OVER THE LAST TWELVE MONTHS CLIMATE CHANGE AND SUSTAINABILITY HAVE ROCKETED UP THE AGENDA, FOR CONSUMERS, FOR BUSINESS AND FOR GOVERNMENT.

From Extinction Rebellion taking to the streets in protest, to the UK gearing up to host the 2020 UN Climate Change Conference (COP26) in Glasgow, it finally feels like sustainability has made it into the mainstream.

Like the BRC, Company Shop Group have been at the forefront of the sustainable business agenda for over 50 years, helping retailers, manufacturers and brands redefine and minimise waste at every stage of their processes. Where the supply chain faces challenges with their surplus, Company Shop Group have long been providing solutions.

This 2019 sustainability report demonstrates how Company Shop Group have been dynamic and responsive to the increasing demand from industry. From expanding into new territories in Scotland, to enhancing the categories they handle beyond food and opening new Community Shop stores in the areas that need them most, Company Shop Group are a true partner to industry as well as Government. The pioneering work the Group are doing with Defra to unlock more surplus from higher up the supply chain is changing attitudes, educating workforces and importantly transforming processes.

I hope you will find this report as energising and uplifting as I did. This is a celebration of the positive impact of great partnerships and collaborations and I urge you all to keep working together to help build the more sustainable future we all strive for.

Helen Dickinson,
CEO, British Retail Consortium
We've won the confidence of the biggest retailers, manufacturers and brands in the country.
We've created a new kind of supermarket.
We've founded a new breed of social enterprise.
And we're always looking forward. There's much more work to be done.

**AS LONG AS THERE ARE PROBLEMS TO BE SOLVED, THERE'S POTENTIAL TO BE TAPPED.**
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40. OUR AMAZING TEAM
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A WARM WELCOME.

Last year I introduced this report by sharing the journey we have been on as a business, rooted around our founding principles of being a good business, doing good.

I challenged everyone, including myself, to do more to be the best we can be for our industry, our people and our planet. One year later, I am so proud of what has been achieved – and I remain excited about what is still to come.

In the last year we won our second Queen’s Award for Enterprise, in the category of Sustainable Development. To win one Queen’s Award is amazing, but to win two is quite simply extraordinary. We were also awarded a group-wide accolade from the Food and Drink Federation (FDF) in the category of Innovation, and I was personally incredibly humbled to be presented with a Lifetime Achievement Award at this year’s IGD Awards 2019. Winning awards is immensely flattering, but it is the wider signal they send that is important – it shows that there is clear momentum behind us, our disruptive innovation is having impact and there is an ever-growing awareness of our mission to unlock the potential in surplus.

As this report shows, we have made strong progress this year, but we know there is so much more to do to continue to change mindsets and influence behaviour. This is why we are working closely with Defra, WRAP, retail and manufacturing partners through our pioneering Harnessing Harder to Reach Surplus project, to redistribute products from higher up the supply chain that would ordinarily go to waste. We have the expertise and infrastructure to help our clients realise the full value of their surplus and we won’t rest until we see significant increases in the amount of wholesome, surplus food that reaches people’s plates.

After opening three new sites at the close of 2019, we have more stock, more stores and more members at the top of our agenda for 2020. I look forward to working with all our colleagues and industry partners to keep increasing our positive impact, as we aim for the extraordinary every day.

I hope you enjoy the report.

John Marren DL,
Group Founder and Chairman, Company Shop Group
TO EARN THE TRUST AND LOYALTY OF ALL OUR STAKEHOLDERS BY ENSURING OUR SHARED ENDEAVOURS ARE ALWAYS IN THE BEST INTEREST OF PEOPLE AND PLANET WHILST RESPECTING COMMERCIAL SUCCESS.

IN SIMPLE TERMS, PROFIT WITH PURPOSE.
OUR VALUES.

OUR VALUES ARE THE BACKBONE OF OUR SUCCESS. THEY’VE HELPED FORM OUR PROUD HISTORY, OUR DIRECTION AND OUR ATTITUDE.

BE ALL THAT YOU CAN BE,
BE THE POTENTIAL.

BE CURIOUS.
CHALLENGE THE NORM
SEEK INNOVATIVE SOLUTIONS
KEEP AN OPEN MIND

ALWAYS DO THE RIGHT THING.
HAVE INTEGRITY
TAKE RESPONSIBILITY
SALES THROUGH SERVICE

AIM FOR THE EXTRAORDINARY.
IMPROVE EVERYDAY
BE THE EXPERT
BE PASSIONATE

MAKE IT HAPPEN.
FAST, FLEXIBLE, EFFICIENT
KEEP YOUR PROMISES
PLAN & DELIVER

IN IT TOGETHER.
RESPECT EACH OTHER
COLLABORATE CONSTANTLY
LAUGH & CELEBRATE
These awards set the benchmark for innovation, competitiveness and talent. So we’re really proud to have picked up the prestigious Innovation Award at the 2019 ceremony.

“As part of the largest manufacturing sector in the country, food and drink producers can never afford to stand still. We constantly aim to innovate to meet shopper and consumer demands and retain our competitive edge.

As well as ongoing product development, businesses are also looking for new ways to drive efficiency and increase sustainability. Company Shop Group’s disruptive model has changed the way the industry thinks about food and drink surplus, maximising the value of the product for manufacturers and reducing waste.

The FDF Awards are fast becoming the industry benchmark of excellence for innovation and judges were delighted to give the Innovation prize to Company Shop Group this year.”

Ian Wright,
Chief Executive, Food and Drink Federation
There are still significant amounts of surplus food in the supply chain that companies find too hard or too expensive to redistribute.

In May 2019, Defra awarded us £1,960,575 worth of funding from their Food Waste Fund to help unlock more of this stock for redistribution. With this we launched our pioneering project, Harnessing Harder to Reach Surplus (HHRS), which is helping our clients save more good food from becoming waste.
“HARNESSING THE POTENTIAL OF HARDER TO REACH SURPLUS IS NOT JUST ABOUT KNOWING WHERE GOOD FOOD IS GOING TO WASTE, IT IS ABOUT FINDING FOOD SAFE, LEGALLY COMPLIANT, Viable AND SUSTAINABLE REDISTRIBUTION SOLUTIONS THAT MEET BOTH BRAND PROTECTION REQUIREMENTS AND OPERATIONAL NEEDS OF THE BRAND OWNERS.”

Jane Marren,
Group Managing Director, Company Shop Group
"Whilst families all over the country struggle to put food on the table and children still go to school each day with empty stomachs, there continues to be an unforgivable amount of food waste which is both morally deplorable and largely avoidable.

Company Shop Group’s Harnessing Harder to Reach Surplus project, supported by the Government’s Food Waste Fund, is helping to unlock edible food from manufacturing supply chains that, for a variety of reasons, might have ordinarily ended up as waste.

I wholeheartedly support the work that Company Shop Group are doing to reduce food waste and urge manufacturers and suppliers to engage with this project.”

Ben Elliot,
Government Food Surplus and Waste Champion

“Company Shop Group’s Harnessing Harder to Reach Surplus project, supported by the Government’s Food Waste Fund, is helping to unlock edible food from manufacturing supply chains that, for a variety of reasons, might have ordinarily ended up as waste. I wholeheartedly support the work that Company Shop Group are doing to reduce food waste and urge manufacturers and suppliers to engage with this project.”

Ben Elliot,
Government Food Surplus and Waste Champion

"At Premier Foods Worksop we are committed to preventing and reducing food waste in our business in line with the food waste hierarchy.

However, there are occasions throughout our processes where waste occurs, and we want to do the right thing if this stock is ’safe to eat’.

Working with Company Shop Group and their HHRS project team has allowed us to divert Oxo cubes that do not meet our specification because of quality defects in the packaging from AD to now feeding people. CSG are now taking this stock and through their processing capabilities are sorting and labelling the stock so it can be sold through their membership only stores.

We see this first project as a catalyst for looking at other areas within our business where good food is going to waste and are confident this is just the start.”

Gary Parnell,
Environmental Manager, Premier Foods

““We are committed to reducing waste and ensuring that as much as possible of the food we produce gets eaten.

We welcome the opportunity and resources unlocked by this funding, which will help us work with Company Shop Group to work on further ways to address the more difficult surplus that arises in sustainable, creative and cost-effective ways.”

Deborah Carlin,
Head of Responsible Business, Samworth Brothers

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Deborah Carlin,
Head of Responsible Business, Samworth Brothers
DOING GOOD WITH YOUR SURPLUS.

We're leading the change in attitudes to surplus by transforming the way people across our industry think about waste. Through workshops and training, we're building understanding and influencing the leaders of tomorrow.
Since the launch of the ground-breaking UK Food Waste Reduction Roadmap in September 2018, extensive engagement and training sessions have been held with more than 150 businesses, hosted by major retailers, brands and other organisations. We thank Company Shop for kindly providing a venue, and hosting a Roadmap Roadshow event for the benefit of their food surplus suppliers at their head office in Barnsley.

Instilling Target Measure Act into business practice is a simple but key action businesses should take to address food waste, and the support of Company Shop in hosting this session will benefit many.

Ian Bowles,
WRAP Business Engagement Specialist
WE TEAMED UP WITH THE FOOD AND DRINK FEDERATION (FDF) FOR AN INTERACTIVE INSIGHT DAY.

The workshop helped manufacturers share ideas and find ways to maximise food redistribution. Nestlé CEO Stefano Agostini and Nestlé’s Head of Environmental Sustainability Andy Griffiths spoke about ways that they are tackling food waste in their business.

“Held in September and hosted by CSG at their Barnsley headquarters the event was both interactive and insightful including the opportunity to witness the impressive operation at first hand through an exclusive ‘behind the scenes’ tour.

We look forward to working with Company Shop Group on further such collaborations in 2020 and beyond, especially now that they have decided to join FDF as a professional affiliate member.”

David Bellamy, Senior Environment Policy Manager FDF

“I attended the CSG and FDF workshop in September and really enjoyed the day. It was great to meet my counterparts from other businesses and share our challenges and successes. Thanks Company Shop for facilitating and I look forward to the next event.”

Jennifer Wilson, Demand Planner, McCain Foods

“The FDF event run by Company Shop is a must for anyone involved in FMCG. Food waste is such a critical topic, both financially and environmentally, and Company Shop are inspiring with their solutions offered to the food industry.”

Claire Foster, Customer Service Advisor, Bradburys Cheese

"FDF WORKSHOP. SEPTEMBER 2019."
“THE WORKSHOP HELPED ME UNDERSTAND THERE AREN’T AS MANY BARRIERS AS I THOUGHT TO GETTING SURPLUS AWAY FROM LANDFILL.”
Anonymous Delegate Feedback

“One of the most effective ways we help companies reduce waste is to educate key staff members on the power of surplus.

It helps knowledge to be passed on within organisations and helps embed ideas and approaches throughout their business.

That’s why we offer Food Surplus Redistribution Graduate Workshops to all our clients.

The workshops are full-day events which explore different aspects of redistribution through interactive sessions.

“NOW I KNOW THERE IS A PLACE WHERE SURPLUS PRODUCTS CAN GO AND HOW THEY CAN BE USED.”
Anonymous Delegate Feedback
SUSTAINABLE DEVELOPMENT.
ONE OF OUR PROUDEST MOMENTS AS A COMPANY WAS IN 2015, WHEN WE WON THE HIGHEST HONOUR TO WHICH A UK BUSINESS CAN ASPIRE: THE QUEEN’S AWARD FOR ENTERPRISE. This award recognised our Group-wide Sustainable Development. But amazingly, we were presented with a second Queen’s Award for Enterprise this year at our headquarters in Tankersley, South Yorkshire by the Lord-Lieutenant for the county, Andrew Coombe, on behalf of the Queen.

“WELL, I’LL SAY TO YOU ALL TODAY THAT TO WIN ONE QUEEN’S AWARD IS AMAZING, BUT TO RECEIVE TWO IS QUITE SIMPLY EXTRAORDINARY.”

John Marren DL,
Group Founder and Chairman, Company Shop Group

“The buzzword these days is Corporate Social Responsibility. I think it is obviously in your DNA and has been for 50 years, and we can now say that Corporate Social Responsibility probably had its founding routes in Goldthorpe and Barnsley”

Andrew Coombe,
Lord-Lieutenant of South Yorkshire
TAKING OUR SUSTAINABLE MODEL TO NEW PLACES.

OUR STRENGTH IS OUR AGILITY WHICH ALLOWS US TO FLEX AND EVOLVE, AND THIS YEAR WE’VE TAKEN OUR MODEL INTO SOME EXCITING NEW AREAS.

UNLOCKING NEW TERRITORIES
By opening new stores in Scotland, we’ve taken Company Shop Group into a new country with a different regulatory environment.
Scottish retailers, manufacturers and the Scottish Government are all keen to try new redistribution ideas and we’ve been delighted to step up to the challenge.

UNLOCKING NEW CATEGORIES
This year we’ve also expanded into new categories.
More and more of our retail partners are using our non-food capabilities, especially those who have their own gifts, homeware and clothing brands.

“We work really hard to ensure that all Soap & Glory products are superstars and believe they’re just too good to go to waste!
That’s why we’re proud to have supported Company Shop Group this year to ensure we do just that and make a glorious contribution to our local communities at the same time.”

Phil Cumming,
Global Head of Sustainability, Global Brands
“Company Shop Group are bringing decades of experience to show retailers how they can best reduce the amount of waste they produce, while creating a financial return and helping the sector thrive. Their innovative model not only helps retailers to prevent ‘waste’, but also helps protect Scotland’s environment by diverting surplus food and household goods away from landfill and back to the consumer, driving a more circular economy.”

David Lonsdale, Director, Scottish Retail Consortium
UNLOCKING NEW CATEGORIES.

THIS YEAR WE’VE ALSO EXPANDED INTO NEW CATEGORIES

IN 2019, WE HANDLED OVER 4.5 MILLION NON-FOOD ITEMS, WHICH IS AN INCREASE OF 8%.

More and more of our retail partners are recognising our ability to help them to solve their surplus problems beyond food, particularly with household goods and clothing.

Initial trials with clothing have been extremely popular with our members.

“Textiles could be the new plastic. With an estimated £140 million worth of clothing going to landfill each year, reducing the impact of fast fashion and keeping clothing in use is a major societal and environmental challenge. We need all players in the supply chain to come together and play their part.”

Peter Maddox, Director, WRAP UK

“Company Shop Group have been long-term partners of M&S, helping us to address and reduce food surplus in our supply chains. When we were facing a challenge with some school uniform surplus, we knew that we could count on Company Shop Group to help us make positive social impact with it. By making full use of their national network, Company Shop Group were able to match specific colours of school uniform surplus with the most relevant Community Shop stores, researching which local schools wore the various shades available. Families were then offered deeply discounted items to help stretch their budgets at this expensive time of year. This project proved to be an excellent trial in potentially expanding our clothing collaboration with the Group in the future.”

Alexandra Florea, Sustainability Manager, M&S

M&S CASE STUDY. OUR EDUCATED ANSWER TO FINDING SCHOOL UNIFORMS A HOME.

The jumpers came in a wide range of colours, styles and sizes. But we deal with complex logistics on a daily basis, so we took this challenge in our stride. We matched the colours of the school uniforms to schools near each of our Community Shops and sold them in-store at heavily discounted prices. We also sold some of the stock through our Company Shop stores, with the full proceeds supporting our Community Shops.

This successful redistribution was a win-win, helping M&S free up their warehouse and giving our members great clothing for their kids at great prices.

WE’VE ALREADY REDISTRIBUTED 19,907 UNITS BETWEEN AUGUST AND DECEMBER
“Company Shop provide an effective and sustainable solution for redistributing unavoidable surplus products.

Ocado create very low levels of surplus which in itself creates a complexity that a larger volume of certain surplus doesn’t.

They have developed efficient processes to deal with the complexities, especially for the products that are temperature controlled or short shelf life.”

Jo West,
Head of Sustainability,
Ocado Retail

MORE THAN HALF OF UK CONSUMERS ARE NOW SHOPPING ONLINE.

ACCORDING TO ANALYSTS AT GLOBALDATA, UK ONLINE SPEND IS FORECAST TO INCREASE 29.6% BETWEEN 2019 AND 2024, ACCOUNTING FOR NEARLY 20% OF TOTAL RETAIL SPEND.

This creates a whole new range of challenges and opportunities for retailers and manufacturers servicing this growing market segment.

From forecasting for peaks and troughs in online activity, to planning for how to handle returns in an efficient way, the online world brings an extra level of complexity to the supply chain. Company Shop Group are fast becoming the go-to partner for online retailers, helping to manage stock from fulfilment centres and supporting clients with the sustainable handling of returns to reduce waste.

We are proud to be turning problems into potential, to support the growth of home shopping.

IN 2019, OUR HOME SHOPPING VOLUMES INCREASED BY 22%
SAVING BOTTLES FROM GOING TO WASTE

When glass drink bottles are being moved about, they can sometimes get damaged. One bottle in a case of twelve might get broken by a forklift or a bottle might get separated from a multi-pack. Whatever the cause, lots of perfectly good products can go to waste.

Redistributing these products can be difficult, especially in the beer, wine and spirit category (often known as BWS). So to help reduce this waste, we invested in a new inline bottle washing plant. It deals with these products in a safe, environmental way, removing any broken glass and washing away sticky residues, so bottles can be safely redistributed. It replaced laborious manual processes, increasing the capacity 5-fold. So it saved products, saved bottles and saved money too.

IN 2019 WE SORTED AND WASHED

1,385,722 BOTTLES

AND OUR WEEKLY THROUGHPUT HAS INCREASED BY 230%

“Working with Company Shop Group allows Asda to divert no longer saleable but still consumable bottles and cans of beers, wines, spirits and soft drinks that otherwise would have gone to waste.

There are many reasons why these items become un-saleable. For example a damaged item in a pack, split outer packaging or where the selling barcode is on the case or the barcode is no longer readable.

This collaboration has been possible through Company Shop Group’s investment in an inline bottle washer which has provided the much needed capacity for a sustainable solution.

They are able to sort and wash for redistribution.

This partnership ensures that we reduce our environmental impact while receiving a commercial return.”

Karen Todd
Senior Manager, Zero Waste Sustainable Business, ASDA

SUSTAINABILITY REPORT 2019  SUSTAINABLE DEVELOPMENT
WE HAVE ALWAYS BEEN PROUD TO BE AT THE FOREFRONT OF EFFORTS TO BUILD A BETTER AND MORE SUSTAINABLE FUTURE FOR THE NEXT GENERATION.

Both Company Shop and Community Shop harness the power of surplus to deliver lasting positive social, economic and environmental impact. Through our compelling profit with purpose model, and as a good business, doing good, we know we have an important role to play in tackling some of the UK’s most pressing social and environmental challenges. In the last year, there has been a greater focus than ever before on the need to do more to prevent unnecessary harm to the natural world around us, and to support people too.

This is against a backdrop of Brexit and global economic uncertainty, which places a squeeze on the economy and makes it more difficult for ordinary people to make ends meet and put good quality food on their table.

In the UK the Joseph Rowntree Foundation estimates that more than 4 million workers are living in poverty, meaning that one in eight people of working age are now classified as ‘working poor’.

It is clear that collaboration and ambitious commitments to do better are required to achieve lasting and sustainable change. This requires a whole industry effort, and we are working alongside and supporting government, industry bodies, retailers, manufacturers, brands and the British public to make a real and positive difference.

This is why the United Nation’s Sustainable Development Goals (SDG) are our global blueprint for a greener future. Target 12.3 aims to halve global food waste at retail and consumer levels, as well as to reduce food loss during production and supply. We welcome the ambitious and sector leading targets and commitments that have been implemented and advanced this year by the Government and by our industry, in order to build towards these universal goals.
HOW WE’RE DELIVERING ON OUR SUSTAINABLE GOALS.

This year, we’ve done more than ever before to adapt, grow and evolve our offer so that we can redistribute even more products - both food and across wider categories, help even more industry partners and ultimately support even more individuals and families across the UK.

We are doing more things, differently. From new categories and territories, to our Harnessing Harder to Reach Surplus project supported by government funding, we are making a difference. We are creating our own bigger picture.

THE ROLE WE PLAY.

WE HANDLED OVER 75M UNITS THIS YEAR

IN 2019, WE SAVED 25,179 TONNES OF GREAT FOOD FROM GOING TO WASTE

WE PAID OUR INDUSTRY PARTNERS £18.2M BRINGING US TO OVER £125M IN THE LAST TEN YEARS

WE HAVE SUPPORTED 6,259 COMMUNITY HOUSEHOLDS IN THE LAST FIVE YEARS

WE EMPLOY 837 SURPLUS SUPER HEROES, A 20% INCREASE IN THE LAST YEAR

144,929 MEMBERS SHopped good, felt good and did good

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WE ARE THE TRUSTED PARTNER.
WE ARE THE TRUSTED PARTNER.

RETAILERS.

“Company Shop’s sustainable model gives us a safe, environmentally sound, ethical and compliant solution for our surplus stock. It’s a win-win for Asda.

We are able to tackle food waste and at the same time maximise the commercial value of our surplus at a time when there is increasing pressure on retailers’ margins.”

Derek Lawlor,
Senior Vice President of Food and General Merchandising, ASDA
WHAT THEY HAVE TO SAY.

“Morrisons has worked with the Company Shop Group for a number of years; initially with the shared aim to make sure that good food does not go to waste. Taking this a step further, helping people to gain confidence and skills through the expansion of the Community Shop model, is a real highlight in our partnership.”

Steven Butts,
Head of Corporate Services,
Corporate Responsibility & Code Compliance,
Wm Morrison Supermarkets PLC

“Company Shop are a great organisation. They are able to take excess stock or any product and sell it to people who wouldn’t necessarily be Iceland customers. It’s a double benefit to the business. First and foremost it helps us minimise the cost of any excess or waste product that we’ve got. But secondly it finds a home and a use for that waste product… We’re talking about a real win here from both an environmental and a commercial point of view.”

Nigel Broadhurst,
Managing Director, Iceland

“Iceland is delighted to work with the Company Shop and respects and values the fantastic work that they do in providing an important service to communities across the UK and towards reducing food waste, a matter which Iceland takes very seriously. We continue to support the Company Shop and look to ways we can work better together.”

Rob Rees,
National Account Manager, Nisa

“Nisa is delighted to work with the Company Shop and respects and values the fantastic work that they do in providing an important service to communities across the UK and towards reducing food waste, a matter which Nisa takes very seriously. We continue to support the Company Shop and look to ways we can work better together.”

Rob Rees,
National Account Manager, Nisa
WE ARE THE TRUSTED PARTNER.
MANUFACTURERS.

AND 450 MORE...
"In a volatile market, frozen has an increasingly important role to play, enabling smoother stock flows and better forward planning. However it remains essential for our brands that we have a secure and trusted route - that preserves and protects brand identity - should any surpluses occur.

Company Shop Group have a proven track record in delivering for us and we are so proud to support the life changing work of Community Shop across the country."

Wayne Hudson,
Managing Director, Birds Eye Ltd

“As one of the UK’s largest fresh food manufacturers with depots across the country, there are occasions when surplus stock is generated.

We are striving to reduce food waste and improve returns in a sustainable, controlled way and working with Company Shop has been helpful in this respect.”

Andrew Thornber,
Market Street & Manufacturing Trading Director, Morrisons

“As a farmer owned business we are acutely focussed on minimising all forms of waste.

We are proud of our partnership with Company Shop Group because it is a key enabler to ensuring that we secure farmers futures by focusing on sustainable supply chains & minimising waste.”

Ash Amirahmadi,
UK Managing Director, Arla Foods
WE ARE THE TRUSTED PARTNER.
FOOD SERVICE.

CASUAL DINING IS A HUGE GROWTH AREA IN THE UK, SO WE’RE WORKING HARD TO SUPPORT THIS IMPORTANT SECTOR.

IN FACT, IN 2019 WE DOUBLED THE AMOUNT OF FOOD SERVICE SURPLUS THAT WE REDISTRIBUTED.

OUR FOOD SERVICE PARTNERS INCLUDE:

“McDonald’s Restaurants Ltd has worked with Company Shop Group since 2017 and is proud to be able to offer our suppliers a more environmentally friendly solution for surplus products.

Working with Company Shop Group allows our suppliers to realise a social, environmental and commercial benefit from their surplus, and we continue to encourage our suppliers to take up the option to redistribute as we collaborate to build on our sustainability journey.”

Helen McFarlane, Senior Sustainability Consultant, McDonald’s Restaurants Limited
“Company Shop play a vital role in reducing waste and supporting colleagues across the food industry through access to these products.

The scale and growth of the Company Shop operation illustrates how much waste is being saved through their work, and how the challenges they are addressing are only becoming more relevant and important to the food industry and to the environment.

The Community Shop concept elevates to a new level the role that shops can play for their customers and communities. The deep engagement with people who need financial, nutritional and practical support is one of the most powerful examples that I have seen of retailers working with communities, and it is very exciting to see plans for expanding this concept into more places that really need this help.

It is a fantastic example of a practical and effective business with a purpose.”

James Lowman, Chief Executive, Association of Convenience Stores

“Every year GroceryAid helps people across the whole of the grocery industry – from the largest factory, through the supply chain, to the smallest store.

We rely on the kindness and generosity of industry supporters to enable us to help grocery colleagues in times of need. We are grateful to Company Shop Group for their support and partnership and we are planning to build on our collaboration in 2020.

Both organisations are true partners to industry, committed to helping colleagues across the supply chain.”

Mandi Leonard, Welfare Director, GroceryAid
WE ARE THE TRUSTED PARTNER.

BRAND INTEGRITY.

WE LOOK AFTER YOUR BRAND AS IF IT IS OUR OWN.

MAJOR GROCERY RETAILERS AND GLOBAL BRAND OWNERS TRUST US TO REDISTRIBUTE THEIR SURPLUS PRODUCTS AND PROTECT THEIR BRANDS.

HERE’S WHY:

• WE ADHERE TO THE HIGHEST STANDARDS OF PRODUCT SAFETY AND LEGAL COMPLIANCE. WE ARE BRC CERTIFIED (A GRADE) AGAINST THE GLOBAL STANDARD FOR FOOD SAFETY (ISSUE 8: AUGUST 2018)

• OUR RESTRICTED MEMBERSHIP POLICY, DEVELOPED WITH OUR RETAIL PARTNERS, IS LIMITED TO THE FMCG SUPPLY CHAIN, THE EMERGENCY SERVICES AND THE NHS

• OUR STRICT MEMBERSHIP PROTOCOLS INCLUDE AN EVIDENCE BASED MEMBER APPROVAL PROCESS, PHOTOGRAPH EMBEDED MEMBERSHIP CARDS, STORE BASED PHYSICAL ACCESS CONTROLS, PRODUCT PURCHASING LIMITS AND MEMBER VERIFICATION AT TILL POINTS

• WE HAVE TRACEABILITY OF OUR PRODUCTS TO MEMBER, AND CAN PROVIDE PHYSICAL PRODUCT DISCLAIMING TO MEET OUR BRAND OWNERS’ SPECIFICATIONS

PRIMARY AUTHORITY

We have a Primary Authority relationship with Barnsley Metropolitan Borough Council, which provides us with assured advice for some of our innovative processes.

This gives us greater confidence in our regulated activities and reduces our risk of contravening legislation across the country.

“Iceland has a great relationship with Company Shop Group (CSG) and we are proud to work with a business that has shown such innovation and leadership in the world of food redistribution. Our partnership works because we trust CSG to protect the integrity of our brand in terms of food safety, legality and quality.”

Wendy Cheung,
Social Responsibility Manager,
Iceland Foods

“At Tesco, we believe that no good food should go to waste. Our long-standing partnership with Company Shop Group helps us to achieve this goal - the Group has the technical infrastructure, capacity and expertise to help manage surpluses arising in our supply chains whilst maintaining the highest levels of brand integrity and food safety.”

Sarah Bradbury,
Group Quality Director,
Tesco
WHERE OTHERS SEE WASTE
WE SEE OPPORTUNITY.

FOOD REDISTRIBUTION STATISTICS.

IN 2019, WE REDISTRIBUTED 25,179 TONNES OF GREAT FOOD AND DRINKS, THAT IS THE EQUIVALENT OF GETTING 60 MILLION MEALS ONTO PEOPLE'S PLATES.
WHERE OTHERS SEE WASTE
WE SEE OPPORTUNITY.

"WE HANDLED OVER 4.5M NON-FOOD ITEMS, A GROWTH OF 8%.”

"Taking surplus non-food stock, which still complies with quality standards, and giving it a new life for members of Company Shop and Community Shop is great for people in need and demonstrates an entrepreneurial mindset.

I would really encourage other brands considering this to go for it."

Sean Roberts,
Senior Vice President and General Counsel, GSK Consumer Healthcare

SUSTAINABILITY REPORT 2019
WE ARE THE TRUSTED PARTNER
SUPPORTING OUR INDUSTRY.
SUSTAINABILITY REPORT 2019  SUPPORTING OUR INDUSTRY

SUPPORTING OUR INDUSTRY.

TURNING SURPLUS STOCK INTO FINANCIAL RETURN.

IN 2019, WE PAID CLIENTS £18.2M* FOR THEIR SURPLUS STOCK, HELPING THEM TO ACHIEVE AN ECONOMIC RETURN FROM WHAT MAY HAVE OTHERWISE BECOME A POTENTIAL WASTE STREAM.

We help our partners unlock the value in their surplus.

In a competitive and challenging economic environment, we know that financial sustainability is critical for retailers and manufacturers.

"OVER THE LAST 10 YEARS WE’VE RETURNED WELL OVER £125M* TO OUR BUSINESS PARTNERS."

John Kitson, Finance & IT Director, Company Shop Group

*SEE PAGE 81 FOR BASIS OF PREPARATION

*BASED ON UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR TO 30 SEPTEMBER 2019

RETURNED TO INDUSTRY PARTNERS

TIMEFRAME


MONEY RETURNED TO INDUSTRY PARTNERS (£M)

0 30 60 90 120 150

TOTAL
“Cranswick are taking action to reduce food waste not just within our own farms and factories, but across our entire value chain, with an ambitious pledge to become a zero edible food waste business by 2030.

In order to achieve our aims, this means eliminating edible food losses and waste entirely from our operations. Company Shop Group are an essential partner in achieving this, supporting us to ensure that any surpluses are handled sustainably, in a food safe way that protects our brand.”

Adam Couch,
Chief Executive, Cranswick

“Addressing food waste represents a significant opportunity as it will lead to improved food security for people and communities, reduced demands on the planet as well as improved costs for companies in the food value chain and their respective customers.

Maximising the value of surplus is vital in a competitive and turbulent marketplace, where no-one can afford to see good food going to waste.”

Archie Norman,
Chairman, Marks & Spencer
SUSTAINABILITY REPORT 2019  SUPPORTING OUR INDUSTRY

SUPPORTING OUR INDUSTRY
BY ADDING VALUE.

A SEAMLESS REDISTRIBUTION SOLUTION FOR OUR CLIENTS.

EDUCATION AND INSIGHT
Tailored industry initiatives and consultancy support.

FINANCIAL RETURN
Creating a revenue stream from surplus.

BRAND PROTECTION
Tight membership control and traceability data.

MEASUREMENT AND REPORTING
Supporting CSR agendas through impact data.

TECHNICAL & FOOD SAFETY COMPLIANCE
Adhering to the highest standards.

HELPING THE ENVIRONMENT
Reducing waste and protecting precious resources.

TECHNICAL & FOOD SAFETY COMPLIANCE
Adhering to the highest standards.

SOCIAL IMPACT
Building stronger individuals and more confident communities through Community Shop.

HELPING THE ENVIRONMENT
Reducing waste and protecting precious resources.

EMPLOYEE BENEFIT
Attractive membership offer.

Reducing waste and protecting precious resources.

FINANCIAL RETURN
Creating a revenue stream from surplus.

BRAND PROTECTION
Tight membership control and traceability data.

MEASUREMENT AND REPORTING
Supporting CSR agendas through impact data.
“Bakkavor, a leading provider of fresh and prepared chilled food, is committed to running a sustainable business.

It is inevitable that our manufacturing operations generate surplus food. We need to ensure that this is used to feed people.

Company Shop provide solutions through their scale, flexibility of approach and strong retailer relationships. They are an ideal partner to ensure this food is efficiently redistributed.”

Ian Burgess,
Central Responsible Sourcing Manager, Bakkavor

“Greencore Group is proud to work with Company Shop and Community Shop. Being effective at managing our resources and reducing food waste is entirely consistent with our sustainability and business aims.

Greencore recognises the importance of redistributing any surplus that arises from our operations and the positive social and environmental impacts this has.

Company Shop’s innovations in stopping surplus food from going to waste and the support they offer to achieve this are exceptional.”

Norman Watson,
Group Waste Manager, Greencore

“We are delighted to continue our relationship with Company Shop Group, who provide an excellent service in helping us to reduce waste and meet the needs of a wider range of consumers.

Following a packaging redesign, we can be left with usable products that cannot be sold through retailers so it is fantastic for Attends to have a trusted partner to support us in reaching those in need of our products.”

Sally-Louise McLachlan,
Retail Account Manager, Domtar Personal Care

Domtar
OUR AMAZING TEAM.
ONE AMAZING TEAM, ONE AMAZING PLACE TO WORK

We are proud of our heritage and culture, and most importantly the part each and every one of our colleagues plays in stopping surplus from going to waste.

We believe in giving back to our colleagues and supporting them to realise their potential so this year we have launched our ‘Be the Potential’ initiative. Creating an environment where colleagues can thrive and maximise their development opportunities means we are creating talented teams who ‘turn problems into potential’ everyday.

In this last year we have launched new development programmes, introduced better rewards and benefits, implemented technology to improve ways of working and improved how we communicate with our colleagues. Paramount in this communication has been our colleague champions, our colleagues are at the forefront of what we do and often have most of the answers! It is through our colleague engagement champions that the voices of all our colleagues are heard – they really do make sure we ‘always do the right thing.’

We relaunched our champions framework this year, with a real focus on coming up with proactive solutions together. We have 20 colleague engagement champions who, between them, represent every part of our business.

CREATING A SAFE, POSITIVE ENVIRONMENT FOR EVERYONE IS SO IMPORTANT FOR US

One thing that does remain at the heart of what we do is keeping our colleagues safe every day. We always do the right thing, and our approach to Health & Safety is no different.

Management of Health and Safety across our whole estate is made possible by two things. One is a robust and effective Health and Safety Management framework and we were delighted to be recommended for migration to ISO45001:2018 in May 2019, 6 months ahead of our planned date of December 2019.

The second element is a set of values and behaviours that encourage and nurture our safety culture, all supporting a safe environment for our colleagues to work in.

We want all of our colleagues to realise the part they all play in stopping surplus from going to waste; they truly are part of something amazing so we want to celebrate this with them! We introduced our SurplUS magazine this year to share the great work going on across the Group so we can acknowledge and thank all of our colleagues.
COLLEAGUE CHAMPIONS.

Our colleague engagement champions play a vital role in ensuring everyone’s voice is heard. They are, like all of our colleagues, the potential within our business.
PROMOTING DIVERSITY AND FLEXIBILITY IN THE WORKPLACE.

In 2019, 25% of our professional roles were filled internally, showing our desire to nurture talent from within.

10% of our colleagues have been with us for more than 10 years.

In 2019, 25% of our professional roles were filled internally, showing our desire to nurture talent from within.

We're working hard to create a culture that helps everyone thrive through valuing diversity & flexibility and one of the ways we're doing this is by making sure our pay rates reflect roles rather than gender.

So we're really pleased with this year's results and we're proud to be leading the way at a senior level.

At a senior level we have a 60:40 split of women and men on our operating board.

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RECRUITMENT.
DEVELOPMENT AND PROMOTION.

RECRUITING AND RETAINING THE BEST

Our business is built on the energy and ideas of our brilliant team. So, as we expand, we need to keep attracting great people. We’re constantly recruiting new colleagues for all sorts of roles in retail, operations, Community Shop and our Head Office and are proud to be creating quality, sustainable job roles for people with true career opportunities.

MAKING NEW STARTERS FEEL AT HOME

We want new starters to feel they’re part of something special right from the beginning, so we always introduce them to our values and our ‘be the potential’ culture.

Before they even arrive, they get a ‘welcome to our world’ postcard from their line manager, so they know we’re excited about them joining us. Plus they get a voucher to shop with us – so they get some instant rewards and get an insight into what life in our stores is like.

“I joined the company 5 years ago as a sales assistant and now I’m the store manager of our Grimsby store.

I’m proud to work for a company that has seen the potential in me by developing my skills to aim for the extraordinary and motivating me to be the best version of me. I can now help others to fulfil their potential too - a great place to work.”

AMY CROWNSHAW

“I CAN NOW HELP OTHERS TO FULFIL THEIR POTENTIAL TOO - A GREAT PLACE TO WORK.”
INVESTING IN APPRENTICESHIPS

In 2020, we’re investing over £200k to help develop the skills of our colleagues. A key part of this programme is making apprenticeships available across the group.

Working in partnership with the BRC (British Retail Consortium) and Joules, we’ve enrolled two members of the Company Shop Group leadership team onto a flagship 13-month Retail Leadership and Management Apprenticeship Scheme.

The apprenticeships will help give them the skills, knowledge and confidence they need to be at their best and push our business forward.

WE EMPLOY 837 PEOPLE. A 20% INCREASE IN THE LAST YEAR.

“The BRC is grateful to The Company Shop for supporting this important initiative and looks forward to continuing to work together to develop and deliver apprenticeships that make a difference for retailers and the retail workforce.”

Ralph La Fontaine, Head of Careers and Learning, BRC

“The course is building my confidence in dealing with all tiers of management across my organisation. Each module is well set out with clear explanations of what needs to be completed at every stage.”

Gemma Edlin, Central Operations Manager, Company Shop Group

OUR AMAZING TEAM
WE THINK IT’S IMPORTANT TO RECOGNISE AND REWARD ALL OUR COLLEAGUES’ HARD WORK.
SO THIS YEAR WE PROVIDED ALL SORTS OF EXTRA BENEFITS.

• PERKBOX, AN ONLINE PLATFORM PROVIDING UNIQUE PERKS AND DISCOUNTS.

• A 12 DAYS OF CHRISTMAS CAMPAIGN FOR COLLEAGUES THAT LET THEM PULL A CRACKER AND WIN A PRIZE!

• FRIENDS AND FAMILY EVENTS WHICH GIVE OUR COLLEAGUES 25% OFF THEIR SHOPPING FOR A FULL WEEK, FOUR TIMES A YEAR. WE ALSO GIVE THEM FOUR 25% OFF VOUCHERS TO SHARE WITH FRIENDS AND FAMILY.

• TO CELEBRATE THE AMAZING ACHIEVEMENT OF WINNING THE QUEEN’S AWARD, WE INVITED EVERYONE TO WATCH A LIVE STREAM OF THE EVENT AND THANKED THEM WITH £50 OF SHOPPING VOUCHERS.

• CHRISTMAS IS ALWAYS AN EXPENSIVE TIME, SO WE GAVE ALL OUR COLLEAGUES AN EXTRA DISCOUNT ON THEIR SHOPPING IN JANUARY.

• FREE FLU JABS FOR EVERY COLLEAGUE.

• A MENTAL HEALTH AWARENESS CAMPAIGN.

A ‘Service Super Heroes’ incentive campaign which recognised colleagues’ efforts for their customers
ONE WAY WE EMBED OUR CULTURE ACROSS ALL OF OUR TEAMS IS TO LET COLLEAGUES RECOGNISE EACH OTHER WHEN THEY LIVE BY OUR CORE VALUES.

Our thank you cards have proven really popular and are a brilliant way to make colleagues feel valued.
Our stores

SHOP GOOD
FEEL GOOD
DO GOOD
A supermarket like no other.

Across the UK, our members-only stores give our customers amazing prices, quality brands and a surprise around every corner.

Our shelves are stocked with an ever-changing range of surplus products that might otherwise have gone to waste.

The unpredictability of this stock is a massive logistical challenge. But we have the infrastructure, the expertise and the experience to deal with it. In fact, we handled over 100,000 different SKUs in the past year.

“Company Shop have shown incredible flexibility, evolving into a highly agile operator capable of handling a vast range of short and long life products.

Food waste costs the UK £20bn a year, and this is a business leading efforts to change that.”

Nick Downing, Commercial Director, IGD
In 2019 we handled a staggering 75m units with 2.5m transactions ringing through our tills.

A massive 144,929 unique members shopped with us in 2019.

This saved our members an average of 53% off retail prices, resulting in a massive saving of £53m helping our members to stretch their budgets further.
“By shopping at Company Shop I pick up some brilliant bargains which help to stretch our family budget further.

I love the price, the choice and the thrill of what you’re going to find.”

Angela Evans, Member at Middleton
New store openings.
Our first Scottish store

In 2019 we ventured over the border to open our first Scottish Company Shop in Renfrew, on the outskirts of Glasgow. It’s already helping thousands of new members enjoy all the benefits of good quality food at great prices. It’s also helping industry partners across Scotland to unlock the power of surplus.

The Renfrew store has created over 80 jobs for local people and won praise from Scottish Government leaders for its innovative approach to helping Scotland tackle its Climate Emergency.

But Renfrew is just the start. We have more stores planned across Scotland in 2020 and are excited to be working alongside the Scottish Government, Zero Waste Scotland and the grocery industry.

Together we’re bringing about a step-change in Scotland’s redistribution landscape.

“I am delighted to welcome Company Shop Group to Renfrew and am delighted that they have chosen the area as the location for their first Scottish store.

By opening their new redistribution supermarket in Blythswood retail park, Company Shop is providing over 80 new jobs for local people and bringing significant discounts for our hard-working NHS, Emergency Services and food manufacturing staff across Renfrewshire and beyond.

Company Shop’s model of re-selling surplus food and household goods to prevent perfectly good stock from unnecessarily going to waste is exactly the kind of initiative we need to protect the environment and tackle the climate emergency”.

Gavin Newlands.
MP for Paisley and Renfrewshire North
Transforming our Corby store

Twenty years after we first opened our doors in Corby, the local Mayor, Councillor Raymond Beeby, snipped the ribbon on our bigger, better, new-look store.

At more than double the size, we have transformed our grocery, chilled and frozen capabilities and will use our Corby store to trial and showcase some of our new non-food product categories.

The expanded store created 16 extra jobs for local people and redistributes an extra 1,500 tonnes of surplus products every year.

“Our Corby store has been at the heart of this community for many years and I am so proud to be able to expand what we can offer to our members and clients. Everyone is loving the extra space for extra bargains!”

Ben Hughes,
Store Manager, Corby
Freeze Me Eat Me

Working alongside WRAP, we have been looking at ways we could reduce the amount of food that consumers throw away, particularly bread. Bread is the second most thrown away food product in the UK, with over 400,000 tonnes of it going to waste every year.

To encourage people to freeze the last few slices in a loaf, WRAP trialled new bread packaging in four Company Shop stores.

Our membership model made it easy and cost-effective to collect data on a scale that would have normally been extremely difficult and expensive. And because our customers are used to buying unbranded goods, we could provide a unique environment for research where biases from brand preference weren’t a factor.

This project is just one example of the product or packaging trials we can support. We are here to help manufacturers and brands with their product development.

“Working with Company Shop on a recent project allowed us to access its membership to understand citizen behaviours towards a particular product and its packaging.

Using this large group to conduct surveys, focus groups and interviews has been invaluable for obtaining feedback from a wide range of people in a highly cost-effective way.

Company Shop have been helpful and responsive and we have worked in partnership every step of the way”

Helen White, Citizen Behaviour Team, WRAP

Trying new ideas

Our customers don’t know exactly what they’ll find on our shelves, so trying new things comes naturally.

That’s why our supermarkets are the perfect places to trial innovative new ideas.

Changing consumer mindsets
Superpowering surplus.

Surplus Super Heroes

Surplus Super Heroes was a nationwide summer holiday campaign designed to inform young people about the importance of reducing food waste.

It also sought to talk to their parents through ‘pester power’, as 60% of people say their children are more concerned about environmental issues than they were as a child.

Around 60,000 Surplus Super Hero goody bags containing activity booklets, pencils and relevant products were dished out to children across all the Communities in which we operate. Children were introduced to characters like Polly the Still Perfect Peach and Ollie the Over-sized Onion alongside information about the importance of reducing unnecessary food waste.

The campaign was supported by WRAP and its Love Food, Hate Waste initiative.

“This campaign helps families to understand more about redistribution in a fun way - Company Shop and the Surplus Super Heroes have made it their mission to ensure surplus food ends up in bellies, not bins!”

Helen White,
Citizen Behaviour Team, WRAP
A first for us. A first for the industry.

In November we introduced a completely new way of selling surplus products as we opened our first deli at our Wentworth store. Most of the products are unpackaged behind the counter, so it opens up a whole new surplus stock opportunity.

The deli is a direct result of our pioneering project, Harnessing Harder to Reach Surplus (HHR5), as we look for innovative ways to provide more surplus solutions to our clients.

We’re really proud of the new deli concept and once we’ve perfected the format, we hope to roll it out to other Company Shop stores in the future.
Community Shop
BUILDING STRONGER INDIVIDUALS AND MORE CONFIDENT COMMUNITIES.

PROVIDING A HAND UP, NOT A HANDOUT - COMMUNITY SHOP IS OUR AWARD-WINNING SOCIAL ENTERPRISE.

It uses surplus food to do much more than feed those on the cusp of food poverty.

It builds confidence, gives people purpose and nurtures stronger communities.

OPEN FOR MORE
HOW COMMUNITY SHOP CHANGES LIVES

It provides great food at **DEEPLY DISCOUNTED PRICES** for those who need it most, but can afford it least.

It provides a **STRONG SOCIAL SCAFFOLD** to help prevent people from falling into crisis.

It uses the revenue we raise from food sales to **SUPPORT LOCAL COMMUNITY SHOP MEMBERS**.

It **BUILDS COHESIVE COMMUNITIES** and personal confidence, so people can live more fulfilling lives.

ALL OUR COMMUNITY SHOPS ARE DIFFERENT, BUT THEY’RE ALL BUILT AROUND THE SAME THREE CONNECTED SPACES...
COMMUNITY STORE

THESE SUPERMARKETS SELL EVERYTHING YOU’D EXPECT FROM A LOCAL SUPERMARKET, BUT AT DEEPLY DISCOUNTED PRICES.

All their high quality food, drink and household essentials are from donations made by retailers, manufacturers and brands, helping to feed families and stop good products going to waste.

THE FOOD BOUGHT AND TAKEN HOME BY COMMUNITY SHOP MEMBERS HAS HELPED TO CREATE MORE THAN 30M MEALS

Taken from statistics published in 2019
THE MONEY WE MAKE IN EACH COMMUNITY STORE FUNDS A COMMUNITY HUB.

It’s here that members build their confidence and independence using The Success Plan. By providing group conversations, training and personal development, it helps people build on their strengths and overcome barriers in their lives.

5300+
MEMBERS HAVE DRAWN UP A SUCCESS PLAN

Taken from statistics published in 2019
OUR COMMUNITY KITCHENS ARE WELCOMING SPACES WHERE PEOPLE CAN SIT DOWN AND GET SOME GOOD QUALITY FOOD AT A GREAT PRICE. BUT THEY’RE MUCH MORE THAN THAT.

They also run a range of events and family activities to get people out of the house, get strangers talking and bring communities together.

95% SAY THEY ARE EATING MORE HEALTHILY SINCE BECOMING MEMBERS

Taken from statistics published in 2019
COMMUNITY SHOP ISN'T JUST ABOUT FEEDING PEOPLE ON THE CUSP OF FOOD POVERTY.

It’s about using surplus to drive positive, long-term change.

We think every community has the ability to thrive, so we encourage our members to build on their assets, not concentrate on their needs.

“CONFIDENCE BUILDING, LAUGHTER, PROBLEM SOLVING, MEETING NEW LIFELONG FRIENDS, GREAT MEALS, AMAZING STAFF... WHAT MORE COULD YOU ASK FOR!”

MARIE – COMMUNITY SHOP MEMBER

- 6,259 Households engaged with Community Shop over the last five years
- 5,249 Members have engaged in our mentoring programme
- £212 Members’ average savings on food per month
- 5,371 Members have attended Community Hub’s ‘Success Plan’
- 95% Of members say they feel more confident about money
- 542 Members have moved into full-time work
- 750 Members have progressed in learning and development
- 95% Of members say they are eating more healthily since joining
- 91% Say their physical wellbeing has improved
- 6,259 Members have engaged in our mentoring programme

Taken from statistics published in 2019
THROUGH OUR COMMUNITY HUBS WE GIVE INDIVIDUALS THE SKILLS, CONFIDENCE AND TOGETHERNESS THEY NEED TO IMPROVE THEIR COMMUNITY.

One of the most successful ways we’ve achieved this is through our Community Leadership Programmes, which help to build connected groups of motivated individuals who can negotiate and plan to make a long-term difference.

Over the last half decade, our Community Leadership Programmes have helped arm 311 members with the skills and confidence they need to go out and build stronger and more resilient communities.

“BEING A PART OF COMMUNITY SHOP AND BEING A COMMUNITY LEADER IS ONE OF THE MOST REWARDING THINGS I HAVE DONE. BUILDING CONFIDENCE, MAKING NEW FRIENDS AND GIVING SOMETHING BACK TO THE COMMUNITY... PRICELESS!”

JACKIE – COMMUNITY LEADER
HELPING MORE AND MORE PEOPLE IN MORE AND MORE PLACES

Community Shop is growing all the time, with lots of new partners donating surplus stock over the past year.

SUSTAINABLE DEVELOPMENT

SAMWORTH BROTHERS - COMPUTERS CAN BE REDISTRIBUTED TOO

ADDRESSING THE PROBLEM

When food manufacturers Samworth Brothers underwent some business changes, they were left with a pile of redundant computers. Normally, they would have paid to have this equipment wiped and disposed of, even though it was still useful.

But we found a way that it could be positively repurposed.

REALISING THE POTENTIAL

Samworth Brothers already support our social enterprise work by donating 10% of their surplus to Community Shop. We provide IT workshops for our members, so we were more than happy to accept their donation of computers and distribute them across our Community Hubs to help members learn new skills and build their digital confidence.

WE FOUND USEFUL HOMES FOR 12 COMPUTERS THAT WOULD OTHERWISE HAVE ENDED UP AS WASTE.

THE VALUE OF 2019 STOCK DONATIONS FROM OUR INDUSTRY PARTNERS WAS £675,000* AN INCREASE OF 78% FROM LAST YEAR.

COMPANY SHOP GROUP DONATED £468,000* IN INFRASTRUCTURE SUPPORT TO HELP COMMUNITY SHOP’S LIFE-CHANGING WORK.

*SEE PAGE 81 FOR BASIS OF PREPARATION

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WE FOUND USEFUL HOMES FOR 12 COMPUTERS THAT WOULD OTHERWISE HAVE ENDED UP AS WASTE.
IN DECEMBER WE OPENED OUR FIFTH COMMUNITY SHOP IN HALTON, CHERSHIRE

Ever since we opened our St. Helens superstore, we’ve been promising to bring more Community Shops to the North West.

And with the help of partners Onward, Well North and Halton Borough Council, we were able to deliver on that promise.

Each day, we are welcoming more members and helping them to build their confidence and transform their community.

"WE BELIEVE THAT COMMUNITY SHOP WILL MAKE A REAL DIFFERENCE TO OUR CUSTOMERS IN HALTON AND TO THE WIDER COMMUNITY."

BRONWEN RAPLEY, CEO, ONWARD
There’s always lots going on in our Community Shops. They act as a social hub for the local community and host all sorts of great events, from Big Feast days to Christmas lunches.
“The management of food waste is crucial for any business. At Nestlé our first priority is to avoid producing food waste in the first place, but when this isn’t possible, the fair redistribution of our surplus products is a key motivator for us. Company Shop are one of our key partners in redistributing surplus products efficiently and professionally. Their Community Shop model is a fantastic example of how surplus food can play a key role in helping individuals and families in the UK experiencing food poverty.”

STEFANO AGOSTINI, CEO, NESTLÉ UK & IRELAND

“Community Shop goes from strength-to-strength. The opening of the business’ first store in North-West England is clear evidence of Community Shop’s growing reach and influence.

That said though, the relevance and need for Community Shop has never been greater as social need in Britain remains acute and the sustainability agenda, particularly around food waste, has never been higher. In seeking to build human capabilities, reduce real need and improve the efficiency of the British food chain through social entrepreneurship, Community Shop’s relevance grows.”

DR CLIVE BLACK
NON-EXECUTIVE DIRECTOR, COMMUNITY SHOP

Community Shop
A BIG THANK YOU TO OUR PARTNERS

Community Shop turns surplus stock into positive social change. But it would be nothing without the donations from our partners and support from community organisations. Thank you for your amazing support.

CONTINUE TO TRANSFORM LIVES

If you have surplus stock or community funding and a desire to make a real difference, think about donating it to Community Shop. You’ll not only help to build stronger individuals and more confident communities, you’ll also reduce waste and meet your corporate social responsibility commitments.

Help us to continue to make history.

Get in touch at surplus@companyshopgroup.co.uk or give us a call on 0800 211 8484
“IT’S ALWAYS GREAT WHEN OUR HARD WORK IS RECOGNISED, SO WE WERE DELIGHTED AND PROUD TO BE NAMED WINNERS OF THE POSITIVE SOCIAL IMPACT AWARD 2019 AT THE PRESTIGIOUS LLOYDS BANK NATIONAL BUSINESS AWARDS.

GROUP-WIDE, WE DO SOME REALLY POSITIVE WORK IN THE COMMUNITIES THAT WE OPERATE IN AND ACROSS OUR INDUSTRY AS A WHOLE.

THE HONOUR BELONGS TO EVERYONE IN OUR AMAZING TEAM.”

Steph McGinty,
Retail, People & Communities Director, Company Shop Group

“We are proud to support Company Shop as they extend their environmental and social impact by opening new stores.

They are a fantastic example of the support we provide through our Clean Growth Finance Initiative, which was launched to encourage investment in sustainable projects.

It was also a honour to present Founder and Chairman John Marren with the Lloyds Bank sponsored Positive Social Impact Award, at 2019’s National Business Awards. It’s deserved recognition for the business’ positive mission.”

Gary Lapthorn,
Head of Sustainability and Responsible Business, Lloyds Bank
SUSTAINABLE FUTURES.
"IMAGINE BEING A RETAILER WHO DOESN’T KNOW IF THEY ARE GOING TO GET ANY STOCK TOMORROW AND IF THEY DO, THEY DON’T KNOW WHAT IT WILL BE."

Jane Marren, Managing Director, Company Shop Group

- We don’t take products that we can’t handle
- We keep our ‘supply and demand’ in balance by constantly reviewing and investing in our estate to ensure that as much product as possible gets to our members
- We actively manage our stock to give it the best chance of ending up on a plate or fulfilling its potential. We do this by differentiating our retail offer based upon product life, geographical preferences, category volumes and range
- We combine dynamic price promotion with positive consumer behaviour initiatives to drive redistribution
- We operate a ‘ready, steady, cook-surplus’ approach in all of our cafés and community kitchens
- We champion a value led, responsible retail and wellbeing strategy ‘Plenty at 20p’ across our community shops
- We believe that it is better to give than to waste; and so we gift excess products to our colleagues and members
WE WORK HARD TO REDISTRIBUTE AS MUCH PRODUCT AS POSSIBLE AND WE ARE PROUD OF OUR ACHIEVEMENTS. BUT, IT IS INEVITABLE THAT THERE WILL BE A LEVEL OF UNAVOIDABLE WASTE WHICH ARISES FOR MANY REASONS:

• WE OFTEN RECEIVE PRODUCT THAT IS TOO DAMAGED, NOT FOOD SAFE OR THE LIFE HAS EXPIRED DURING TRANSIT. SUCH IS THE NATURE OF SURPLUS!

• LIKE ALL PROCESSING OPERATIONS, WE AIM TO MAXIMISE THE YIELD, MANAGE MECHANICAL INTERRUPTIONS ETC. AND AT THE END OF THE PROCESS THERE IS ALWAYS THE UNWORKABLE PRODUCT THAT IS LEFT.

• AND SOMETIMES, IT’S SIMPLY JUST NOT POSSIBLE TO REDISTRIBUTE EVERY LAST ITEM WITHIN ITS DECLARED PRODUCT LIFE.

WHAT WE HAVE DONE WITH OUR FOOD WASTE

REDUCE AT SOURCE

We actively manage our supply and demand to minimise waste

We redistributed 25,179 tonnes of great food and drinks. In this, we were able to gift 389 tonnes to members and colleagues and use 131 tonnes in our own kitchens and cafés

We fed 71 tonnes to our animal friends

We generated over 10 million KWHs, powering the equivalent of over 1,000 Yorkshire homes from our 2,343 tonnes of waste

92% REDISTRIBUTION

8% WASTE

NOTHING SHOULD GO TO WASTE.

92% REDISTRIBUTION

WE GENERATED OVER 10 MILLION KWHs, POWERING THE EQUIVALENT OF OVER 1,000 YORKSHIRE HOMES FROM OUR 2,343 TONNES OF WASTE

NOTHING SHOULD GO TO WASTE.
OUR ENVIRONMENTAL COMMITMENT

Our commitment to ‘always do the right thing’ stretches across the whole business and covers everything that we do. Our environmental commitment is no different.

Years ago, we chose to formalise our environmental management system with the aim of continually improving our environmental performance through more efficient use of resources and reduction of waste. We are ISO 14001:2015 accredited for our main operations and a roll out programme is in place to cover all sites. Below, we share some insight about our recycling activities.

PLASTICS

We support our retail partners by repurposing their obsolete bags, single use, bags for life, insulated and others. In instances where our demand outstrips that supply, we provide single use carrier bags that are made from recyclable materials. Proceeds of £39,000 from the sale of these bags have been donated in full to Community Shop, to help build stronger individuals and more confident communities.

As we are redistributing our clients’ surplus, we receive the product in the packaging that they have specified. Across our brand owners, the packaging is wide-ranging and we commit to dealing with it in the most responsible but practicable way that we can. And, for the plastic that is in our control, such as that used in our packing operations, we take our environmental responsibilities very seriously.

We continue to review our purchasing processes to ensure that, wherever possible, recyclable options are used, and this has seen our recyclable plastic use increase to 73.3%. And we aim to do better.

Despite in-year product volume increases, we are delighted to report an overall reduction in the amount of plastic packaging that we have handled, resulting in us recycling a total of 7.8 tonnes of plastics during 2019.

This year, we have really ‘sat back’ and taken stock of our plastics impact, by using our recycled plastic to create a range of outdoor furniture for our colleagues and visitors to enjoy!

CARDBOARD

A recycling shift for us. Due to product volume increases, a generally declining use of plastics, a greater focus on how we ‘save’ clean card and our investment in improved bailing facilities, we have seen a significant increase in cardboard recycling which is up by 46% to 683 tonnes.

EXTENDED PRODUCER RESPONSIBILITY (EPR)

Company Shop Group are part of the EPR Packaging Compliance Scheme. We fulfil our obligations on all of the packaging that we handle, and during 2019 have paid £74,500 in packaging recycling notes.

This contribution to the UK recycling economy would be lost if the packaging (i.e. the surplus) had followed a charitable or waste route.
WHAT WE SAID.

OUR AMAZING TEAM

FOCUS ON IMPROVED COLLEAGUE BENEFITS.

WHAT WE DID.

INVEST IN THE DEVELOPMENT OF COLLEAGUES.

• Provided free flu jabs for every colleague
• Launched a mental health awareness campaign
• Introduced PERKBOX, an online platform providing unique perks and discounts
• Provided thank you cards to help colleagues recognise each other’s efforts
• Ran the Service Super Heroes incentive campaign which recognised colleagues’ efforts for their customers
• Ran a 12 days of Christmas campaign for colleagues that let them pull a cracker and win a prize!

INVEST IN TECHNOLOGY AS PART OF IMPROVING COMMUNICATIONS AND ACCESS TO INFORMATION.

• Delivered our Retail Leadership and Management programme (Level 5) in partnership with BRC and Joules
• Launched our Leadership and Management programmes (Levels 3 to 5) using our apprenticeship levy
• Launched warehousing apprenticeships to develop career pathways at all levels

EXPAND DEVELOPMENT OPPORTUNITIES FOR MEMBERS OF COMMUNITY SHOP.

• Continued to create employment opportunities across the Company Shop Group for Community Shop members
• Developed training programmes that help Community Shop members develop the skills they need

ADDING VALUE

HELP OUR PARTNERS TO EMBED THE WRAP ROADMAP.

• Worked with WRAP to deliver a Waste Roadmap Roadshow for clients
• Discussed the Target, Measure Act (TMA) approach with clients during waste walks

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WHAT WE SAID.

OUR MEMBERS
HELP MEMBERS REDUCE CONSUMER FOOD WASTE IN THEIR HOMES.

OUR WORLD
DIVERT MORE WASTE FROM ANAEROBIC DIGESTION TO ANIMAL FEED.

EXPAND OUR RANGE OF NON-FOOD PRODUCTS.

WHAT WE DID.

- Educational messages included on point of sale in stores, such as serving suggestions or freeze me, to promote waste reduction in the home
- Worked with WRAP to help reduce waste bread. During the 4-week trial we sold bread in our stores with new packaging, using our membership data and surveys to measure results

OPEN A 7TH SUPERSTORE IN MID-2019.

- Opened our 7th site in Renfrew, Scotland
- Doubled the size of our Corby store
- Opened our 5th Community Shop in Halton

EXPAND OUR RANGE OF NON-FOOD PRODUCTS.

- Introduced a variety of new non-food products, including clothing from M&S and Next, make-up from Boots and medicines from GSK

OUR WORLD
INCREASE THE % OF RECYCLABLE PLASTICS IN OUR PROCESSES FROM 71% BY SUSTAINABLE SOURCING METHODS.

- Increased the amount of waste that has gone to animal feed from 53 tonnes to 71 tonnes
- Diverted some additional food to our stores by redistributing packaged fruit and veg that has reached its ‘display until’ date but is still perfectly good to eat

ASSESS THE FEASIBILITY OF HARVESTING RAINWATER.

- We have changed our purchasing processes to ensure that where possible, recyclable options are used and this has seen our recyclable plastic use increase to 73.3%
- As part of site development plans, we are continuing to assess the feasibility of harvesting rainwater
- Installed an inline bottlewasher that has helped us reduce the volume of water used per unit processed

WE WILL CONTINUE TO BE THE BEST WE CAN BE, FOR OUR INDUSTRY, FOR OUR PEOPLE, AND FOR OUR PLANET.

We will achieve this by living and breathing our values, which are more than just words, they unite us and challenge us to do more, and will help us deliver on our vision of more stock, more stores, more members.

OUR VISION.

MORE STOCK
WE WILL CONTINUE TO BUILD DEEPER RELATIONSHIPS THROUGHOUT THE INDUSTRY AND WITH ALL PARTNERS, TO HELP THEM UNLOCK MORE POTENTIAL IN THEIR SURPLUS.

MORE STORES
WE WILL CONTINUE TO GROW OUR RETAIL AND ONLINE FOOTPRINT, TO ENABLE US TO EXPAND OUR RANGE AND CATEGORY OFFER ACROSS MORE TERRITORIES.

MORE MEMBERS
WITH MORE STOCK AND MORE STORES, WE CAN WELCOME MORE MEMBERS THROUGH OUR DOORS, HELPING THEM TO SHOP GOOD, FEEL GOOD AND DO GOOD!
BY WORKING WITH OUR PARTNERS, WE'RE UNLOCKING THE FULL POTENTIAL OF SURPLUS. BUT THERE'S STILL MUCH WORK TO BE DONE.

Together, we need to keep looking for new ways to release surplus from the supply chain. We need to keep working together to change mindsets and stop surplus being seen as waste. And by channelling more resources and donations to our Community Shops, we need to keep building stronger individuals and more confident communities.

We look forward to helping deliver even greater financial, social and environmental benefits to our industry, our communities and our planet.

HOW TO GET IN TOUCH
Call us today on: 0800 211 84 84
Or email us at: surplus@companyshopgroup.co.uk
BASIS OF PREPARATION

Commercial return to the Company’s suppliers is calculated using total Cost of Sales figures for the period 1 October 2018 to 30 September 2019, extracted from unaudited Company accounting records such as the Trial Balance and Management Accounts. An adjustment is made to remove intercompany purchases from the total Cost of Sales figure. This adjustment is derived from the schedule of intercompany purchases that is derived from the purchases day book.

The Directors consider that the adjusted Cost of Sales figure equates to the total commercial return to suppliers.

Donations from the Company in infrastructure support to Community Shop is calculated by apportioning the total spend between Company Shop and Community Shop using either revenue or headcount as the basis for allocation. The categories of spend to be apportioned are:

- Salary (commercial, marketing, retail and maintenance apportioned by revenue; finance IT, HR and health and safety apportioned by headcount);
- Warehousing and distribution (apportioned by revenue);
- Overheads (insurance, site costs, equipment hire and general legal and professional fees apportioned by revenue; specific Community Shop legal and professional fees apportioned 100%; telephones, administration and computer costs apportioned by headcount);
- Finance costs (intercompany loan interest calculated using base rate + 2.25%)

The total figure has been extracted directly from the 2018 Strategic Report, forming part of the Annual Report and Accounts for the year ended 30 September 2018. The Directors consider that the value of services provided, excluding any Executive Directors’ time equates to the value of infrastructure support donations to Community Shop.

Donated stock from industry partners to the Company is calculated for the period 1 January 2019 to 31 December 2019, using unaudited Company accounting records such as the Trial Balance, Management accounts and Stock reports summarising the amount of stock booked in. The donated stock is valued in line with the Company’s donated stock valuation policy, which is dependent on the nature and source of the stock as follows:

Category A: at the amount it would have cost to buy the stock directly from the supplier.

Category B: at an agreed contractual percentage of the amount it would have cost to buy the stock directly from the supplier.

Category C: at an agreed contractual percentage of the sales made for items donated by the supplier.

The Directors consider that the stock valuation policy has been applied consistently since the financial statements were audited for the year-ended 30 September 2018.

John Kitson,
Finance Director, Company Shop Group
Report of KPMG LLP to Company Shop Limited ("the Company") of factual findings in relation to agreed upon procedures performed in relation to financial information contained in the Company Shop Limited Sustainability Report 2019.

In accordance with the terms of our engagement letter dated 15 January 2020, we have performed those procedures agreed with the directors of the Company and set out below relating to selected financial information contained in the Company Shop Limited Sustainability Report 2019.

Our report has been prepared for the Company solely in connection with the request by the Company's Directors to perform the agreed upon procedures referred to below and to report thereon in writing to the Company's Directors. It has been released to the Company on the basis that our report shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

Our report was designed to meet the agreed requirements of the Company determined by the Company's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

Our engagement was undertaken in accordance with International Standard on Related Services 4400 Engagements to Perform Agreed-upon Procedures Regarding Financial Information. The procedures performed were as follows:

1. Check that the financial information used to calculate the key performance indicators listed below has been accurately extracted from the underlying accounting records.
   - Commercial return to the Company's suppliers
   - Amount of donations from the Company in infrastructure support to Community Shop

2. Check that the key performance indicators listed below have been calculated in accordance with the Company’s basis of preparation included as a note to the Sustainability Report 2019 by carrying out the following checks:
   - Commercial return to the Company's suppliers
     2a. Check that total Cost of Sales for the period 1 October 2018 to 30 September 2019 has been accurately extracted from unaudited Company accounting records such as the Trial Balance and Management Accounts.
     2b. Check that the amount deducted from total Cost of Sales for intercompany purchases agrees to the total of the schedule of intercompany purchases prepared by management for the period 1 October 2018 to 30 September 2019.
     2c. Check that the schedule of intercompany purchases agrees to the unaudited Company accounting records such as the Trial Balance.
     2d. Check the mathematical accuracy of the calculation of adjusted Cost of Sales.
   - Amount of donations from the Company in infrastructure support to Community Shop
     2e. Check that total donations in infrastructure support to Community Shop for the period 1 October 2018 to 30 September 2018 has been accurately extracted from the 2018 Strategic Report, forming part of the Annual Report and Accounts for the year ended 30 September 2018.
     2f. Check that total book value of donated stock from industry partners to the Company for the period 1 January 2019 to 31 December 2019 has been accurately extracted from unaudited Company accounting records such as the Trial Balance, Management Accounts and Stock reports for that period.

We report our findings below:

- With respect to procedure 1 we found no exceptions.
- With respect to procedure 2a we found no exceptions.
- With respect to procedure 2b we found no exceptions.
- With respect to procedure 2c we found no exceptions.
- With respect to procedure 2d we found no exceptions.
- With respect to procedure 2f we found no exceptions.

Because the above procedures do not constitute either an audit or a review in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements (UK and Ireland), we do not express any assurance on the financial information contained in the Company Shop Limited Sustainability Report 2019.

Had we been engaged to perform, and had performed, additional procedures, an audit or a review in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements (UK and Ireland), other matters might have come to our attention that would have been reported to you.

This report relates only to the financial information specified above and does not extend to any financial statements of the Company, taken as a whole.

This engagement is separate from the audit of the annual financial statements of the Company and the report here relates only to the financial information specified above and does not extend to the Company’s annual financial statements taken as a whole.

As set out in our audit report on those financial statements, that audit report is made solely to the Company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. The audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members as a body for that audit work, for the audit report, or for the opinions we have formed in respect of that audit.

Yours faithfully,

KPMG LLP
Chartered Accountants
17 January 2020
GET IN TOUCH AND GET OUR SURPLUS EXPERTISE WORKING FOR YOU.

CALL US TODAY ON 0800 211 84 84

surplus@companyshopgroup.co.uk
companyshopgroup.co.uk