

GP 6.1: The Vice President is responsible for ensuring the timely execution of the board's obligations, which include:

- Conducting the annual review of the Board's Vision and Values statements.
- Monitoring Governance Process and Board-General Manager policies.
- Fulfilling other time-sensitive board obligations.

GP 6.2: The Vice President is responsible for ensuring that effective candidate recruitment and training processes are in place, as well as board election and orientation procedures.

GP 6.3: The Vice President is responsible for identifying and considering board development opportunities aimed at equipping board members with the necessary skills and knowledge to fulfill their responsibilities. These opportunities may include attending CCMA and NFCA events, participating in cooperative development training sessions, visiting other co-ops and attending board meetings of other co-ops, and engaging outside governance and development consultants.

GP 6.4: The Vice President is supported by administrative assistance provided by the General Manager for duties assigned to the Vice President.

GP 6.5: The Vice President has no authority to make decisions regarding board policies. Therefore, the Vice President does not have the authority to supervise the President or General Manager.

GP 6.6: The Vice President may seek assistance from other board members for the aforementioned responsibilities, but ultimately remains accountable for the execution of this policy.

GP 6.7: The Vice President is authorized to use any reasonable interpretation of this policy to carry out their responsibilities.

GP 7 – Treasurer's Role

In addition to the responsibilities prescribed by the Co-op's Bylaws, the board Treasurer ensures the continuity of the board's budget and financial oversight. Accordingly,

GP 7.1: The Treasurer presides over financial monitoring of the Co-op as described in these policies, including, but not limited to, the annual audit of the organization, board member compensation, and compensation of the General Manager.

GP 7.2: The Treasurer presides over the board's annual budgeting process.

GP 7.2.1: The Treasurer provides the board with a recommended budgetary range, based on one-tenth to two-tenths of one percent of the organization's total revenues, to guide the development of the budget.

GP 7.2.2: The Treasurer collaborates with the board and recommends expense categories that align with the board's needs and strategic priorities.

GP 7.3: The Treasurer is supported by administrative assistance provided by the General Manager for duties assigned to the Treasurer.

GP 7.4: The Treasurer has no authority to modify an approved budget or authorize expenditures unless explicitly authorized by the board. Therefore, the Treasurer does not have the authority to supervise the General Manager, the Director of Finance, or any other Co-op employee. The Treasurer may authorize travel-related reimbursements in alignment with the Co-op's relevant policies and practices.

GP 7.5: The Treasurer may seek assistance from other board members for the aforementioned responsibilities, but ultimately remains accountable for the execution of this policy.

GP 7.6: The Treasurer is authorized to use any reasonable interpretation of this policy to carry out their responsibilities.

GP 8 – Secretary's Role

In addition to the responsibilities prescribed by the Co-op's Bylaws, the board Secretary ensures the effective management and confidentiality of board documents and records. Accordingly,

GP 8.1: The Secretary ensures that all necessary board documents and records are appropriately maintained and readily accessible to the board as a whole.

GP 8.2: The Secretary ensures that all documents and records containing sensitive information concerning the General Manager, individual board members, or any other Co-op employee involved in an incident that is reasonably relevant to the board are securely retained and treated with strict confidentiality. The Secretary acts as a confidential liaison between the board and the Director of People and Culture in all matters of a sensitive nature.

GP 8.2.1: The primary responsibility for securely retaining documents and records is delegated to the General Manager, who ensures that all sensitive documents and records are stored internally within the Co-op and not by the Secretary.

GP 8.3: The Secretary presides over the annual evaluation of the General Manager with support from the Treasurer.

GP 8.4: The Secretary is supported by administrative assistance provided by the General Manager for duties assigned to the Secretary.

GP 8.5: The Secretary does not have the authority to supervise the General Manager, Director of People and Culture, or any other Co-op employee.

GP 8.6: The Secretary may seek assistance from other board members for the aforementioned responsibilities, but ultimately remains accountable for the execution of this policy.

GP 8.7: The Secretary is authorized to use any reasonable interpretation of this policy to carry out their responsibilities.

Attachment 2 – 2022 Officer Roles

GP 5 – President’s Role

The Board President ensures the integrity of the Board’s process.

Accordingly,

GP 5.1: The President ensures that the Board performs in a manner consistent with the Co-op’s Bylaws, the Board’s Governance Process and Board-GM Linkage policies, and those regulations legitimately imposed upon it from outside the organization.

GP 5.1.1: The President is authorized to use any reasonable interpretation of the Co-op’s Bylaws, Board policies, and those regulations legitimately imposed upon it from outside the organization.

GP 5.1.2: The President has authority to gather information in a timely manner to meet an emergent issue requiring deliberation of the board.

GP 5.1.3: The President has authority to use administrative support, provided by the GM, for duties assigned to the President.

GP 5.2: The President proposes the agenda and chairs Board meetings with all the commonly accepted powers and responsibilities of that position as described in the Bylaws and Roberts’ Rules of Order.

GP 5.2.1: The President ensures that deliberation is fair, open, and thorough, but also timely, orderly, and kept to those topics within the jurisdiction of the Board.

GP 5.3: The President has no authority to make decisions about Board policies on Ends and Executive Limitations. Therefore the President has no authority to supervise the GM.

GP 5.4: The President represents the Board to outside parties in announcing board-stated positions and in stating decisions within the area delegated to the President.

GP 5.5: The President ensures orientation of all newly elected Board members.

GP 5.6: The President may request assistance from other Directors for any of the above but remains accountable for execution of this policy.

GP 6 – Vice President’s Role

The Board Vice President ensures the continuity of the Board’s process. Accordingly,

GP 6.1: The Vice President supports the President in her, his, or their role.

GP 6.2.1: The Vice President performs the duties of the President in the President’s absence.

GP 6.2.2: The Vice President is responsible for ensuring the timeliness of The Board’s obligations, including:

- a) The scheduling of policy monitoring,
- b) The General Manager’s annual evaluation,
- c) Board development events,
- d) Member linkage events, and
- e) Other timely board obligations.

GP 6.2: The Vice President is responsible for ensuring that candidate recruitment and board election processes are routinely reviewed and in place.

GP 6.3: The Vice President is authorized to use any reasonable interpretation of this policy.

GP 6.4: The Vice President has authority to use administrative support, provided by the GM, for duties assigned to the Vice President.

GP 6.5: The Vice President has no authority to make decisions about Board policies.

Therefore, the Vice President has no authority to supervise the President or GM.

GP 6.6: The Vice President may request assistance from other Directors for any of the above but remains accountable for execution of this policy

Attachment 3 – Proposed Officer Roles for Policy Manual (DRAFT)

GP 5 – President's Role

In addition to the responsibilities prescribed by the Co-op's Bylaws, the board President ensures the integrity of the board's process and represents the board to external parties. Accordingly,

GP 5.1: The President ensures that the board operates in accordance with the Co-op's Bylaws, the board's Governance Process and Board-General Manager policies, and any applicable external regulations.

GP 5.9:

GP 6 – Vice President's Role

In addition to the responsibilities prescribed by the Co-op's Bylaws, the board Vice President ensures the continuity of the board's process and supports the fulfillment of the board's obligations. Accordingly,

GP 6.1: The Vice-President shall perform the duties of the President when the President is unable to do so.

GP 6.7:

GP 7 – Treasurer's Role

In addition to the responsibilities prescribed by the Co-op's Bylaws, the board Treasurer ensures the continuity of the board's budget and financial oversight. Accordingly,

GP 7.1: The Treasurer presides over financial monitoring of the Co-op as described in these policies, including, but not limited to, the annual audit of the organization, board member compensation, and compensation of the General Manager.

GP 7.2: The Treasurer presides over the board's annual budgeting process.

GP 7.6:

GP 8 – Secretary's Role

In addition to the responsibilities prescribed by the Co-op's Bylaws, the board Secretary ensures the effective management and confidentiality of board documents and records. Accordingly,

GP 8.1: The Secretary ensures that all necessary board documents and records are appropriately maintained and readily accessible to the board as a whole.

GP 8.7:

2025-2026 Board Meeting & Monitoring Schedule

1. May 28 5:30 PM

- a. Board: Vision, Values
- b. Board: Review of 3-year Ownership Linkage Plan

2. June 14 – Board Retreat

3. July 23 5:30 PM

- a. b. Board: Budget Review
- c. GM: EL Global
- d. GM: EL 1 - Q2 Finances

4. August 27 5:30 PM

- a. GM: EL 2 - Asset Protection
- b. GM: EL 3 - Operational Capacity

5. September - No Regular Meeting

6. October 22 5:30 PM

- a. Board: Monitoring Team A - GP Global, 1, 2, 3, 4, 11
- b. Board: Budget Review
- c. GM: EL 1 - Q3 Finances

7. November 19 5:30 PM

- a. Board: Monitoring Team B – GP 5, 6, 7, 8 (Officers)
- b. Board: Approval of next year's Board Budget
- c. GM: EL 4 - Employee Well-Being

8. December - No Regular Meeting.

9. January 28 5:30 PM

- a. Board: Monitoring Team C - GP 9, 10 (Owner Linkage, Committees)
- b. GM: EL 5 - Community Engagement
- c. GM: EL 6 - Environmental Impact

10. February 25 5:30 PM

- a. Board: Monitoring Team D: B-GM Global, 1, 2, 3
- b. Board: Budget Review
- c. GM: Ends
- d. GM: EL 1 - Year-end Finances (fluctuates with audit)

11. March 25 5:30 PM

12. April 22 5:30 PM

- a. Board: GM Performance Review
- b. Board: Budget Review
- c. GM: EL 1 - Q1 Finances

Commonly Used Co-op Acronyms

AG Associated Grocers Inc.; a cooperative wholesaler of which the Co-op is a member. AG is the Hanover Co-op's largest supplier of grocers. www.agne.com

B-GMs Board-General Manager policies; In Policy Governance B-GMs describe the relationship between the Board and the General Manager and acknowledges the board's sole official connection to the operational organization, its achievements and conduct is through the General Manager.

CCMA Consumer Cooperative Management Association; the national annual conference for food cooperative directors, management, staff, and sector allies. The conference is held in early June and is organized by the University of Wisconsin Center for Cooperatives.
www.ccma.coop

CDF Cooperative Development Foundation; foundation located in Washington DC that supports cooperative development. Funds managed include the Howard Bowers Fund. Also sponsor of the Cooperative Hall of Fame. <https://www.cdf.coop/>

CDI Cooperative Development Institute; a regional nonprofit supporting cooperative development in the Northeast. <https://cdi.coop/>

CFNE Cooperative Fund of the Northeast; advancing community-based, cooperative, and democratically owned and managed enterprises through ethical borrowing.
<https://cooperativefund.org/>

EL Executive Limitations; In Policy Governance Executive Limitations policies establish the boundaries of accountability and ethics within which the GM can make decisions and how things are done. The Board establishes these limitations in writing to define their expectations about operational means.

FCI Food Co-op Initiative; provides guidance and resources on how to start a strong and sustainable cooperative, facilitating opportunities, co-creating strategies, serving as an advocate, and promoting the food co-op model. <https://fci.coop/>

FSC Federation of Southern Cooperatives; 57-year old regional cooperative and rural economic development organization that provides cooperative economic development, land retention, and advocacy to Black farmers, landowners, cooperatives, and other low-income rural people in the South. <https://www.federation.coop/>

GP Governance Policies; In Policy Governance, governance policies describe the board's philosophy, work and structure.

HCCF Hanover Cooperative Community Fund; Fund created by the HCCS Board of Directors in 2000 to support cooperatives from many sectors across the country by raising money and contributing to the Twin Pines Cooperative Foundation (see TPCF). The interest on our contribution to the TPCF is returned annually and distributed locally as HCCF grants and scholarships.

HCCS Hanover Consumer Cooperative Society, Inc. The incorporated name of the Co-op Food Stores and Service Centers entities established by 17 charter members in 1936 as a small buying club. Now has over 27,000 members, employs over 300 people, and generates close to \$90 million in annual sales.

ICA International Cooperative Alliance; an independent association created in 1895 that unites, represents and serves cooperatives worldwide. It is the apex body representing cooperatives across the world providing a global voice and forum for knowledge, expertise and coordinated action for and about cooperatives. ICA is the guardian of the Statement on the Cooperative Identity which includes a definition, 10 values and 7 operational principles. <https://ica.coop/en>

NCB National Cooperative Bank; A cooperative bank serving businesses that seek to make a positive social impact focused on those most in need, supporting low-income communities and the expansion of sustainable communities. <https://www.ncb.coop/>

NCBA-CLUSA – National Cooperative Business Association CLUSA International; The primary voice in the U.S. for people who use cooperatives to build a better future; developing, advancing, and protecting the cooperative enterprise through leveraging shared resources, engaging, partnering and empowering people and advocacy, public awareness and thought leadership. <https://ncbaclusa.coop/>

NCG National Co-op Grocers; A business services cooperative for retail food co-ops located throughout the U.S. representing 164 food co-ops operating over 230 stores in 39 states with combined annual sales over \$2.6 billion and serving over 1.3 million consumer owners. NCG provides capacity of the a chain while maintaining autonomy of individual co-ops to optimize operational and marketing resources, strengthening purchasing power, and offering more value. <https://www.ncg.coop/>. Hanover Co-op is a member of this Co-op.

NFCA The Neighboring Food Co-op Association; A federation of food co-ops across New England and New York State working toward a shared vision of a thriving cooperative economy, working to support shared success of food co-ops through peer collaboration and innovation, education and advocacy, food system development, and partnership with likeminded organizations. <https://nfca.coop/>. Hanover Co-op has historically been a member of this Co-op.

NRECA National Rural Electric Cooperative Association; Represents over 900 consumer-owned, not for profit electric cooperatives, public power districts, and public utility districts in the U.S. <https://www.electric.coop/>

OBM Open Book Management; A business practice of creating transparency by sharing financial information with employees helping them do their jobs more effectively and understanding how they contribute to the success of the business. OBM is sometimes used by cooperatives as a highly interactive way to educate and engage employees on financial and non-financial metrics.

P6 Principle Six; Cooperative Principle 6 - Cooperation among Cooperatives seeks to strengthen the cooperative movement by working together through local, national, regional and

international structures. NCBA CLUSA created a P6 Initiative to identify and scale opportunities for cooperative to work together across sectors to elevate the cooperative identity and demonstrate its value to members and communities. <https://ncbaclusa.coop/p6/>

TPCF Twin Pines Cooperative Foundation; A foundation established in 1964 to provide education and funding to cooperatives across all sectors in the U.S. Many food co-ops across the U.S. contribute to the TPCF endowment through fundraising and educational activities by creating their own Cooperative Community Fund. Hanover Co-op began contributing in 2000 and continues to do so today. Funds are raised through product sales, donations, and events. <https://www.community.coop/>

UNFI United Natural Foods Inc.; The largest publicly traded wholesale and retail distribution company for natural, organic and specialty food in the U.S. and Canada. Hanover Co-op does a considerable amount of business with this company. <https://www.unfi.com/>

USFWC US Federation of Worker Cooperatives; A national grassroots membership organization for worker cooperatives and democratic workplaces with a mission to build thriving ecosystems for worker-owned and controlled businesses and cooperative leaders. The federation has over 400 business and organizational members representing approximately 1,000 worker co-ops and 10,000 workers across the country. <https://www.usworker.coop/en/>