

# Annual Report 2016



eurocœp

European Community of Consumer Cooperatives



# Contents

<b>About Euro Coop</b>	<b>4</b>
<i>Who We Represent</i>	4
<i>Consumer Co-ops – Responsible Businesses</i>	5
<b>Our Mission</b>	<b>6</b>
<i>Main Objectives</i>	6
<b>President’s Foreword</b>	<b>7</b>
<b>Introduction</b>	<b>9</b>
<i>Key Achievements of the Year</i>	9
<i>Way Forward</i>	11
<b>Fostering CO-OP Relations</b>	<b>12</b>
<i>Working with National Members</i>	12
<i>Working with International Co-operative Organisations</i>	13
<i>Consumer Co-operative Worldwide (CCW)</i>	13
<i>Representing a Different Business Model in Retail</i>	14
<i>Advocating for Consumers’ Rights</i>	19
<b>Membership &amp; Governance</b>	<b>21</b>
<i>Statutory Meetings</i>	21
<b>Who is Who</b>	<b>22</b>
<i>General Assembly &amp; Board</i>	22





# About Euro Coop

## Who We Represent

Euro Coop was **established in 1957**, in Brussels, to advocate for the economic and social interests of Europe's consumer co-operatives to the EU institutions. Today, Euro Coop brings together 19 national organisations of consumer co-operatives and while our original mission has remained unchanged, it has expanded so as to reflect our members' ever-increasing role as drivers of **sustainable economic growth** and **social responsibility** on local, regional, and national level.

What are consumer co-operatives? Enterprises that function according to the **co-operative model**, which in itself is a revolutionary method of governance, based on its own **values** and **principles**, where, to start with, the individual members are the owners of the business, and thus primary decision-makers in its operations. In practice, consumer co-ops are **businesses with a human face**, where profitability is not the end goal, but an instrument for generating inherent societal value.

Across Europe, our members operate a network of **36.000 points of sale**, where they serve **32 million consumer-members** daily. Five of our members are **market leaders** in their countries.

Euro Coop's representative role means that we aim to include the wide range of **consumer co-ops' successful practices and innovation** as solutions for the challenges addressed by the **EU policy process**; be it in food policy, sustainable development or consumer information. Euro Coop implements its mission by establishing multi-level channels of **direct collaboration** with the EU Institutions and amplifies those advocacy efforts through successful co-operation with **partners** and **stakeholders** from within the co-operative, retail, and NGO sectors of the Brussels community.

## **Consumer Co-ops – Responsible Businesses**

Consumer co-ops have been in business since 1844, when the prominent **Rochdale Pioneers** in the UK established a co-operative society to battle the harsh living conditions and inadequate consumer protection, typical for the Industrial Revolution, with a fair and just food business. Staying true to their mission **172 years later**, our members are leaders in **advancing consumers' rights** and **social responsibility**, as this is their DNA.

Consumer co-ops, while engaged in multiple activities ranging from production to services, are primarily focused on **food and non-food retail**.

On the human side, retail in the co-op sense starts with providing quality food at reasonable prices. With time, however, this mission has expanded to taking a leading role in **safeguarding and promoting a wide array of societal interests**, such as responsible consumption of food so as to prevent food waste and obesity; sustainable methods of production and distribution of food, so as to address environmental concerns as climate change and resources-efficiency; and promoting education and awareness raising of the consumer-members who, on an individual level, represent the **fabric of local societies**.

On the business side, consumer co-ops are **respected business** operators who treat all actors of the supply chain with respect. While the issue of unfair trading practices has been in the spotlight at EU level in recent years, **co-operatives** gained the due acknowledgment by the European Economic and Social Committee (EESC) in its Opinion on unfair business-to-business trading practices in the food supply chain for being forces which **contribute to the fairness** within the EU food distribution system.



# Our Mission

## Main Objectives

- ✓ **Promoting** the economic and social objectives of European consumer co-operatives to the EU institutions;
- ✓ **Advocating** for consumers' interests and rights at EU-level;
- ✓ **Informing** our member organisations of EU policies and developments relevant to their activities;
- ✓ **Providing** a forum for the exchange of information, knowledge, and expertise among our national member organisations;
- ✓ **Coordinating** our member's common interests and activities;
- ✓ Representing the co-operative business model and co-operative model of enterprise on EU-level;
- ✓ **Implementing**, through our members, policies and initiatives to further the International Co-operative Alliance Blueprint for a Co-operative Decade;
- ✓ **Developing**, through our members, policies and initiatives supporting tomorrow's leaders, thereby showing a clear responsibility towards young people across Europe.





# President's Foreword

*Dear co-operative colleagues,*

*It is an honour to provide my first President's foreword and I use this opportunity to express my gratitude, once again, to the General Assembly for bestowing me with this significant responsibility and trust in leading the Association. On behalf of the Presidency, I would like to thank the previous management for their relentless efforts and strategic leadership in consolidating and growing the European consumer co-operative movement.*

*2016 was a pivotal year marked by elections of a new Presidency, completion of the Secretariat transformation, embarking on a new Association Strategy, and even the relocation of the Association Headquarters to a joint-office with another international co-operative organisation, Cooperatives Europe.*

*Our Association plays an important role in the international affairs of our national organisations by representing the consumer co-operative model to the EU Institutions and by administering the collective relations amongst them.*

*The Presidency immediately got to work by engaging the members on the discourse of creating more membership value, as this is a fundamental aspect of our Association's success. The verdict was clear – strengthen the EU advocacy process by intensifying the inter-member exchange on policy-related issues. If requested by members, the Secretariat and Presidency is always at their disposal to facilitate exchange of business experiences and common works plans.*

*This has set in motion a process of optimisation of the prime engine of member collaboration: Euro Coop's internal Working Groups. In addition, the Presidency has introduced a brand new initiative – the establishment of a staff exchange program: Coop Erasmus. The first direct results of these two processes should be seen in 2017. Overall, by facilitating direct exchanges and meetings, Euro Coop aims to bring together the members' experience and knowledge in order to generate further value for its membership.*

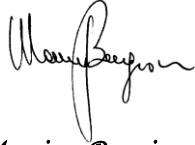
*However, we are aware that our role and operation will have to improve. Our first aim will be to realise the strategic lines with tangible results.*

*In times of continuous challenges on national level, our members look to overcome these by reinforcing the 6<sup>th</sup> Co-operative Principle of "Co-operation amongst co-operatives" to create more benefits for their millions of consumer-members across the Continent. Only together can we be stronger.*



*With the support of the Presidency, the Board, and a motivated young Secretariat, I would like to share my confidence that Euro Coop will place the interests of consumer co-operatives in the heart of the EU policy process.*

*With co-operative regards,*



***Massimo Bongiovanni***  
***President***





# Introduction

## Key Achievements of the Year

2016 was an exciting year which saw the completion of the Secretariat's **restructuring** – a process initiated the previous year; elections which brought a **new Presidency** and **new Strategy**, and the **relocation** of the Headquarters! All this, of course, while maintaining the Association's external **representative** and internal **collaborative** functions.

Two **new staff officers** were recruited for food retail policy - a key area of activity for our members, and for communications policy, a traditionally understaffed section of the Secretariat. This meant that the HR reshuffling not only gave a fresh look to the Secretariat, but added two **highly-qualified young people** to our office!

The Annual General Assembly saw the elections of a **new President** – Massimo Bongiovanni (ANCC/Coop Italy) and three new Vice-Presidents – Jaanus Vihand (Coop Estonia), Ofer Feinstein (Coop Israel), and Colin Macleod (FRTS, UK), in addition to the re-election of Vice-President Juhani Ilmola (SOK, Finland). The new Presidency immediately translated into a **new Strategy** which aims at **reinforcing Euro Coop's representative role**, while taking **intermember collaboration** to new heights by establishing a new staff exchange programme – Coop Erasmus, and by relaunching the internal **Working Groups**.

On the EU front, Euro Coop successfully collaborated with the European Commission (DG SANTE) and two like-minded associations – CELCAA (European agricultural and agri-food traders) and UECBV (European Livestock and Meat Trades Union) to co-organise **the High-Level Conference "Food Authenticity and Integrity"**, the aim of which was to offer competent authorities, food business operators, and scientists the opportunity to explain how they are concretely and effectively tackling food authenticity and integrity within their respective activities.

The summer adventures arrived in the form of an **office move** – relocating the Association to a shared office space with Cooperatives Europe; something which has advanced the mutual co-operative relations between the two associations.

Euro Coop's **youth commitment** was further reinforced by a Memorandum of Understanding being signed with the University of Pisa and the University of Siena, in which Euro Coop offered traineeship opportunities to senior students, who have chosen to research issues related to Euro Coop's field of expertise. In

2016 alone, two successful traineeships – one per University – were implemented.

## Way Forward

The momentum of 2016 in the face of a new Presidency and fresh Secretariat resources means that the Association will further delve into maximising **membership value**. The new Strategy points towards reinforcing consumer co-operatives **position** within the **EU policy process** by representing **our members' success** in sustainability and the environment; food safety and quality; fair relations along the food supply chain; and education and information to consumers; as these fall within the various EU dossiers, such as the Circular Economy Package, food waste and obesity, climate change, and fair B2B trading practices.

Internally, there is just as much to look forth to. Members have clearly sighted more **mutual co-operation** on issues of common interests, such as co-operative governance, membership, community engagement, and, where applicable, joining resources and know-how on the business front.

Co-operation is already underway to establish a staff exchange program – **Coop Erasmus** – which will offer **qualification-raising** opportunities for co-operative managers in different Euro Coop members.

The Secretariat will look towards securing leading roles for Euro Coop in two vital processes – the **successful representation of the retail sector** in times of pressure brought on by the UTPs discourse, and the reinforcement of the **representation of the co-operative model** by consolidation the EU advocacy efforts of the six European co-operative organisations, which still remain fragmented, at best.

In the meantime, specific attention will be attributed to establishing working relations with **potential Euro Coop members** and further contribution, through our members' activities, to the objectives of the **Blueprint for a Co-operative Decade**, led by the International Co-operative Alliance.



# Fostering CO-OP Relations

## Working with National Members

Co-operation among co-operatives is one of the seven **co-operative principles** and, as such, it stays at the core of Euro Coop's mission and operations.

Throughout 2016, Euro Coop has performed several **visits to its member associations** on occasions of working group (WG), statutory<sup>1</sup> or bilateral meetings. Among the many highlights, there were the official visits to **Coop Netherlands** (*on the occasion of the 125<sup>th</sup> Anniversary of the Dutch co-op consumer movement*) and **Comarine, Cyprus**, which allowed Euro Coop members to get a thorough knowledge of the work implemented by member associations in those countries. Also, Euro Coop welcomed two delegations of the Finnish S-Group's Educational Centre **Jollas Institute**, illustrating in those occasions the functioning of the Secretariat and how interactions among members work.

Besides that, the **Co-operative Distinctiveness Working Group** met once in Rotterdam, proving to be yet again an excellent tool to exchange information and best practices among the members as well as to define Euro Coop's positions *vis-à-vis* the EU dossiers of its competence. The **Food Policy** and **Sustainability Policy** working groups also convened several times throughout the year and more information can be found further in the Report.

The Secretariat is proud of the numerous occasions in which it facilitated **bilateral relations** between national member organisations, where, for example, they could exchange experience on an issue like **membership programs**, or share best practices in a specific branch on operations like **logistics** or **store management**, or even initiate **business relations** in the form of import-export of own-branded goods.

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<sup>1</sup> Please refer to the 'Membership and Governance' Chapter of this report

## Working with International Co-operative Organisations

Euro Coop continued to foster **constructive relationships** and an open dialogue with all co-operative organisations operating in Brussels, and first and foremost with Cooperatives Europe, being it the top representative body for co-operative associations at EU level. This fruitful collaboration culminated in the moving into **shared offices** in July 2016, thereby marking the start of an increased exchange between the two Secretariats.

Active participation was maintained also within the Cooperatives Europe's Development Working Group, where consumer co-ops' commitment to **international development** is represented.

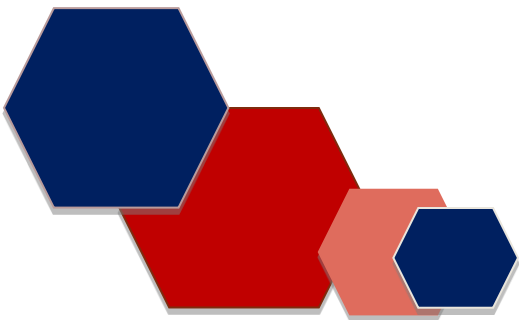
Of course, Euro Coop continued its involvement and input within the European Union Co-ordination Committee (EUCC) and its numerous meetings aimed at streamlining the advocacy efforts of all international co-operative organisations and in-depth discussions of the various opportunities **to influence EU policy**.

## Consumer Co-operative Worldwide (CCW)

2016 was a **busy** year for CCW, which organised two high-level events: a **business conference** on CO-OP e-commerce and retail, and a **global youth forum**, respectively. Both events saw active participation from Euro Coop members.

The business conference was jointly-organised in Brussels by CCW, Euro Coop, and the European Economic and Social Committee (EESC). Participants included high-ranking EESC officials (Group III President), ICA President, Cooperatives Europe President, and Euro Coop Board members. The discussions explored the **success of CO-OP branded goods** and the opportunities and challenges of **e-commerce**.

The global youth forum was hosted by CCU-Bulgaria and brought together, for the first time, **co-op youth representatives** from all ICA Regions to discuss and present successful practices from national policies aimed at the **development of the young co-operators**.



## **Representing a Different Business Model in Retail**

Before we look at the activities of a **co-operative enterprise** and how they are operated, we need to look at the business model and how it is structured. Being a co-op means the management reports to the general body of members (that would be the *shareholders*), who are ordinary citizens living in ordinary communities. Equal voting rights are guaranteed by the principle of “**one member-one vote**”, so the quantity of shares is irrelevant to the strength of your voice within the governance. The result? In the case of food retail – a business with a strong emphasis on consumers’ needs and communities’ interests.

Perhaps the co-op added-value and distinctiveness is best said quoting UN Secretary-General Ban Ki-moon “***Co-operatives are a reminder to the international community that it is possible to pursue economic viability and social responsibility.***”

This combination of **retail with a democratic flavour** puts Euro Coop in a very interesting position when it comes to representation at EU level since it implies playing a delicate, yet exciting, role of advocating for conditions required for retail as a business to thrive, but also advocating for conditions which bind retailers to more responsibility and sustainability – towards consumers, society, the environment.

The **co-op distinctiveness** and our members’ **added value**, which are touched upon in this Report, are numerous and this is the reason Euro Coop is present in so many *fora* of the EU Institutions – from food policy to climate change. We are there to represent the **alternative model**. We represent **change**.

## Putting Sustainability at the Core of EU Policy

Sustainability is at the core of consumer co-operatives' action and thus of Euro Coop's activities. **Food waste** remained one of the key topics explored by Euro Coop during the year in the realm of food sustainability: an engagement which culminated in becoming an official member of the **EU Platform on Food Losses and Food Waste**. This EU-led initiative aims at supporting all participating stakeholders in defining measures to prevent food waste, sharing best practice, and evaluating long-term progress.

Two EU projects with Euro Coop involvement culminated in 2016: FUSIONS and FOODSECURE. The first one dealt with optimizing **food waste reduction** throughout the whole food supply chain, while the latter looked at future scenarios for **food and nutrition** security. Euro Coop was also involved in the second Stakeholder Core Group Workshop of the SUSFANS Project, aimed at analysing EU food policies' impact on the environment, competitiveness, and nutrition and food security.

Many were the conferences in 2016, for which Euro Coop provided speakers: just to name a few, we took the stage in European Economic and Social Committee event *"Building a More Sustainable European Food System"*; in the event *"Promoting Responsible Value Chains Through Fair Trade"*; as well as in the conference *"Consumers and Global Food Systems"*, in which consumer co-op's views and experience on sustainable consumption were represented.

Euro Coop's internal Sustainability Policy Working Group (SPWG) convened in Rotterdam, the Netherlands, where experts from our national members exchanged latest know-how on making retailers' operations more sustainable. These included better management of food in order to reduce waste, VAT rules for donated food in different countries, and the sale of organic products. In the autumn, members' Sustainability Reports were compiled and shared with the SPWG. The WG received weekly updates throughout the year on policy developments in Brussels and other members' activities and collaborated with the Secretariat to develop position papers on key issues. In this respect, the Circular Economy Package, with its implications for the food retail sector, was one of the most followed-up topics.

A further highlight of the year is Euro Coop's active participation in the European Retailers' Environmental Programme (REAP), an initiative co-chaired by the European Commission and European retailers aimed at bringing forward the sustainability agenda in the retail sector. In this respect, Euro Coop was a speaker in the REAP event *"Circular Thinking in the Retail Sector"*.



Last but not least, Euro Coop maintained its attendance in the **Civil Dialogue Groups** organised by the European Commission on Environment and Climate Change, as well as on Organic Agriculture.

## **Promoting Healthy and Safe Food**

An important highlight of this year has been Euro Coop's involvement as **co-organiser in the High-Level Conference "Food Authenticity and Integrity"**, which involved speeches from the Euro Coop President, high-level officials at the European Commission, as well as representatives from universities, the industry, and the co-operative world.

The one topic that was probably addressed most this year was **public health** represented by **obesity**, particularly that of **childhood obesity**. Euro Coop was a speaker in the high-level conference: *"Tackling Childhood Obesity in Europe: Promoting Healthy and Active Lifestyles"* and brought forward to the debate out members' leading initiatives to tackle this phenomenon. All measures carried out by consumer co-ops in their fight against obesity can be found in our **annual Obesity Report**, found on the Euro Coop website.

The **food policy dossier** was kept busy throughout the year with issues such as traceability, quality schemes, indication of the country of origin or place of provenance of foods, Trans-Atlantic Trade and Investment Package (TTIP), nutrient profiles, acrylamide, food reformulation, trans-fatty acids, antimicrobial resistance (AMR), as well as animal health and welfare. Euro Coop **position papers** were published on a number of these issues, i.e. novel foods, nutrient profiles, functional foods, the levels of acrylamide in foods, the content of trans fatty acids in foods, and antimicrobial resistance.

The internal **Food Policy Working Group (FPWG)** convened twice in 2016. During the first meeting, members had an in-depth discussion on TTIP and its risks for food quality and security, animal health and welfare, nutrient profiles, alcohol and origin labelling, and official controls. Two external presentations also took place, the first from a speaker of the European Commission on **consumer attitudes**, the second by the managing director of the association OriGIn on **geographical indications**. The second FPWG tackled issues such as product reformulation initiatives, the impact of Brexit on EU food policy, official controls, and nudging.

Direct relations with the European Commission are also maintained through Euro Coop's participation in the numerous **stakeholder platforms** thereof, where we continued providing input from our members' activities into the work of the EU Platform for Action on Diet, Physical Activity and Health, the Working Group on Reformulation, the Animal Health Advisory Group, as well as in the Civil Dialogue Group on Quality and Promotion of Agricultural Products, and that on International Aspects of Agriculture. Our members were regularly briefed on these issues, especially in the case of interesting legislative developments at EU level on these topics and were provided the opportunity to present their views.

Relationships with the **European Food Safety Agency** (EFSA) were maintained especially through participation in the Stakeholders Consultative Platform and technical meetings, e.g. on the application procedure for novel foods.

The Euro Coop Secretariat also attended several meetings at the **European Parliament** in order to keep up to date with legislative developments and the issues that are discussed in that House, such as discussions related to the next chapter of the Common Agricultural Policy (CAP) or to the country of origin labelling (COOL).



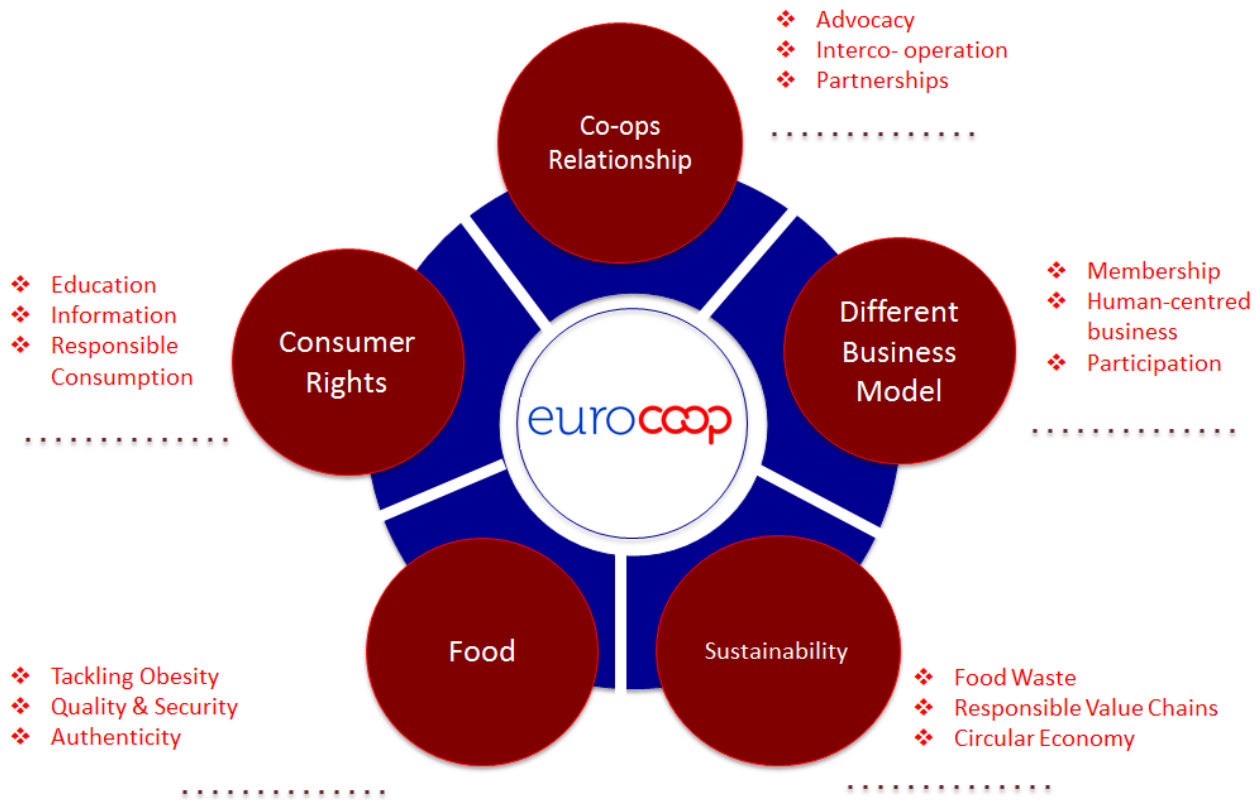
## Advocating for Consumers' Rights

Consumer co-operatives are owned and strategically oriented with **consumers' affairs**, so it is only natural that advocating for consumers' rights underpins all Euro Coop's policy work in all areas in which it is active. Throughout 2016, Euro Coop defended the specificity of the consumer co-operative model when it comes to adhering to the **5<sup>th</sup> Co-operative Principle**, which states that co-operatives provide education and training for members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operative.

All events in which Euro Coop was invited to speak saw a specific section dedicated to the **importance of consumers' rights**, the need for consumers to be informed, educated and not misled in any manner. This is also true for instances in which Euro Coop was invited as a discussant to put forward the co-operative model and its **commitment towards fulfilling consumers' expectations and needs**. Of particular interest in this context was Euro Coop's active participation in the policy lab set up by the **International Panel of Experts on Sustainable Food Systems (IPES)** on the Food Environment in Europe.

Euro Coop participated in the must-attend **European Consumer Summit**, which in 2016 was dedicated to the theme *"EU Consumer and Marketing Law: Still Fit for Purpose? Achievements and Challenges"* and continued its attendance in the European Consumer Consultative Group (ECCG) – the Commission's main forum to consult national and European consumer organisations.

Another highlight of the year includes the Euro Coop's active participation in the Multi-stakeholder Dialogue of Environmental Claims organised by the European Commission Directorate-General (DG) for Justice and Consumers, which aimed at filling a gap as far as legislation on **misleading green claims** is concerned.





# Membership & Governance

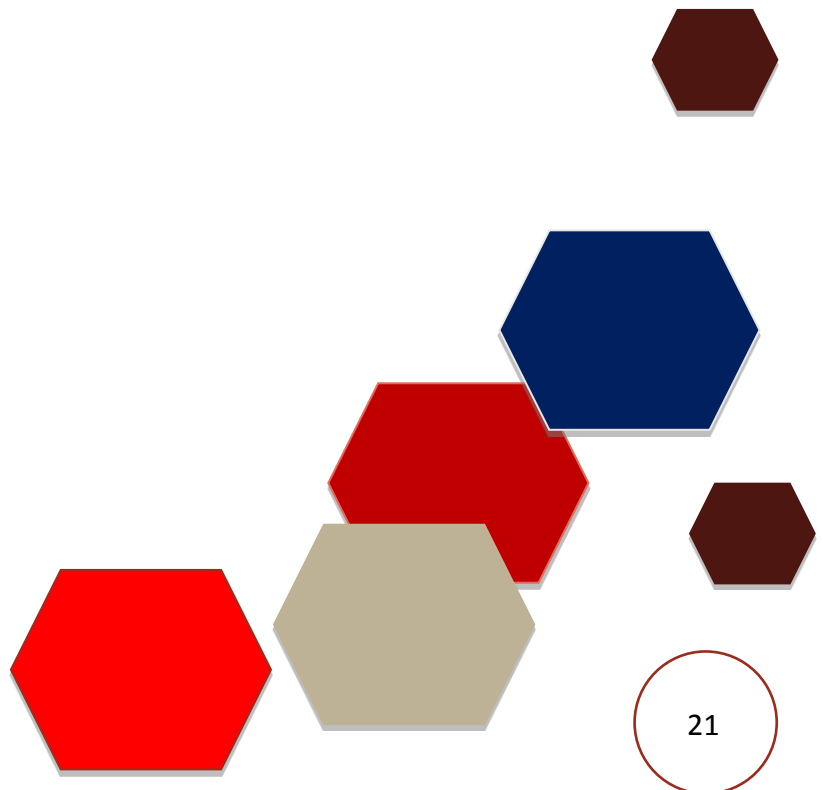
## Statutory Meetings

In 2016, Euro Coop held two **Board** meetings (Spring and Autumn) and a **General Assembly** (summer).

The first Board meeting was in conjunction with the CCW Global Business Conference, held in **Brussels** at the European Economic and Social Committee (EESC).

The second Board meeting was hosted by our **Cypriot member – Comarine** in the city of **Larnaca**, in November. This fostered a field visit to the Co-operative Growers Marketing Union - SEDIGEP and a closer acquaintance of their full cycle of operations – production, processing, marketing, and export of high-quality fruits and vegetables.

The 2016 **General Assembly** was hosted by **Coop Netherlands**, in Rotterdam. It was a special event not only because of the Euro Coop governance elections, but more so because it coincided with the festivities on the occasion of the **125<sup>th</sup> Anniversary** of the Dutch consumer co-operative movement. The Euro Coop members were treated to unforgettable co-operative hospitality and an excellent opportunity to discuss and present the rich traditions of consumer co-operatives.





# Who is Who

## General Assembly & Board

### **President**

Massimo Bongiovanni, ANCC/Coop Itlay IT

### **Vice-Presidents**

Jaanus Vihand, Coop Estonia EE

Juhani Ilmola, SOK FI

Ofer Feinstein, Coop Israel IL

Colin Macleod, Federal Retail Trade Services UK

### **Delegates**

Petar Stefanov, Central Co-operative Union BG

Andreas Koumis, Comarine Ltd. CY

Lukáš Němčík, UCMCC Coop Czech CZ

Lasse Bolander, Coop Denmark DK

Mathias Fiedler, ZdK DE

Dr. Zoltán Zs. Szöke, AFEOSZ-Coop Federation HU

Skúli Skúlason, KSK Coop Iceland IS

Fred Bosch, Coop Nederland NL

Geir Jostein Dyngeseth, Coop Norge SA NO

Ioan Crişan, CENTROCOOP RO

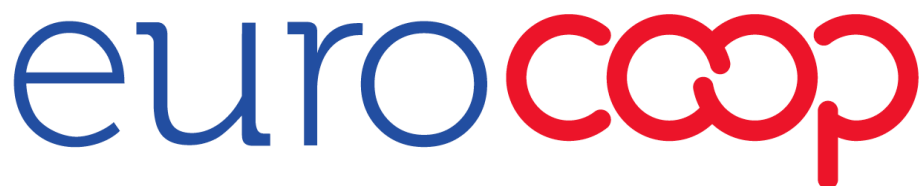
Gabriel Csollar, COOP Jednota SK

Mikel Larrea Azpeitia, Eroski – General Assembly ES

Felix Martín, Hispacoop – Board ES

Tommy Ohlström, KF SE

Illia Gorokhovskiy, Coop Ukraine UKR



European Community of Consumer Cooperatives








*“Co-operative Retailers  
Engaging Consumers for  
Sustainable Growth”*

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