



Coop Group
Sustainability Report

2011



About the report

Like its predecessors, this seventh Coop Group Sustainability Report underscores the great importance Coop attaches to sustainability in its corporate strategy. In addition, it constitutes a review of the progress Coop made in achieving the Group's sustainability goals in 2011. For the first time, this report also covers the Transgourmet Group, which operates in the cash & carry and wholesale supply sector and was wholly acquired by Coop on 1 January 2011.

The Coop Group Sustainability Report is based on the indicator list of the Global Reporting Initiative (GRI) and is also a "communication on progress" as proposed by the UNGC. The Sustainability Report targets business and cooperation partners, consumer organizations, authorities, NGOs, the media and the Group's employees, but also customers and the general public.

Key sustainability figures are summarized at the end of the report. The figures section is structured in line with the three pillars of Coop's sustainability strategy – sustainable products & services, resource efficiency & climate protection, and employees & society. Current figures cited in the body of the text usually refer to 2011.

Given the wide range of Coop's achievements in terms of ecology, the economy, social accountability and society, it has not been possible to mention every single activity in the present report. Basic information on Coop's commitment to sustainability can be found at:

 www.coop.ch/sustainability

The Coop Group Sustainability Report is published every year together with the Annual Report. The copy deadline for Coop's 2011 Sustainability Report was 6 February 2012.



Coop Naturaplan

Organically produced food bearing the Bio Suisse bud label, including regional organic specialities. Uncompromisingly organic, uncompromisingly tasty.



Coop Naturafarm

Swiss meat and eggs from animals and poultry reared subject to very rigorous animal husbandry standards, with stalls designed to meet the animals' needs and feed that is free from genetically modified plants.



Coop Oecoplan

Environmentally friendly products for home and garden, flowers and plants with the Bio Suisse bud logo, timber products with the FSC label, products made from recycled materials, energy efficient appliances and ecological services.



Coop Naturaline

Textiles made from organically grown cotton and produced according to socially and environmentally responsible methods, and plant-based cosmetic products.



Pro Montagna

Products produced and processed in the Swiss mountain areas – with a donation to the Coop Aid for Mountain Regions scheme.



Pro Specie Rara

Products from heirloom native plants and animal breeds that have almost sunk into obscurity.



Slow Food

Traditional, sustainably manufactured specialities for rediscovering the pleasures of real food.



Fairtrade Max Havelaar

The Fairtrade seal of quality of the Max Havelaar Foundation (Switzerland), which has a global commitment to fair trade and improving the position of producers in developing countries.



Bio Suisse

Organic products with the bud logo, manufactured according to the rigorous Bio Suisse guidelines and processed with care.



MSC

Fish and seafood from sustainable wild-catch – to protect the oceans and for sustainable enjoyment of fish.



FSC

Timber and paper products from environmentally, socially and economically responsible forestry, to protect and preserve the world's forests.



Topten

Appliances with the lowest energy consumption, low environmental impact and good serviceability, hand-picked by Topten.ch.

Coop Group
Sustainability Report
2011

Coop takes on social responsibility. This brings benefits and added value “for the people behind it all”. The Coop Group Annual and Sustainability Reports 2011 take a look behind the scenes and tell the personal stories of “the people behind it all” in the form of eight photomontages.

4	Foreword	24	Reducing and optimizing packaging
		24	Background
		24	Analyzing the best ways of reducing packaging
6	Company structure	25	Commitment within the Coop Group
		25	Sustainability as a profiling tool
		25	Developing CO ₂ -neutral chocolate
		25	Innovative CWK-SCS disinfection process
		26	Swissmill leads the field in organic cereal products
		26	Major differences at Transgourmet
7	Milestones	32	Sustainable purchasing
8	Strategy and organization	32	From control to partnership
8	Engraining sustainability as a way of thinking	32	Precise supplier requirements
8	Sustainability as part of Coop's strategy	32	Implementation partnerships
9	Focusing efforts	32	Collaboration with food suppliers
9	Strategic and operational controlling	33	Reducing air freight
10	Coop Sustainability Fund	33	New supplier relationships and transport routes
10	Integration into the sustainability strategy	33	Green asparagus from Morocco
10	Processes and decision-making channels	33	Purchasing cooperatives
10	Tools and projects	33	Support from Eurogroup Far East
10	Stakeholder dialogue	34	Joint fruit and vegetable initiatives
10	Regular exchanges in all areas	34	Joint efforts with Coopernic
11	Actively involving delegates	34	Social and environmental standards
11	Targets	34	Expanding social standards
11	Defining new medium-term targets	34	Increased commitment in the food sector
11	Target attainment in 2011	35	Avoiding multiple audits
		35	The importance of training and qualifications
16	Targets and degree of attainment	35	Commitment within the Coop Group
		35	Reismühle Brunnen innovation project
		36	Certified natural cosmetics from CWK-SCS
20	Sustainable consumption	37	Resource efficiency and climate protection
20	Creating sustainable product ranges	37	On the road to CO₂ neutrality
20	Four ways of achieving sustainable product ranges	37	Successful implementation
20	Legal compliance and proactive measures	37	The scope of Coop's energy/CO ₂ vision
20	Internationally recognized standards	37	Participation in the Carbon Disclosure Project
21	Innovation projects as a means of profiling	38	Reducing energy consumption
22	Delisting – the most radical option	38	Increased use of LED lighting
22	Raising awareness through promotions and events	38	Ripening bananas with waste heat
22	The Fairtrade offensive	38	Optimizing the use of waste heat at Bell
22	Fair trade becomes the Coop norm	39	Using renewable energy sources
22	Switching over rice, chocolate bars and exotic fruit	39	Increased use of solar energy
23	Highlighting the people behind it all	39	More agricultural biogas plants
23	T-shirt campaign with producer portraits	39	Wood-burning furnace as a climate-friendly alternative
23	Bringing together producers and consumers	39	Energy management at Transgourmet
24	Product declaration	39	Cutting back and using renewable energy
24	The demand for transparency	40	Energy efficient lighting
24	Coop's stance on product declaration	40	Walk-in fridges at Prodega/Growa
24	General rules instead of specific labels	40	Environmentally friendly goods transport
		40	Combined transport cuts road miles
		40	More trucks using biodiesel



41	Passenger mobility
41	Trends in shopping traffic
41	Promoting sustainable shopping behaviour
41	Optimizing and avoiding business travel
41	Waste avoidance and recycling
41	Waste management in Switzerland
42	Waste recovery rates at Coop
42	The role of retail in recycling
42	Voluntary measures to combat littering
42	Water management
42	Action is required
43	Not all water is the same
43	Sustainable water management at Coop
48	Employees
48	Terms of employment
48	Steady improvement since CoopForte
48	Attractive staff discounts and advice
48	Extended opening hours to meet consumer requirements
49	Young people and working life
49	Unparalleled choice of training
49	Opportunities after basic training
50	Personal responsibility for apprentices
50	Commitment to academically weak school-leavers
50	Partnership with Young Enterprise Switzerland
50	Sustainable HR management
50	Coping with increasing demands
51	Promoting employee health
51	Expanding absence management
51	Optimum reintegration for the disabled
51	Motivation day for around 1 800 employees
52	Transgourmet Group
52	Sustainable HR management at Transgourmet
52	Selective training and professional development at Prodega/Growa
52	Family conscious HR policy at Rewe Foodservice

54	Society
54	Coop Sustainability Fund
54	Promoting innovation and raising awareness
54	Research for an organic future
55	Coop Sustainability Fund: 2011 projects
56	Focus on “the people behind it all”
56	Exciting theme of the year
56	Promoting workshops for the disabled
56	Incorporating social projects into the core business
57	Christmas donations to social organizations
57	Promoting health
57	Voluntary action in many areas
57	Transparent labelling
57	Raising awareness and motivating
57	Protecting young people
57	Alcohol test purchases as a monitoring tool
58	Coop’s stance on official test purchases
58	Other activities
58	Donating food to the needy
58	Coop supports the mountain population
59	Voluntary service project
59	Social initiatives at Transgourmet
65	Key sustainability data
72	Reporting in accordance with UNGC and GRI
72	The Ten Principles of the UNGC
72	Internationally recognized GRI guidelines
72	Content



For the people behind it all

Coop selects “For the people behind it all” as the focus of its communication activities and showcases the achievements of people who produce sustainable products for Coop. The independent rating agency Oekom Research singles out Coop as the world’s most sustainable retailer. This distinction underscores Coop’s systematic commitment to sustainable consumption.

Hansueli Loosli and Joos Sutter



With its 1 991 sales outlets and 109 cash & carry and wholesale stores, the Coop Group is close to its customers. As a consumer cooperative with almost 2.9 million members, this proximity is very important to Coop. Thanks to our members, we are even more familiar with the needs of the one million or so customers who shop with us each day in Switzerland alone. If they want environmentally and socially responsible products, we strive to meet this need with our range of sustainable products. Sustainability can only work if lots of people recognize the need for sustainable behaviour and actually live out this behaviour in their everyday lives and the way they consume resources. We therefore see it as our task to give our customers a deeper understanding of sustainability and the commitment of the numerous people behind these products. For this reason, our focus in 2011 was on “the people behind it all”.

The communication projects financed by the Coop Sustainability Fund are intended to promote sustainable consumption specifically by raising consumer awareness. We support campaigns run by our partner organizations, which include the WWF and the Swiss Federal Office of Energy. We appear at trade fairs, communicate intensively in the Coop member press and on the Internet, and launch advertising campaigns. Ultimately, however, sustainable products have to be enjoyable and functional, and the quality and price must be right. In a year when price competition was as fierce as ever and levels of cross-border shopping rose drastically, we are proud that we were able to expand our sustainable product ranges.

“For the people behind it all” also makes it clear that Coop’s commitment to sustainability is not limited merely to environmental aspects, but also includes social responsibility. Coop lives up to this commitment in particular by promoting fair trade. In 2011, we gradually started to switch additional strong-selling products from the Coop Qualité & Prix own-label brand, such as Asian rice, chocolate bars and exotic fruit, to 100% Fairtrade raw materials.

The people behind our Naturaline textiles are organic farmers and their families in India and Tanzania. Coop Naturaline is a prime example of how a successful commercial relationship can be augmented through social commitment. Over 7 100 farming families benefit not only from multi-year purchase guarantees and fair prices, but also from agricultural advice, access to schools for their children, a mobile health centre and much more besides.

The “people behind it all” also include our employees. They are Coop’s ambassadors, acting as our point of contact with customers. In 2011, we systematically expanded our existing internal training courses to include sustainability-related content. The high point was a huge motivational and training event held in Interlaken for around 1 800 employees. We used fun and games to fill our staff with enthusiasm for our own-label sustainability brands and quality labels.

In Switzerland too, there are people who have to make do on a very small budget. For them, “Schweizer Tafel” (Swiss table) and “Tischlein deck dich” (Table be set), with their many volunteers, collect food from our sales outlets that is past its sell-by date but still perfectly fine to eat and pass it on to poor households or charities. Coop supports these two organizations not only with large quantities of food, but also by making considerable financial contributions to their collection infrastructure.

“For the people behind it all” therefore has many different aspects, as you will see from the illustrations in this report.



Hansueli Loosli

Chairman of the Board of Directors



Joos Sutter

Chairman of the Executive Committee

Company structure

As at 31 December 2011



Milestones

2011	<ul style="list-style-type: none"> - Declared the world's most sustainable retailer by Oekom Research AG. - The Coop Sustainability Report receives an Öbu prize for the third time (previous awards in 2005 and 2007). - Awarded the "Goldener Zuckerhut" (Golden Sugarloaf) for pioneering work in the field of sustainability. - Changeover begins of strong-selling Coop Qualité & Prix product ranges to Fairtrade raw materials. - A programme is launched to reduce packaging and optimize Coop own-label brands. - Switzerland's first wood-burning furnace for an industrial bakery reduces CO₂ emissions by 70%.
2010	<ul style="list-style-type: none"> - Receives the Ethical BioTrade Award for Biodiversity. - New Logistics and Bakery Strategy 2015+ reduces annual CO₂ emissions by 4 800 tonnes thanks partly to unaccompanied combined transport. - Abandons nuclear power and converts to 100% low CO₂-emission hydroelectric power from Switzerland and Europe. - First Coop supermarket exclusively lit by LED lighting.
2009	<ul style="list-style-type: none"> - Coop sustainability strategy agreed and integrated into strategic controlling. - Topten quality label introduced. - Coop Verde American Express green credit card launched.
2008	<ul style="list-style-type: none"> - "CO₂-neutral by 2023" vision agreed for all areas within Coop's direct sphere of influence. - The Coop Naturaplan Fund becomes the Coop Sustainability Fund and is gradually built up to 15 million francs per year. - The "Verde" magazine on organic produce and sustainability is launched.
2007	<ul style="list-style-type: none"> - Coop Naturaplan is repositioned as a purely organic label. - Coop own-label sustainability brands Naturafarm and Pro Montagna introduced. - Strategic cooperation with "Hochstamm Suisse". - Food profiles introduced for own-label brand products. - "By Air" logo introduced to denote air-freighted goods. The CO₂ emissions generated by air freight are offset. - First Coop supermarket in line with the Minergie standard.
2006	<ul style="list-style-type: none"> - Exclusive partnership with "Slow Food Switzerland". First products launched in 2007. - Founding member of the Round Table on Responsible Soy (RTRS). - Strategic partnership with WWF Switzerland focusing on forests, oceans, fish and the climate.
2005	<ul style="list-style-type: none"> - Partnership with "Schweizer Tafel" and "Tischlein deck dich". - Joins the Business Social Compliance Initiative (BSCI) and adopts its Code of Conduct. - GlobalGAP Risk Assessment on Social Practices (GRASP) project begins, involving Coop, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and GlobalGAP. Officially accepted by GlobalGAP in 2010.
2004	<ul style="list-style-type: none"> - The Coop Group publishes its first Sustainability Report. - The Coop code of conduct is introduced. Its aim is to ensure business partners are dealt with fairly. - "Regional organic products" are launched as part of Coop Naturaplan. - Joins the Roundtable on Sustainable Palm Oil (RSPO). - "Basel criteria for responsible soya cultivation" drawn up with WWF Switzerland.
2003	<ul style="list-style-type: none"> - Coop Naturaplan Fund launched with an annual budget of 10 million francs.
2002	<ul style="list-style-type: none"> - Coop Naturaline awarded the UN environment prize for sustainable partnership. - Comprehensive and binding Guideline on Sustainable Sourcing produced. Revised in 2008 and 2011. - FSC quality label introduced.
2001	<ul style="list-style-type: none"> - Sales of the own-label sustainability brands and quality labels Coop Naturaplan, Coop Naturaline, Coop Oecoplan and Max Havelaar exceed one billion francs for the first time.
2000	<ul style="list-style-type: none"> - The first Coop Natura Prize is awarded to business partners for outstanding sustainable products and services. - The Coop Textile Code is agreed. This is a code of conduct for the textile industry. - Coop becomes the first Swiss retailer to introduce MSC-certified seafood products.
1999	<ul style="list-style-type: none"> - Exclusive partnership with Pro Specie Rara. First products introduced in 2002.
1997	<ul style="list-style-type: none"> - BioRe® Foundation established by Remei AG, with Coop as a board member.
1993	<ul style="list-style-type: none"> - Coop Naturaplan and Coop Naturaline own-label sustainability brands introduced and Coop Oecoplan repositioned.
1992	<ul style="list-style-type: none"> - The present Max Havelaar quality label is introduced as the Coop own-label brand Cooperacion.
1989	<ul style="list-style-type: none"> - The Coop own-label sustainability brand Oecoplan is introduced (as a label for environmentally friendly packaging and foodstuffs).
1973	<ul style="list-style-type: none"> - Environmental protection is enshrined in Coop's Articles of Association.
1942	<ul style="list-style-type: none"> - Coop Aid for Mountain Regions is founded to support the inhabitants of Swiss mountain regions.

Strategy and organization

Sustainability is an integral part of Coop's strategy. It is incorporated into existing structures and procedures as well as the goal-setting process. Priority is given to measures that have substantial leverage, make a contribution to supply security and improve resource efficiency.

Engraining sustainability as a way of thinking

Sustainability as part of Coop's strategy

The currency crisis, global economic insecurity and also the nuclear disaster in Japan led to sustainable values assuming even greater importance in 2011. Sales of Coop own-label sustainability brands and quality labels were above average and even increased from their previous commendable level. With these products accounting for 10.9% of retail turnover, Coop is well above the international average for comparable retailers with complete ranges. In particular, the percentage of Fairtrade products increased significantly as a result of converting the entire range of rice, chocolate bars and exotic fruit. The efforts of Coop's own manufacturing companies also helped to supply the Group with sustainable products. These companies are also successfully selling sustainable products in third-party markets in Switzerland and elsewhere, and are thus able to differentiate themselves from their competitors. Since its acquisition of the Transgourmet Group, Coop has been investigating areas in which sustainable products might also be significant in the international wholesale market. All Transgourmet Group companies will also be formulating a sustainability strategy.

It is Coop's aim for its entire product range to ultimately meet sustainability requirements. In the year under review, Coop has therefore revised its supplier Quality Agreement and its Guideline on

Sustainable Sourcing. The Quality Agreement lays down the minimum quality, environmental and social standards for the entire product range, including internal purchasing. Suppliers of branded products are thus also expected to take responsibility. The Guideline on Sustainable Sourcing lays down the in-depth requirements for Coop-branded formats and for Coop manufacturing companies, and is indicative for all other Coop sales formats. Outside the own-label brand area, the responsibility for implementing these guidelines lies clearly with our business partners. Coop regularly recognizes particular efforts in this field by awarding the Natura Prize.

The nuclear reactor accident in Japan has led to a global rethink in the energy debate. Coop's efforts to reduce energy consumption, promote the use of renewable energy and become CO₂-neutral by 2023 as part of its energy/CO₂ vision are increasingly proving to be meaningful and necessary from a business point of view. Coop manufacturing companies and Transgourmet Group companies are therefore also attaching great importance to these issues. Sustainability and profitability are not mutually exclusive – in fact, they are becoming increasingly interdependent. The ongoing erosion of retail trade margins means that sustainability goals will increasingly have to focus on areas where significant leverage can be achieved, and conflicting objectives will have to be discussed more openly with stakeholders. What is important is to involve the entire value chain in improvement efforts and also to use international standards to avoid duplication.

Focusing efforts

Coop is focusing its sustainability efforts on areas that are not only characterized by a high degree of social expectation, but are also of major significance with regard to costs, security of supply or market differentiation from an internal point of view. These also need to be areas in which Coop sees opportunities for action. Some issues, such as climate change, the efficient use of energy and water, reducing packaging, and also waste and recycling issues, are relevant in all areas – retail, production and wholesale. This also applies to food and product safety, dealing appropriately with Coop’s own employees and those in the supply chain, and to transparency and traceability requirements. Public expectations for products with specific added value such as organic, Fairtrade, regional, animal welfare and GMO-free products are far higher in retail than in wholesale. In the wholesale trade, customers are generally less prepared to pay extra and the potential for market differentiation is smaller. Society’s expectations are less pronounced when it comes to manufacturing companies, although market differentiation can still be achieved perfectly well via sustainable product ranges. Outside the retail trade, the general public is also less likely to directly demand supply chain transparency, adherence to minimum requirements and the protection of forests by means of certified raw materials such as soya, palm oil and wood pulp. These factors are more likely to form part of the requirements catalogues for major customers instead. In this case, wholesalers and manufacturing companies benefit from the experience and networks that Coop has built up in its capacity as a retailer.

Coop is the world champion



Prof. Dr. Thomas Dyllick
University of St. Gallen,
Institute for Economy and
the Environment

“ In June 2011, Munich’s renowned independent

rating agency Oekom Research AG declared Coop to be the most sustainable retailer in the world. Coop should be rightly proud of this accolade. Oekom Research analyzes companies according to the world’s most comprehensive criteria and obtains its information not only from the companies themselves but also from a variety of other sources – an approach that ensures independence, integrity and credibility. This rating means customers can be certain that Coop’s sustainability promises are believable. For Coop, it means that the Group’s many years of commitment are bearing fruit and receiving recognition. However, the rating has also highlighted areas in which Coop still needs to take action, for example in reducing the environmental impact of packaging. This is a subject that Coop has addressed directly in 2011.”

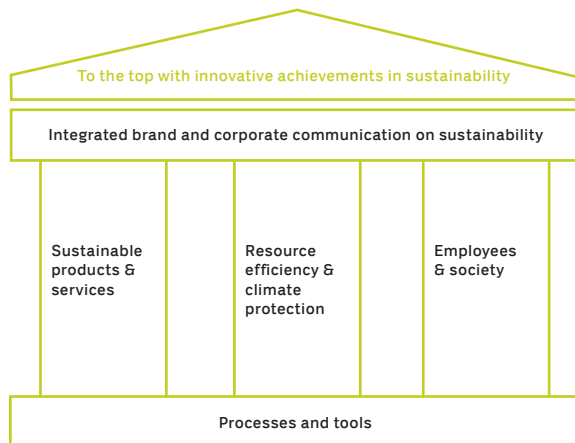
Strategic and operational controlling

Coop strategically monitors the implementation of sustainability via specific key performance indicators on balanced scorecards. Achieving targets in all three pillars of sustainability – sustainable products & services, resource efficiency & climate protection and employees & society – is the responsibility of management in the business segments concerned. Although this is already in place for the manufacturing companies, specific targets and responsibilities still need to be defined for the Transgourmet Group. Data covering several years is available for this purpose, in particular relating to energy, waste and water.

Sustainability relevance table

high	Society's expectations – external viewpoint	Preventive health Unemployment	Forest protection Biodiversity Fair trade Animal welfare Water management Transparency and traceability	Overfishing Climate change Energy saving appliances Healthy nutrition Maintaining purchasing power Sustainable consumption Food and product security	
		medium	Littering Protecting young people Protecting the countryside Over-indebtedness	Waste and recycling Integrating disabled people into the work process Family-friendly working-time models Promoting renewable energy sources	Good working conditions for employees Competitive and sustainable agriculture Sustainable customer transport Promoting organic farming
		low	Promoting sport and the arts Tackling corruption	Dispensing with GM foodstuffs Adding value in mountain regions	Handling organic waste
		Relevance from a company perspective – internal viewpoint			
		low	medium	high	

Sustainability strategy



In order to monitor the implementation of standards and guidelines in the supply chain, Coop is working towards implementing a supplier database that will enable all suppliers to be rated based on various criteria including quality and sustainability. Collaboration with purchasing offices in the Far East, Italy and Spain is important for this purpose. Compatibility between different systems is a basic prerequisite for the efficient implementation of sustainability within current processes. At a later date, Coop also intends to include Transgourmet Group suppliers in its monitoring process. Tools are already in place for assessing some suppliers, for example at Prodega/Growa, Howeg and Rewe Foodservice.

Coop Sustainability Fund

Integration into the sustainability strategy

The Coop Sustainability Fund acts as a central tool for fostering innovation and raising public awareness, with the aim of promoting sustainable consumption. So that this objective exerts the maximum influence in all business segments, the Fund has been integrated into the top level of the sustainability strategy. This reorientation enables the Fund's financial resources to be used in all business segments and be more closely aligned with the Coop value chain. The Fund is therefore able to promote sustainable consumption where Coop, as a retailer, has the greatest leverage and expertise – in its own core business.

Processes and decision-making channels

To ensure that Fund projects are relevant to Coop itself, innovative ideas for projects are being generated from within Coop's own ranks as well as by its business partners. This enables knowledge and

practical experience to be optimally utilized at all stages of the value chain. Synergies with existing channels and projects can also be exploited by critically examining projects within decision-making bodies made up of technical specialists and an external expert. The strict selection criteria used are defined in the Coop Sustainability Fund's updated guidelines. For example, projects must be of a distinctly innovative and pioneering nature. And it must generally not be possible to implement them without start-up funding from the Coop Sustainability Fund. This means the Fund cannot cover any ongoing operating costs, including those of organizations. Integrating the Fund more closely into the Group has already proved fruitful in 2011, leading to the targeted use of financial resources with the launch of 20 exciting new projects.

Tools and projects

Sustainable consumption is being promoted via communication projects targeted at the general public. Coop is also supporting the provision of a sustainable product range via innovative projects. The Fund's financial resources are being split 50-50 between these two approaches. With its communication projects, Coop wants to make consumers aware of the wide selection of products available to them, and also of the fact that their purchasing behaviour can have a positive impact. The profile of sustainable consumption is being raised through point-of-sale tasting sessions, exhibitions, brochures and media coverage. The Fund has also provided financial support for the theme of the year "For the people behind it all" and the "VIVA Grand Prix 2011" employee event. As a counterpart to this, innovative projects are generating possible ways of designing sustainable product ranges in a manner that is competitive and also conforms with market requirements. These studies and pilot projects often have a positive impact far beyond Coop's markets, as the results can be adopted and disseminated by external bodies. They form the basis for the ongoing development of Coop's own-label sustainability brands and quality labels, and are therefore a prerequisite for positive sales trends in this segment.

Stakeholder dialogue

Regular exchanges in all areas

Coop has for many years been holding an intensive dialogue with relevant stakeholders from all three sustainability pillars. In pillar one, these specifically include the WWF, label organizations such as Max Havelaar and Bio Suisse, initiatives in the fields of

food and health, the Swiss animal welfare organization STS and the Business Social Compliance Initiative (BSCI). The manufacturing companies are already well integrated into these networks, while a corresponding dialogue still needs to be identified and established for Transgourmet Group companies. In pillar two, significant collaboration takes place with the authorities at all levels. Coop also engages in dialogue with semi-public organizations such as the Business Energy Agency (EnAW) and Swiss recycling organizations, which also make an important contribution to increasing implementation expertise in the field of corporate ecology.

In pillar three, the focus is on social partnership and an intensive dialogue with trade unions. At some Transgourmet sites this dialogue is subject to more stringent legislation than in Switzerland, while at others it is still in its infancy. Since labour markets and legislation vary from country to country, different forms of social dialogue will develop. However, the common aim is to allow employees to have a share in jointly developed advances in productivity, to support them with training and professional development measures and to retain them within the company, as well as working towards implementing decent working conditions within Transgourmet companies and along the supply chain. From a social perspective, the focus in both retail and wholesale is on working with social institutions that supply the needy with edible expired food. The manufacturing companies support this important cause with fixed donations, and Coop has played a pioneering role in tackling food waste in this way.

Actively involving delegates

As a cooperative, Coop's stakeholders also include its 60 delegates from six regions. Coop's Board of Directors and Executive Committee maintain close contact with these delegates by attending the meetings of local boards, Regional Councils and their committees. In addition, a Delegate Assembly is held twice a year. Every four or five years, current issues are discussed in depth at this Assembly. At the 23rd Delegate Assembly of Coop Cooperative held in October 2011, delegates had the opportunity to explore and actively discuss current Coop Group strategies in various workshops. Topics included Coop's sales formats, logistics, marketing and purchasing, real estate, sustainability and Transgourmet. The Board of Directors and Executive Committee will now continue these discussions and revisit key points at the forthcoming Delegate Assembly in early 2012, taking account of delegates' views.

Fruitful exchange of experiences with Coop



Frank Seipelt
Managing Director
Rewe Foodservice

“ Rewe Foodservice is very aware of its responsibility towards society's diverse expectations regarding sustainability in a world of global markets. An ongoing dialogue with internal and external stakeholders is laying the foundations for understanding the complex interrelationships involved in sustainability, deriving from these the needs of various groups of social stakeholders, and harmonizing these needs with our own requirements. We are greatly looking forward to a fruitful exchange of experiences with Coop and are certain we will receive dedicated support in the pragmatic implementation of the relevant requirements. This will lead to improved social interaction and more sustainable activity in an increasingly complex world.”

Targets

Defining new medium-term targets

Coop published its first sustainability report in 2004. In its 2006 Sustainability Report, the company was already transparently presenting its targets, measures taken and an estimated degree of attainment. Recognizing that some measures could not be implemented within a year, for organizational reasons in particular, Coop drew up medium-term targets for the first time in 2007, covering the period 2008 to 2010. It drew up new medium-term targets in 2010. These were based on the sustainability relevance table, took account of stakeholders' interests and were agreed by the Executive Committee. The acquisition of the Transgourmet Group and the increasing involvement of manufacturing companies in sustainability reporting make it necessary to expand this process to include specific targets for these two business areas. For Transgourmet, the first step must involve creating transparency regarding the current state of implementation. It will then be possible to generate quantitative targets.

Target attainment in 2011

In 2011, Coop was able to make progress in the following three areas in particular: incorporating sustainability targets into the annual Coop goal-setting process; implementing its CO₂ vision, including reducing energy consumption and switching to renewable energy; and screening product ranges for environmental and social risks, including setting initial targets and developing initial projects. Coop

can be particularly proud of the degree to which it has achieved targets concerning the promotion of sustainable consumption. Task areas, targets and procedures have been defined for reducing and optimizing packaging. These are intended to ensure that this issue, which is important for consumers, will be given even more attention in the future. With regard to sustainable customer mobility, Coop is examining various possible approaches together with EnergieSchweiz and the Coop Nordwestschweiz Sales Region, which it will subsequently be possible to disseminate more widely. Last but not least, Coop has succeeded in expanding its efforts towards sustainable product ranges outside its direct sphere of influence via purchasing alliances.

Additional topics on the internet 

Sustainability principles	www.coop.ch/principles
Memberships	www.coop.ch/memberships
Coop Sustainability Fund	www.coop.ch/fund
Stakeholder dialogue	www.coop.ch/stakeholder

Johnson Peralta

Fisherman from the Philippines

Coop Sustainability Fund

The Coop Sustainability Fund acts as a central tool for fostering innovation and raising public awareness of sustainable consumption. The Sustainability Fund enables Coop to initiate innovative solutions in socially and environmentally relevant areas, thus promoting pioneering achievements in the field of sustainability.



Each month, **Johnson Peralta** spends up to three weeks away at sea. He catches yellowfin tuna for a WWF development project on sustainable fishing – one of a total of 66 projects currently supported by the Coop Sustainability Fund.



1 Together with the WWF, Coop is establishing a sustainable tuna fishing project in the Philippines following MSC guidelines, while simultaneously securing the long-term livelihoods of the fishermen.

2 The sourcing project for Max Havelaar organic rice from India and Thailand is being jointly developed by the Coop Sustainability Fund and Helvetas. It is having a positive effect on the environment and farmers' living conditions.

3 Pro Specie Rara aims to maintain the diversity of 1 000 traditional Swiss garden and crop plants, 450 varieties of berry, 1 800 varieties of fruit and 26 cattle species. Coop is helping the foundation to promote and publicize its products.

4 The Research Institute of Organic Agriculture is developing methods of curbing citrus greening, a disease that is wiping out entire citrus plantations. Over 130 farming families in Mexico and Cuba are benefiting from this initiative.

5 With Coop's support, the University of Leicester is implementing a variety of projects in the Naivasha region of Kenya to improve the quality and availability of water. 4 000 people involved in cultivating Max Havelaar roses are benefiting from these projects.



Targets and degree of attainment

Goals for 2011–2013	Measures taken in 2011	Goal achievement level
Strategy and management		
Integrate sustainability goals into the Coop goal-setting process	<ul style="list-style-type: none"> – New medium-term goals defined for 2011–2013 – Sustainability goals integrated into annual goal-setting process and therefore now linked to bonuses – Strategic Controlling is monitoring goal attainment at a corporate level 	High
Demonstrate commitment to the environment and sustainability in industry associations and policies	<ul style="list-style-type: none"> – Active, visible commitment to an ambitious climate policy – Foundations laid for future waste policy within IG DHS – Active involvement in environmental and sustainability organizations 	High
Manufacturing companies: Integrate sustainability goals into strategic controlling in manufacturing companies	<ul style="list-style-type: none"> – All manufacturing companies integrated into the goal-setting process 	High
Transgourmet: Draw up a top-level sustainability strategy taking account of site-specific challenges	<ul style="list-style-type: none"> – Initial survey carried out with a view to integration into the Coop Sustainability Report – Common relevance table drawn up 	Low
Sustainable consumption		
Consolidate Coop's leadership in own-label sustainability brands and quality labels in all formats	<ul style="list-style-type: none"> – Product range greatly expanded and 5.9% growth in sales of own-label sustainability brands and quality labels – Own-label brand Qualité & Prix Asian rice and chocolate bars switched to Fairtrade 	High
Expand the range of regional and seasonal produce	<ul style="list-style-type: none"> – "Organic – fresh from the region" programme expanded and integrated into additional sales outlets – Seasonal range expanded 	High
Maintain leadership in products involving particularly humane animal husbandry	<ul style="list-style-type: none"> – Natura Veal programme expanded – Young boar fattening: The practice of castrating male piglets has been discontinued at two Coop Naturafarm pilot farms – Support provided for pork producers who are going organic 	High
Maintain leadership in sustainable seafood range	<ul style="list-style-type: none"> – Proportion of MSC-certified wild fish in the range increased to around 57% – 31% of farmed fish are Bio Suisse-certified – Further products from threatened fish stocks delisted (total = 37) – Tuna fish from a WWF development project in the Philippines now sold 	High
Screen the entire food and non-food range for environmental and social risks	<ul style="list-style-type: none"> – Non-food range screened, actions and projects extrapolated 	High
Reduce the environmental impact along the value chain, focusing in particular on energy, water and biodiversity	<ul style="list-style-type: none"> – Product range expanded significantly in own-label sustainability brands and quality labels – Life-cycle assessment jointly drawn up for meat with Agroscope (completion 2012) 	High
Continue to reduce, declare and offset CO ₂ emissions generated by air freight	<ul style="list-style-type: none"> – New sources established for herbs, lamb, horse meat and beef – In-setting compensation projects set up with WWF and South Pole in Kenya and Ghana – Withdrawal of initial CO₂ certificates in fridge recycling project in Brazil 	Medium
Reduce the use of materials in packaging	<ul style="list-style-type: none"> – Packaging levels surveyed across the entire own-label brand range and optimization potential analyzed – Quantifiable goals defined for 2012 to 2015 – Initial projects defined 	High
Develop and promote new environmentally friendly products and services	<ul style="list-style-type: none"> – Numerous innovations introduced: Over 140 new Naturaplan products, 78 new Max Havelaar products and 272 new Oeoplan products – Bioverita Naturaplan organic crusty bread added to range – RSPO palm oil from a traceable source used for Betty Bossi dough – Significantly more LEDs in light-bulb range 	High

Goals for 2011–2013	Measures taken in 2011	Goal achievement level
Manufacturing companies: Expand and promote a sustainable range of products	<ul style="list-style-type: none"> – Project for sustainable cocoa cultivation by Chocolats Halba – Coop own-label rice from Asia switched to Fairtrade by Reismühle Brunnen – CWK-SCS has launched the cultivation of organic-quality flowers in the Swiss Alps for natural cosmetics – The CWK-SCS Maya line is the market leader in environmental cleaning products for professional users 	High
Transgourmet: Promote and expand the range of organic and sustainably produced products	<ul style="list-style-type: none"> – Organic product range expanded – Advanced delisting of fresh eggs from battery-reared hens 	Medium
Business partners/purchasing		
Take systematic account of environmental and social criteria when evaluating suppliers at manufacturing company level	<ul style="list-style-type: none"> – Implementation of BSCI in food processing started – Comprehensive watchlist drawn up for BSCI non-food – Guideline on Sustainable Sourcing totally revised 	Medium
Ensure sustainably produced raw materials and products are purchased, particularly for own-label sustainability brands	<ul style="list-style-type: none"> – Organic fish projects set up – Environmental protection projects for rose production in Kenya – Organic Swiss Christmas tree cultivation established – Gradual conversion of Coop Qualité & Prix coffee to Max Havelaar – Conversion to 80% segregated sustainable palm oil for Coop own-label brand foodstuffs by 2013 – Innovation projects with the WWF for FSC rattan 	Medium
Improve manufacturing company working conditions in high-risk countries and in primary agricultural production	<ul style="list-style-type: none"> – Number of BSCI-audited manufacturing companies increased from 281 to 343. Number of companies with BSCI audit rating “good” rose from 136 to 188 – A further 37 suppliers are BSCI members themselves – Coop-led BSCI training courses held for suppliers in China; support provided for national training activities in India and China – Round table held involving all stakeholders, and GRASP training courses held in Italy and Spain – BSCI PP and GRASP implemented in Morocco 	Medium
Exploit synergies with Eurogroup and Coopernic in relation to sustainable sourcing	<ul style="list-style-type: none"> – Coopernic projects launched to promote sustainable fruit production in Spain, Italy and Costa Rica – Successful trial environmental audit of suppliers in China carried out in accordance with GSCP together with Eurogroup Far East Ltd. – Sustainable sourcing projects from point of origin involving rattan (Laos), furniture (Indonesia) and rice (India/Thailand) with Eurogroup Far East Ltd. – Irrigation project for small-scale farmers in India, Madagascar and Guatemala as part of Coopernic 	Medium
Promote innovative approaches and projects to improve resource efficiency in production	<ul style="list-style-type: none"> – Initial investigations underway 	Low
Manufacturing companies: Ensure sustainably produced raw materials are purchased locally	<ul style="list-style-type: none"> – Sustainable cocoa cultivation in Honduras by Chocolats Halba in conjunction with Helvetas – Sustainable rice cultivation in India and Thailand by Reismühle Brunnen together with Helvetas 	Medium
Transgourmet: Develop common quality agreement and sourcing guidelines	<ul style="list-style-type: none"> – Initial survey of existing documents carried out 	Low
Transgourmet: Implement BSCI code of conduct for suppliers in high-risk countries	<ul style="list-style-type: none"> – No activity yet 	Low

Goals for 2011–2013	Measures taken in 2011	Goal achievement level
Corporate ecology		
Reduce energy consumption in sales outlets by using the Minergie standard, new lighting concepts and optimized cooling	<ul style="list-style-type: none"> – 32 additional sales outlets converted or constructed to the Minergie standard, of which six are certified – LED lighting expanded – 37 additional sales outlets have CO₂ cooling systems 	High
Reduce energy consumption in distribution centres and manufacturing companies by optimizing the use of waste heat and lighting concepts	<ul style="list-style-type: none"> – Existing oil-powered heating in banana ripening plant replaced by waste heat from cooling system – Use of waste heat further optimized in several distribution centres 	High
Reduce the energy consumed by transporting goods and passengers	<ul style="list-style-type: none"> – Pilot project to supply five Coop megastores and 29 Building & Hobby outlets via unaccompanied combined transport (UCT) – Five sales outlets in the Coop Bern and 155 in the Nordwestschweiz sales region supplied with frozen products from Givisiez via UCT – Pasta Gala deliveries to national distribution centre via UCT – 270 trucks (approximately 60% of the fleet) equipped with the “Fleetboard” telematics system for optimizing driving behaviour – Business travel increasingly using a combination of rail and Mobility car sharing; Mobility kilometres up by 8.9% compared with previous year 	High
Increase the use of renewable energy sources for heating and fuel	<ul style="list-style-type: none"> – Switzerland’s first wood-burning furnace commissioned for producing process heat in an industrial bakery (Gossau SG) – Additional sales outlets equipped with heat pumps and wood-fuelled heating systems – Filling stations at three more distribution centres adapted to use biodiesel 	High
Promote sustainable customer and employee mobility	<ul style="list-style-type: none"> – Analysis phase of EnergieSchweiz “Mobility management in companies” programme carried out – Trial home delivery by bike project started 	Medium
Develop and implement a standard for the sustainable landscaping of sales outlets and production facilities	<ul style="list-style-type: none"> – Development started within a newly formed working group 	Low
Transgourmet: Reduce energy consumption in stores and logistics centres	<ul style="list-style-type: none"> – Lighting optimized by controlling external lighting, motion control and time control as well as reducing lighting outside working hours – LED lighting investigated and initial use commenced – Utilization of waste heat from cooling systems for heating purposes expanded 	Medium
Transgourmet: Reduce the energy consumed by transporting goods and passengers	<ul style="list-style-type: none"> – Additional low-emission vehicles with optimized fuel consumption purchased, plus ongoing optimization of truck routes and logistics flows – Eco-drive training courses held for employees – Additional video-conferencing facilities installed – E-learning introduced to replace external courses 	Medium
Transgourmet: Increase the use of renewable energy sources in stores and logistics centres, and also as fuel	<ul style="list-style-type: none"> – Power requirements covered by electricity from renewable sources (Fegro/Selgros Germany and Rewe Foodservice) 	Low

Goals for 2011–2013	Measures taken in 2011	Goal achievement level
Employees and society		
Hold internal training to increase sustainability awareness and expertise	<ul style="list-style-type: none"> – Sustainability training strategy implemented – National motivation and awareness-raising day held for approximately 1 800 employees – Ten monthly posters produced for dissemination in sales outlets – Regional motivation events held for all Building & Hobby managers 	High
Expand occupational health management with offerings targeted at specific groups	<ul style="list-style-type: none"> – Smoking cessation courses, activity week, absence survey, ergonomics analysis for logistics 	Medium
Expand efforts to integrate disabled people into working life	<ul style="list-style-type: none"> – Voluntary target of at least 1% of jobs for people with restricted functional capacity – Contracts worth around three million francs awarded to sheltered workshops – Approximately 40 000 Christmas cards produced by workshops for the disabled 	High
Promote healthy eating by providing information and a range of nutritionally superior products	<ul style="list-style-type: none"> – Sugar and salt reduced as part of the Federal Office of Public Health's actionsanté initiative – Délicorn, Jamadu and Free From ranges expanded and sales increased – Online coach relaunched – Free From cookery book published 	High
Reduce food waste by 50% compared with 2010 and give food to the needy	<ul style="list-style-type: none"> – Twice as much edible expired food collected compared with 2007 – 54 new sales outlets added to the "Schweizer Tafel" (Swiss table) and "Tischlein deck dich" (Table be set) network – Bananas and rice from Coop manufacturing companies donated to Caritas shops 	High
Broaden internal and external awareness of protecting young people	<ul style="list-style-type: none"> – Participation in Federal Office of Public Health's alcohol action day – Training for till staff intensified – In-house test purchases carried out in line with uniform standards 	High
Transgourmet: Initiate/expand the donation of edible expired food to the needy	<ul style="list-style-type: none"> – Food donation organization established in Romania together with the Orthodox Church – Collaboration expanded with "Die Tafeln" food donation organization in Germany 	High
Communication		
Improve communication on the environmental impact of consumption	<ul style="list-style-type: none"> – Communication focused around the key theme of "For the people behind it all" – "VIVA Grand Prix 2011" employee event – Coop is the main sponsor of the Umwelt Arena in Spreitenbach – Oekom Research AG has declared Coop to be the world's most sustainable retailer 	High

Sustainable consumption

For the first time, sales of Coop own-label sustainability brands and quality labels top the two-billion-franc mark. Coop launches a Fairtrade offensive and promotes sustainable consumption with its “For the people behind it all” campaign. 650 000 people benefit from the Fairtrade products sold at Coop.

Creating sustainable product ranges

Four ways of achieving sustainable product ranges
Coop has worked hard over the last 20 years to offer its customers the most comprehensive and attractive range of environmentally friendly, animal friendly and socially responsible products. Today, every second organic product sold in Switzerland passes a Coop check-out. Coop is also by far the world’s largest supplier of fair trade organic cotton, and by far Switzerland’s largest marketer of Fairtrade products. Coop achieves market leadership positions such as these thanks to committed staff, customer awareness and experienced partners and suppliers. Other success factors include not only ongoing efforts to improve the product range but also communication and research. Coop has identified four possible ways of promoting sustainable consumption – adhering to legal regulations, international and industry recognized standards, innovative pilot and flagship projects, and delisting non-sustainable products. In parallel with this, Coop invests significantly in raising consumer awareness.

Legal compliance and proactive measures

For Coop, legal compliance is not just a matter of observing the applicable legal regulations. It also means monitoring legal developments in Switzerland and the EU in order to be able to take proactive measures. For example, Coop maintains a “watchlist” relating to electrical appliances. It uses

this list to record any possible legal developments over a timeframe of two to three years, analyze the impact they will have on the Group and identify specific purchasing guidelines. The watchlist is updated quarterly and discussed with the purchasing groups concerned. This enables Purchasing to identify market opportunities, implement new requirements promptly and therefore offer customers environmentally friendly alternatives in good time. For example, Coop completely removed conventional light bulbs from its product range in autumn 2011 – a year before the legal deadline. Thanks to rapid technological advances in LED lighting and energy saving light bulbs, Coop can now meet customer requirements with energy saving lighting.

Internationally recognized standards

The second way in which Coop can promote sustainable consumption is via international, industry recognized standards. These are an important means of implementing sustainability requirements within the standard range. Coop has either initiated the development of standards or contributed to their ongoing development and implementation in various areas, for example as a member of the Round Table on Responsible Soy (RTRS) and the Roundtable on Sustainable Palm Oil (RSPO). Coop laid the foundations for the RTRS – back in 2004, it developed the stringent “Basel criteria for responsible soy cultivation” together with WWF Switzerland to promote sustainable soya. In 2011,

Coop founded the Swiss Network for Sustainable Soy together with key representatives from the production chain. Members of this network have set themselves the target of ensuring that by 2014 at least 90% of the soya animal feedstuffs imported will be non-GM in accordance with sustainability guidelines such as those of ProTerra and the RTRS. And Coop is setting itself ambitious targets for palm oil too. It intends to replace 80% of the palm oil used in Coop own-label brand foodstuffs with RSPO-certified palm oil by 2013. Thanks to excellent collaboration with Coop bakeries and the palm oil importer Nutriswiss AG, an initial milestone has already been reached – since autumn 2011, Coop has exclusively been using RSPO-certified palm oil from Malaysia for all Betty Bossi ready-to-bake dough. www.rspo.org, www.responsiblesoy.org

Innovation projects as a means of profiling

Coop's third way of promoting sustainable consumption is via innovative pilot and flagship projects with which it can set itself apart in the marketplace. Its many years of experience with innovation projects, a network of national and international partner organizations and, not least, the opportunity to provide such projects with start-up funding from the Coop Sustainability Fund all enable Coop to be particularly successful in this field. In 2011, Coop and the Bell Seafood manufacturing company got together with the WWF and Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG) to launch an innovative yellowfin tuna fishing project in the Philippines. The yellowfin tuna are caught in an environmentally friendly, selective manner using hand lines. This ensures that the

Exemplary commitment for the future of our forests



Marcelle Peuckert
Development Director, Forest Stewardship Council (FSC)

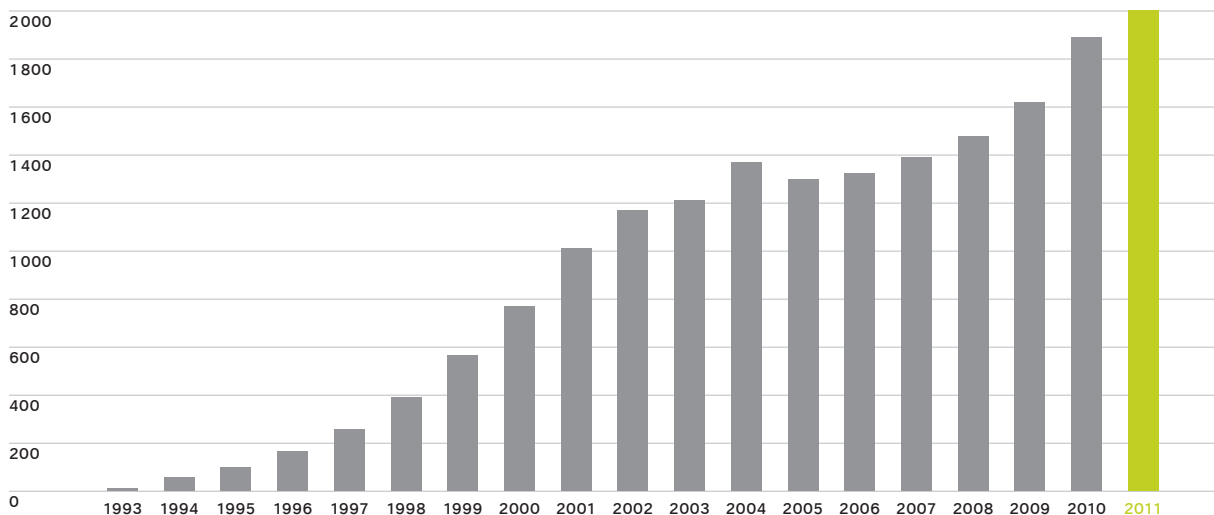
“The International Year of Forests 2011 provided a unique platform to highlight

the importance of forests and acknowledge the efforts people are making towards sustainable forestry all around the globe. The FSC helps companies to address forestry issues in a responsible manner within their supply chains. Almost 20 years of experience have shown that FSC certification provides both environmental and social advantages. Our business partners – all of them companies that manufacture, use and promote FSC-certified products – are role models in sustainability. And Coop is one of these. By creating and promoting ‘green’ product lines such as Oecoplan, Coop is giving its customers the opportunity to make decisions in their everyday lives from which people and the environment will benefit. By promoting FSC products and advancing sustainable innovations such as the ‘FSC Teak Indonesia’ project, Coop is making forest protection an important component of good business practice.”

only fish caught are adults that have already reproduced at least once. The project enables the fishermen involved to earn a livelihood for themselves and their families in the long term. Coop has already included yellowfin tuna in its fresh product range. The aim is to achieve MSC certification by 2014, officially certifying the tuna as sustainable. Another example involves the introduction of rat-

Sales of Coop own-label sustainability brands and quality labels

Naturaplan, Naturafarm, Oecoplan, Naturaline, Pro Montagna, Pro Specie Rara, Slow Food, Max Havelaar, Bio, MSC, FSC and Topten
Sales in CHF millions



tan baskets sold under Coop's own-label brand Oecoplan, for which the raw material comes from a sustainably managed forest in Laos. In August 2011, this forest was the first in the world to gain FSC certification for rattan. The project, which has been supported by the WWF for five years, guarantees an income for villagers and protects the severely threatened tropical forest from over-exploitation.

Delisting – the most radical option

Coop attaches great importance to freedom of choice for consumers. However, it will not hesitate to rapidly delist any unsustainable products in order to achieve a sustainable product range. For example, Coop's concern for animal welfare means it does not sell frogs' legs, foie gras, reptile leather or down from live-plucked animals. In 2007, Coop signed a declaration renouncing the sale of fur with the exception of sheepskin. Another step towards a systematically sustainable product range is its non-use of eggs from battery hens, even in processed products. For occupational health reasons, Coop does not sell sand-blasted jeans. And there are also environmental reasons for excluding certain products. For example, Coop does not sell products made from non-FSC labelled tropical timber. In addition, it largely refrains from selling invasive species of plant. Coop also removed conventional light bulbs from its range before the legal deadline. Restricting consumer choice in this way is the fourth and most radical means of promoting sustainable consumption. This also involves fish species that are over-fished, provided they cannot be replaced by others of the same species from a less questionable source. As a founding member of the WWF Seafood Group, Coop has its range audited each year by the WWF. The fish range is categorized according to six levels of risk. Coop has either completely banned all fish from the top two risk levels from its range, or has been able to replace them with species that are less threatened. Coop does not sell a total of 37 products made from acutely endangered species.

Raising awareness through promotions and events

As well as a sustainable product range, Coop is constantly investing in making consumers more aware of sustainable consumption. Posters, information brochures, seasonal calendars, special offers and recipes highlight the added value of sustainable products. With sales activities such as carrier bags full of reduced-price fruit and vegetables, Coop intends to specifically increase consumer interest in seasonal produce. Coop also supports events that focus on sustainability is-

ues, such as the annual energyday initiative organized by EnergieSchweiz and energie-agentur-elektrogeräte (eae). This involves companies and organizations getting together to make people more aware of how energy efficient appliances are. As part of energyday, Coop customers benefit from attractive promotions across all sales formats. Thanks to the Swiss Federal Office of Energy's "Competitive tenders – ProKilowatt" programme, Coop was able to offer further attractive deals on particularly efficient appliances in 2011. This led to some additional 97 500 energy efficient appliances being sold in 2011, generating energy savings totalling 105 million kilowatt hours for customers.

The Fairtrade offensive

Fair trade becomes the Coop norm

According to the Global Hunger Index (GHI) 2011, the main reasons that make healthy and adequate nutrition difficult, particularly for people in poor developing countries, are high and volatile food prices. The reasons for price increases and volatility include the need to feed a growing population, the increased use of foodstuffs for producing energy and the impact of climate change on harvests. So that producers, particularly those in the southern hemisphere, are not rendered completely helpless in the face of these price fluctuations, Coop's trade relationships are based on reliable partnerships that provide security for both parties. Its vision is that fair trade in Coop products from the southern hemisphere will become the norm.

Switching over rice, chocolate bars and exotic fruit

Coop is already Switzerland's largest supplier of Fairtrade-certified products, and is thus improving the livelihoods of around 130 000 small-scale farmers and workers around the world. Including family members as well, around 650 000 people are benefiting directly from fair trade with Coop. Around 98% of Coop cut roses and 88% of Coop bananas currently bear the Max Havelaar quality label for fair trade. In 2011, Coop gradually started to switch over additional strong-selling products from the Qualité & Prix own-label standard brand to Fairtrade raw materials. The additional cost of converting all these products is being covered by Coop itself. So despite the added value for consumers, these products will not become any more expensive. Since March 2011, all Asian varieties of Coop Qualité & Prix and Coop Naturaplan rice have been fully Fairtrade-certified. This means Coop is guaranteeing small-scale farmers in Thailand and India fixed annual sales volumes, minimum prices and

Commitment to fair prices



Karl Haf
Chairman of the Executive
Committee, Reismühle Brunnen

“Consumers are attaching increasing importance to sustainably cultivated and

traded products. To meet this need, Reismühle Brunnen has been steadily expanding its product range over the last decade. It now markets Asian rice exclusively under the Fairtrade Max Havelaar quality label. This includes basmati rice from India and aromatic rice from Thailand.

To meet Swiss consumer demand for sustainability and quality in the long term, Reismühle Brunnen is now going one step further. Together with Helvetas and with support from the Coop Sustainability Fund, it is investing in setting up sustainable projects in India and Thailand. These are far-reaching projects incorporating aspects such as environmentally friendly cultivation, fair prices and also reductions in water consumption and greenhouse gases. The aim is to achieve a long-term improvement in the living conditions of small-scale farmers.”

Fairtrade premiums. New Fairtrade cooperatives are also being set up in Asia, and these will receive local financial and technical support. For example, Coop is supporting environmentally friendly water management and the cultivation of additional types of plants. This will reduce small-scale farmers' dependence on rice cultivation and give them new sources of income.

Virtually all Coop Qualité & Prix chocolate bars were also converted to Fairtrade in 2011. According to the Max Havelaar Foundation (Switzerland), this will lead to a doubling of Fairtrade chocolate sales in Switzerland. This huge growth in Fairtrade cocoa is possible because the Coop manufacturing company Chocolats Halba is adopting new means of sourcing cocoa and working directly with Fairtrade cooperatives in Peru, Ecuador, Honduras and Ghana. Wherever possible, the exotic fruit sold by Coop comes from Fairtrade sources. The Max Havelaar Foundation and Coop purchasing staff are working very hard to gain Fairtrade certification for producers and supply chains in order to further expand the product range. Thanks to these efforts, Coop was able to virtually double its range of fresh exotic fruit from Fairtrade sources between 2009 and the end of 2011. Fairtrade fruit is increasingly being used in tinned food and convenience products too. And from 2012, all varieties of Coop Qualité & Prix coffee will be converted to Fairtrade.

 www.maxhavelaar.ch

Highlighting the people behind it all

T-shirt campaign with producer portraits

Coop has been interacting fairly with its partners for many years, and focuses strongly on its relationships with local producers. In 2011, Coop placed these people at the heart of its communications and showcased their faces in the “For the people behind it all” campaign. The starting point was a t-shirt campaign portraying the people behind sustainable Coop products. These included the Indian organic cotton picker Seema Brade. She represents the over 7 100 farmers who grow Fairtrade organic cotton for the Coop own-label sustainability brand Naturaline in India and Tanzania. Carlos Vargas, Head of Finance at the coffee farmers' cooperative Tarrazú in Costa Rica was also featured. With support from Fairtrade Max Havelaar, he is responsible for social justice, sustainable cultivation and fair trade. Also on a t-shirt was the face of organic farmer Daniela Capaul, producer for the Coop own-label sustainability brand Pro Montagna, which is committed to Swiss mountain regions and preserving jobs in these areas.

Coop Naturaline t-shirts with the faces and names of 18 selected producers were available in all Coop City department stores and in larger Coop supermarkets. Consumers could also create their own t-shirts on the Coop website. For each t-shirt sold, ten percent of the sales price went to a Helvetas project in Honduras, giving local cocoa growers improved access to water.

Bringing together producers and consumers

The t-shirt campaign was not the only way in which Coop recognized the commitment of the people behind its products. A variety of Coop producers and employees were featured in depth over a total of 40 pages in a special Coop member press supplement. Coop also produced carrier bags bearing the faces of farmers and producers on one side and the faces of Coop employees and customers on the other. It was thereby building a visual bridge between its producers and end consumers. In sales outlets, Coop brought the mountain products line Pro Montagna to life for consumers via a show dairy and tasting sessions. There was also an opportunity to sample new Max Havelaar products in 164 selected Coop sales outlets. Coop Naturaline launched a competition with a prize of a trip to India, the land of cotton. And on 22 October 2011, Coop customers received a small organic Fairtrade Max Havelaar chocolate and accompanying flyer at the tills in all Coop supermarkets and restaurants as part of a broad-based campaign. The flyer provided information on the wide variety of Fairtrade

products available at Coop and the positive impact of Fairtrade premiums and minimum prices in the southern hemisphere.

Product declaration

The demand for transparency

Climate change, water shortages and dwindling biodiversity are global problems to which society is reacting by placing a variety of demands on retailers. In Switzerland, the government has tasked the Federal Office for the Environment (BAFU) with investigating how information on the environmental impact of products can be conveyed in an understandable form. It has to take into account developments in the European Union, where various initiatives such as the carbon reduction label in the United Kingdom and the French government's 'indice carbone' have been making rapid advances since 2007.

Coop's stance on product declaration

Coop supports clear, standardized European criteria for product declaration, in particular to prevent greenwashing. However, it is not in favour of a CO₂ label or a simplified traffic-light system, because these declarations do not do justice to the complexities of the issue. There are several reasons for Coop's stance. Firstly, it has not yet been possible to prove that consumers have modified their purchasing behaviour since the introduction of CO₂ labels. The information behind the labels is extremely complex and difficult for laypeople to understand. Secondly, no standardized methods exist with which consumers can compare product information on CO₂, biodiversity and water pollution, nor is there a freely accessible database recognized across all of Europe that contains primary data for life-cycle assessments. System limits and the assignment of data have not been defined either. This raises questions such as whether the consumption of products in private households should be included in calculations or not. Data assignment gets rather complicated if cows provide milk and meat, but also contribute to landscape conservation. Current EU labels so far only take account of environmental factors. Social factors such as international minimum standards for working conditions and animal welfare requirements are not included.

General rules instead of specific labels

Coop considers its responsibility to lie primarily in developing its product ranges. It uses life-cycle assessments as a valuable tool for the environmental optimization of its value chains. Since conducting life-cycle assessments is expensive and time-con-

suming, Coop concentrates on its own-label sustainability brands and key product groups. From these, it extrapolates basic statements and instructions for cultivation, transportation and packaging, and has drawn up guidelines for buyers. This ensures products meet environmental, social and economic criteria. Coop is convinced that general rules that are understandable and easy to implement are of more use to consumers than CO₂ labels and traffic-light systems. Coop provides information on these general rules for sustainable consumption via leaflets, brochures and reports in the Coop member press. Using the Coop Naturaplan ID, which has been printed on all Swiss organic fruit and vegetables since October 2010 and on all organic fruit and vegetables since October 2011, Coop provides consumers with relevant information on the producers involved, therefore making it possible to substantiate the products' added value.

Reducing and optimizing packaging

Background

In 2011, the independent rating agency Oekom Research AG declared Coop to be the "most sustainable retailer" in the world. One of the few areas for improvement it mentioned was packaging – a criticism that Coop is taking very seriously. Many consumers are also worried about packaging material they need to dispose of, and the fact that some organic fruit and vegetables are prepacked. However, life-cycle assessment findings show that packaging accounts for only a very small percentage of a product's environmental impact. Agricultural production has far greater repercussions. What is more, packaging material is not simply waste – it also fulfils an important protective function. In particular, packaging enables foodstuffs to be transported safely to their point of consumption. This reduces the quantities of spoiled goods that have to be thrown away. Packaging also provides consumers with valuable information such as nutritional values, calories, shelf life and allergy information. Organic products must be clearly labelled as such to prevent them being confused with conventionally produced products. The need for labelling can often be met with stickers, but in some cases there is no alternative to full packaging.

Analyzing the best ways of reducing packaging

In the interests of reducing and optimizing packaging, Coop has already converted flour, sugar, chocolate and bread packaging for Coop own-label brands to FSC-certified materials. In 2011, Coop also started to convert drinks cartons. In 2010,

it commissioned an external company to identify the most effective ways of reducing packaging for meat, convenience foods and also fruit and vegetables. The agency investigated all products where the packaging accounted for over 10% of the total weight. The results indicated that small packs and convenience products were particularly packaging-intensive. Small packs have become increasingly prevalent in recent years with the growing number of single households. Despite their higher percentage of packaging, they are still preferable to large packs if they prevent food from being wasted. Over-sized trays sometimes have to be used for fresh meat because logistics optimizations have led to a reduction in the different tray sizes available. In the case of convenience products, there are often no sensible packaging alternatives. In early 2011, Coop carried out a comprehensive survey of packaging data for 2010. The most effective ways of reducing packaging were then identified for all the main groups of goods, and appropriate measures derived. This enabled Coop to either save or optimize a total of 216 tonnes of packaging material (185 tonnes for food and 31 tonnes for non-food products) in 2011. Coop is also using pilot projects and tests and incorporating partner organizations to identify new packaging solutions.

Commitment within the Coop Group

Sustainability as a profiling tool

Sustainability plays an important role in the corporate strategies of Coop manufacturing companies too. These companies use their environmental, socially responsible and animal-friendly products to raise their profiles in the marketplace. For example, CWK-SCS is the clear market leader in environmentally friendly products in the Swiss bulk customer market thanks to the development of the Maya product line. Chocolats Halba's CO₂-labelled,

Fairtrade and certified organic products have even enabled it to break into key overseas markets such as Great Britain and the United States. And Reismühle Brunnen is benefiting from gratifying growth rates in the European market thanks to its leading expertise in organic and Fairtrade rice. Decisive factors for the success of these manufacturing companies include their pioneering role in managing sustainability and their convincing range of sustainable products.

www.coop.ch/manufacturing

Developing CO₂-neutral chocolate

The Coop manufacturing company Chocolats Halba has been working closely with farmers' cooperatives in production countries for many years now. As a result of this partnership, it was able to present the first ever CO₂-neutral chocolate at the 2011 ISM confectionery trade fair in Cologne. The CO₂ emissions generated by cultivation, processing and transportation are offset via a reforestation project directly in the growing area. The project meets consumer requirements for transparency in the value chain. The trees that are planted are logged via GPS so that the progress of forest growth can be monitored via Google Earth. Other innovative communication tools are also being developed, with the aim of bringing consumers closer to the growing areas and the people behind the products.

Innovative CWK-SCS disinfection process

CWK-SCS develops, produces and markets professional, personal and homecare products. It focuses its product development on environmentally friendly products that have user-friendly application features. Its latest innovation involves laundry disinfection for use in hospitals and nursing homes. CWK-SCS has succeeded in developing two new, extremely effective thermochemical laundry disinfection processes based on ecological detergents. These are even effective against the dread-

Sustainable ranges at Coop manufacturing companies
as a % of total sales

Coop manufacturing companies	Sustainable ranges	Percentage of sales	
		2010	2011
Swissmill	Coop Naturaplan, Bio Knospe (organic bud)	19.0%	19.4%
Pasta Gala	Coop Naturaplan, Bio Knospe (organic bud)	7.1%	7.0%
Chocolats Halba	Coop Naturaplan, Bio Knospe (organic bud), Max Havelaar	7.9%	15.7%
Reismühle Brunnen	Coop Naturaplan, Bio Knospe (organic bud), Max Havelaar	18.8%	33.6%
Nutrex	Coop Naturaplan, Bio Knospe (organic bud)	8.7%	13.2%
Sunray	Coop Naturaplan, Bio Knospe (organic bud), Max Havelaar	12.4%	14.8%
CWK-SCS	Coop Oecoplan, Coop Naturaline Natural Cosmetics, Maya	19.8%	20.5%

ed norovirus and the swine flu virus H1N1. One of the innovative disinfection processes will work at 40°C and can also be used for delicate textiles such as wool and silk.

Swissmill leads the field in organic cereal products

Switzerland's leading food mill, Swissmill, was seeking to develop a sustainable product range around twenty years ago. It was one of the first companies to adopt guidelines for processing organic cereals, thus breaking new ground in the country. Today, Swissmill provides organic-quality products for all product ranges. In 2011, organic products accounted for around 15% of its total cereal production of 213 000 tonnes. Swissmill therefore meets around two-thirds of Switzerland's requirements for organic cereal products, leading the field with its product range and expertise in processing organic cereals.

Major differences at Transgourmet

Whereas companies in Germany, France and Switzerland are increasingly gaining a competitive edge, for example through the targeted marketing of sustainable products and services, sustainability in Eastern Europe is only slowly gaining in importance. This is also reflected in the level of commitment to sustainability within individual Transgourmet Group companies. For example, Rewe Foodservice and Fegro/Selgros Germany offer a wide range of organic products. Rewe Foodservice also stocks Fairtrade-certified products under the own-label brand Honneur. Both companies are additionally committed to providing a sustainable range of seafood. They have delisted endangered species while simultaneously promoting sustainable fishing. In 2011, the Rewe Foodservice range included approximately 310 MSC-certified products. At Fegro/Selgros Germany, MSC-certified fish accounted for around 25% of all fresh-fish sales. In addition, the company completely stopped selling eggs from battery hens in January 2012.

The Swiss companies Howeg and Prodega/Growa also offer sustainable product ranges. Prodega/Growa is particularly committed to animal welfare – its successful own-label brand Swiss Quality Beef denotes Swiss beef that meets stringent quality and sustainability requirements. Prodega/Growa has to import eggs due to insufficient domestic production capacity, so it has contractually agreed strict quality and animal welfare requirements with a Dutch egg producer.

Transgourmet France, which operates in France, focuses not only on providing a wide range of environmentally friendly and socially responsible products, but also specifically on raising customer awareness.

Its initiatives include a free online service page containing recipes for a balanced diet, and nutritional information on its own-label brand products.

At Selgros Poland, Romania and Russia, commitment to sustainability is much less comprehensive. Due to a lack of demand, Selgros Russia does not currently stock any products with a special environmental or social profile. In Romania and Poland, the population's environmental awareness is starting to grow. Selgros Romania is therefore promoting the sale of energy efficient appliances, labelling them "Energy Saving". Each store also has a recycling point for items such as light bulbs, batteries and engine oil. And organic products are gradually growing in popularity at Selgros Poland.

 www.transgourmet.com

Karen Au

Employee, Eurogroup Far East Ltd.,
Hong Kong

Social standards

When it comes to sourcing, Coop takes account of not only economic factors but also social, ethical and environmental aspects. It relies on international standards. Coop business partners have to pay their workers a fair wage, provide decent working conditions and observe health and safety regulations. This applies to industrial as well as agricultural companies.



When implementing social standards in Asian countries, Coop can rely on the active support of the Eurogroup Far East Ltd. buying consortium. Hong Kong-based **Karen Au** specializes in promoting audits and training courses.



BSCI The BSCI Code of Conduct lays down clear requirements regarding occupational safety, maximum working hours, minimum wages and freedom to join trade unions. In 2011, 343 Coop non-food factories were audited in accordance with BSCI.

BSCI Primary Production Coop requires agricultural companies to provide socially responsible working conditions too. In fact, Coop helped to develop the relevant BSCI checklist.

SA8000 Coop uses the demanding SA8000 social standard, particularly for its Naturaline range. It demands wages that will cover employees' basic needs – something that is often not the case for the minimum legal wage.

Fairtrade Max Havelaar This quality label denotes fair trade with small-scale producers in the south. Coop is already Switzerland's largest supplier of Fairtrade products, and intends to develop this position even further.

RSPO These principles and criteria promote the socially and environmentally responsible production of palm oil by safeguarding land rights and protecting the indigenous population. Coop intends to ensure that 80% of the palm oil used in its own-label brand products is RSPO certified by 2013.

GRASP This standardized requirements catalogue enshrines social criteria in farming. It requires written employment contracts and proof of wage payments. In 2010 and 2011, Coop implemented GRASP at a total of 20 companies.



Sustainable purchasing

Coop places high demands on its suppliers and supports them in their implementation. Joint projects involving international purchasing cooperatives become increasingly important. Other Coop Group companies oblige their processing facilities in high-risk countries to implement the BSCI Code of Conduct.

From control to partnership

Precise supplier requirements

To promote sustainable products, it is first necessary to select suitable suppliers. Coop is responsible for observing statutory provisions in the course of its trading activities. Not least through its voluntary membership of the UN Global Compact, Coop undertakes to respect international requirements in the fields of human rights, labour standards, environmental protection and tackling corruption within its own sphere of influence, and ensure these are observed throughout the supply chain. In addition to these social requirements, Coop also undertakes to promote responsibility towards the environment and to develop and disseminate environmentally friendly technology. In 2011, Coop defined its requirements in this area more precisely, revising its binding Quality Agreement for all suppliers and business partners and also updating its specific Guideline on Sustainable Sourcing.

Implementation partnerships

Introducing and securing such requirements in cultivation and production is not something that can be done at the drop of a hat, however. The balance of power between retailers and suppliers is increasingly shifting in favour of suppliers, particularly in China and India. Suppliers first of all need to be persuaded to implement these additional requirements, and also want to be actively supported by buyers and protected in their efforts via longer-term

agreements. Ultimately, suppliers want to know how implementing minimum social and environmental requirements will affect their competitive position. Coop is therefore increasingly adopting partnership-based approaches.

Collaboration with food suppliers

Implementing sustainability requirements is also becoming an increasing challenge in the food sector. The main reasons for this are growing shortages of certain raw materials caused by increasing demand from emerging countries, shortages of water and fertile arable land and years of under-investment and lack of advice in the agricultural sector. Climate change, which is already tangible in many regions, is also leading to fluctuations in harvests and increasing price volatility. Here too, Coop is adopting a long-term partner-based approach to business relationships, for example by establishing projects for sourcing Fairtrade cocoa from Honduras, switching over to organically produced Fairtrade rice in Asia and expanding animal-friendly and environmentally friendly suckler cow husbandry in the Baltic, which will lead to a significant reduction in air freight in the medium term. Such projects are possible thanks in part to start-up funding from the Coop Sustainability Fund.

When selecting sustainable sourcing projects, Coop uses internal screening. This involves checking the entire product range for environmental and social risks. Another criterion used when selecting projects is supply security – the more important a product is

Coop supports interdisciplinary solutions



Prof. Dr. Nina Buchmann
Professor of Grassland Sciences (ETH Zurich), Chair of the "World Food System" Competence Centre at ETH Zurich

“Over seven billion people inhabit our earth today – and this figure continues to rise. Feeding this ever-growing global population is a huge challenge for all those concerned, especially against a background of man-made climate change and increasing shortages of natural resources. Researching the global food system and all its complex interactions involves identifying interdisciplinary solutions, implementing these solutions and also including active partners from the fields of business, industry and politics. As a responsible retailer, Coop is facing up to the challenge and supporting research in this field. This collaboration now needs to be further strengthened, for example by supporting the resource-efficient production of high-quality foodstuffs for the Swiss population jointly with the ETH 'World Food System' Competence Centre.”

for Coop and the smaller the number of possible producers, the more urgent it is to secure supplies through Coop's own efforts and a long-term commitment. This particularly applies to own-label sustainability brand products, with which Coop intends to raise its profile in the marketplace.

Reducing air freight

New supplier relationships and transport routes

In the interests of sustainable purchasing, Coop has for years been working specifically towards reducing air freight. Since 2007, Coop has been offsetting the CO₂ emissions of all air freight except flowers. It also offsets CO₂ emissions generated by Coop@home transport and all business travel. The "By Air" label enables Coop customers to see for themselves which products are imported by air and are being offset.

Despite a great deal of activity, Coop was unable to achieve its absolute goal for reducing air-freighted imports in 2011. The main reason for this is the long-term nature of the projects currently underway. Over recent years, Coop has successfully implemented its "quick win" reduction measures. The initiatives currently underway have long lead times. Some of them involve establishing completely new supplier relationships and logistics routes, which will significantly reduce air freight, but not until the medium term. For example, in 2011 Coop began developing an extensive environmentally friendly herb

park on the Magadino Plain in Ticino. It also expanded the volumes of herbs procured from Tenerife and Almeria. The aim is to completely replace air-freighted herbs from South Africa by 2015.

Coop has also launched additional projects to reduce air-freighted meat imports. Coop tries wherever possible to source goods, including meat, from within Switzerland. For example, less than 10% of all Coop beef and less than 1% of Coop pork is imported. When importing produce, Coop specifically considers countries of origin for which air freight is not necessary. Since 2011, lamb has been increasingly imported by truck from England, Ireland and Scotland instead of by air from Australia and New Zealand. Since 2012, Coop has also imported 100% of its horse meat from Europe instead of from Canada.

Green asparagus from Morocco

A comprehensive examination of all air-freighted imports at Coop a few years ago showed that the greatest potential for reductions was in white and green asparagus sourced overseas. Although Coop switched over to importing all its white asparagus by ship and truck in 2010, for quality reasons this method of transportation is not possible for green asparagus sourced from Mexico and the United States. Coop looked for alternatives and set up a new project to import green asparagus from Morocco by ship and truck. In so doing, Coop is aiming to do without air-freighted asparagus from South America during the period when European asparagus is not yet ripe. The project started well in 2009, but suffered from major crop failures in both 2010 and 2011 due to the weather. This meant the planned quantities could not be supplied and imports from South America therefore continued.

Purchasing cooperatives

Support from Eurogroup Far East

International purchasing cooperatives are playing a growing role in implementing partner-based projects along the supply chain. In particular, Coop is able to rely on support from the Eurogroup Far East Ltd. buying consortium, whose headquarters are in Hong Kong and which has outposts in key sourcing countries. For Coop, Eurogroup represents a fundamental link in the chain for implementing sustainability requirements and associated standards. In the year under review, Coop and Eurogroup Far East Ltd. jointly tested the harmonized environmental module of the Global Social Compliance Programme (GSCP) at five non-food supplier companies in China.

The aim was to gain a clear view of the extent to which the module had been implemented in selected companies, and also to test its practical application. The pilot project showed that the administrative effort involved in using the module was high and that the companies involved absolutely required specific advice. The improvements observed within a few months have been promising and the specific advice provided on possible energy and cost savings are generating great interest among the producers. Eurogroup itself is increasingly taking sustainability criteria into account when selecting and assessing suppliers. In 2011 it established a new function devoted to identifying and developing producers of sustainable raw materials.

www.eurogroup.com.hk

Joint fruit and vegetable initiatives

In Europe, Eurogroup Spain and Eurogroup Italy coordinate the sourcing of fruit and vegetables for Coop. These buying offices are also increasingly taking on responsibility for training producers and monitoring the implementation of relevant guidelines and standards. They also facilitate a regular dialogue between suppliers on subjects such as successful organic pest control methods and efficient irrigation techniques.

Joint efforts with Coopernic

Efforts are also being put into coordinating sustainability activities within Coopernic, the international purchasing alliance consisting of Coop, Conad (Italy), Colruyt (Belgium), E. Leclerc (France) and Rewe Group (Germany). The individual alliance partners are agreeing on the environmental and social standards required and implementing joint projects with producers. For example, in 2011 Coopernic was involved in the sustainable cultivation of strawberries in Huelva (Spain) and grapes in Apulia (Italy). Common guidelines have also been put in place for sustainable fishing. This dialogue across corporate and national boundaries makes it possible to identify problems promptly and exchange successful solutions efficiently. The multi-year irrigation project SCAMPIS, led by the UN organization IFAD (the International Fund for Agricultural Development), highlights the social responsibility of Coopernic partners. Sponsoring simple irrigation systems has enabled small-scale farmers in Orissa (India), Madagascar and Guatemala to almost double their production, while at the same time reducing the resources input. Establishing local markets for the irrigation systems has not only created new jobs but also ensured that activities will continue even after Coopernic funding ceases. There are now plans

for local governments to expand and disseminate this extremely successful approach.

www.ifad.org

Social and environmental standards

Expanding social standards

In 2011, Coop extended its implementation of the Business Social Compliance Initiative (BSCI) Code of Conduct at the level of processing facilities in high-risk countries to include additional Coop Group companies. The Code now also applies to own-label brand suppliers of the Coop Toptip/Lumimart division and the subsidiaries Dipl. Ing. Fust AG and Bell AG. Coop also started implementing the BSCI Code of Conduct at the Coop manufacturing companies Reismühle Brunnen, Nutrex and Sunray. Following the acquisition of the Transgourmet Group on 1 January 2011, Coop is also responsible for the working conditions at its supplier companies. The first step planned for 2012 is therefore a status analysis of the working conditions at Transgourmet Group supplier companies.

www.bsci-intl.org

Increased commitment in the food sector

Coop has been committed to improving social conditions in agricultural production since the 1990s. However, its efforts have been focused on individual product groups or on own-label sustainability brands and quality labels such as Coop Naturaline, the Bio Suisse bud and Fairtrade Max Havelaar. To achieve a comprehensive approach, Coop is now also increasingly using the BSCI Code of Conduct in the food sector. By signing this Code, suppliers undertake to meet requirements for socially responsible working conditions in accordance with the relevant International Labour Organization (ILO) conventions. In primary production, in other words at agricultural production establishments, the applicable requirements are either the GlobalGAP Risk Assessment on Social Practice (GRASP) module initiated by Coop in 2005 and defined by GlobalGAP (the Global Partnership for Good Agricultural Practice), or the specific BSCI Primary Production checklist, which was jointly drawn up by Coop.

Nonetheless, achieving socially responsible working conditions in the production and processing of agricultural products is a complex process. The first step involves local awareness-raising measures. In 2011, Coop supported round tables to raise awareness and improve the dialogue between employers, trade unions, NGOs and local authorities. It also provided financial support for training fruit and vegetable suppliers in Spain and Italy.

www.globalgap.org

Implementation of socio-ethical sourcing in non-food sector according to BSCI Database, status as at December¹
Number of

	2010	2011
Manufacturing companies audited to BSCI standards	281	343
Manufacturing companies with BSCI audit rating "good"	136	188
Suppliers implementing BSCI themselves	54	37
Manufacturing companies certified to SA8000	51	50

¹ Coop supermarkets and megastores, Coop City, Coop Building & Hobby

Avoiding multiple audits

At the end of 2010, Coop joined the Global Social Compliance Programme (GSCP), and also supports this organization financially. The GSCP aims to address the problem of multiple audits in factories by providing best-practice tools as benchmarks in the field of social and environmental standards. This makes it easier to compare different standards, which in turn simplifies the mutual recognition of standards and certificates. Avoiding multiple audits is important because conducting audits is expensive and time-consuming for factories. Moreover, audits are primarily a diagnostic tool, and do not necessarily result in improvements. The more resources a factory can save when carrying out audit activities, the more resources are freed up to take concrete improvement measures within the factory. www.gscpnet.com

The importance of training and qualifications

Aware that audits are merely snapshots at a single point in time, Coop is actively supporting the establishment of training and qualification opportunities in order to meet environmental and social standards. This is leading to real advances in factories. For example, through its BSCI membership Coop is promoting the creation of training programmes for implementing socially acceptable working conditions in individual production countries. In 2011, thousands of manufacturing company employees worldwide took part in this type of BSCI training, introducing the knowledge they acquired into their companies. Each year, Coop also provides training workshops via Eurogroup Far East Ltd. for its suppliers in China, India and Vietnam in preparation for BSCI audits. These workshops cover subjects such as overtime, employer-employee dialogue and accident prevention. To expand the range of training and advice even further, Coop started two pilot projects in the year under review. In the SCORE (Sustaining Competitive and Responsible Enterprises) project, Coop is work

Joint commitment to sustainability



Dr. Franco Pignataro
Dr. Franco Pignataro S.r.l.,
Import / export of fruits and
vegetables

“Our long-standing business relationship with Coop

has consolidated over time. The initial customer/supplier relationship, which was matter-of-fact and objective, has now developed into close collaboration with the common aim of offering consumers top-quality fruit and vegetables. Aspects such as sustainability in agricultural production have increasingly become a priority concern.

For example, we obtained ISO 14001 environmental certification in 2005, and commissioned our first photovoltaic system in 2006. At Coop’s suggestion, we have also introduced the GRASP module at the three family agricultural businesses, and initiated research projects and trials of sustainable production processes.

Our business relationship is now based on a readiness to talk and an exchange of information and experiences between our two companies. Our common goal is for Coop to maintain its pioneering role in sustainability, and in doing so, to be able to rely on an experienced supply partner.”

ing jointly with the ILO to specifically support small and medium-sized companies in China in the areas of “optimal workplace design” and “employee motivation and productivity”. The second pilot project is supporting the creation of a local training centre in India, and enables Coop suppliers to take part in low-cost training courses on good working conditions. This is a public-private partnership project run by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

www.ilo.org, www.giz.de

Commitment within the Coop Group

Reismühle Brunnen innovation project

Coop manufacturing companies have played a pioneering role in promoting sustainability, and therefore gained an edge over their competitors with regard to knowledge and sourcing. To remain front-runners, they need to invest in new, sustainable innovation projects. One such example is the integrated project for procuring rice from India and Thailand launched by Reismühle Brunnen in collaboration with Helvetas and Max Havelaar, and supported by the Coop Sustainability Fund. The project’s aim is to establish sustainable rice value chains that have a positive impact on the environment and also on farmers’ incomes and living conditions. Since fair

value chains are an efficient means of reducing poverty worldwide, all the farmers' cooperatives involved in the project will be Fairtrade Max Havelaar-certified. Strict health and safety and occupational health requirements are also laid down in the processing facilities. The strict Bio Suisse guidelines apply for rice cultivation. Procedures are also being developed that will enable significant long-term reductions to be made in greenhouse gases.

Certified natural cosmetics from CWK-SCS

The fact that procuring sustainable resources cannot be taken for granted even in Switzerland is illustrated by the Coop manufacturing company CWK-SCS. CWK-SCS develops, produces and markets professional, personal and homecare products, and in 2011 it launched Formula Fiorina, an innovative premium-segment natural cosmetics brand certified to the Ecocert standard. The extract used in this product line comes from a variety of alpine flowers. These flowers have been organically cultivated and harvested in collaboration with Reto Raselli, an organic farmer in the Swiss region of Val Poschiavo.

Resource efficiency and climate protection

The annual target for reducing CO₂ is exceeded. Coop uses LED lighting in its sales outlets, thereby reducing energy consumption. More goods are transported by rail. Coop increases its waste recycling rate and carries out detailed analysis of its water consumption.

On the road to CO₂ neutrality

Successful implementation

In 2008 Coop drafted its “CO₂-neutral by 2023” vision, thus setting new standards in corporate climate protection. This set of measures, which has been agreed by the Executive Committee and is scheduled to be in place by 2023, paves the way for CO₂-neutrality and defines interim goals for each year. Coop continued to systematically pursue this approach in 2011, implementing measures to reduce energy consumption and increase the use of waste heat and renewable energy sources. In those business segments that form part of the “CO₂-neutral by 2023” vision, it was able to reduce CO₂ emissions by 4.7% compared with the previous year. Coop therefore not only met the 2011 annual target defined in the 2023 CO₂ reduction schedule, but actually exceeded it by 1.1% (see diagram entitled “‘CO₂-neutral by 2023’ vision: CO₂ emissions and reduction targets up to 2023”).

Since 2008, Coop has reduced its total energy consumption by 1.1% and increased its use of renewable energy sources to 61.1%, thus reducing its absolute CO₂ emissions by 10.9%. Overall, the CO₂ reduction measures will lead to a reduction in total energy consumption between 2008 and 2023 of around 20% and an increase in the use of renewable energy sources from 20% to 80%. This will result in an absolute reduction in CO₂ emissions of around 50% compared with 2008.

The scope of Coop’s energy/CO₂ vision

The “CO₂-neutral by 2023” vision includes the Coop parent company, all divisions and sales channels and also Dipl. Ing. Fust AG. It covers all sales outlets and distribution centres, Coop administration, Coop manufacturing companies and all Coop’s own goods transportation, Coop@home deliveries and goods transported in Switzerland by third parties on behalf of Coop. The vision also includes all domestic and international business travel.

The Coop Group has grown significantly since the vision was drafted in 2008. It now also includes Transgourmet Holding AG, Europe’s second-largest cash & carry and foodservice company, The Body Shop Switzerland Ltd, which has 44 sales outlets across Switzerland, the manufacturing company Pearlwater Mineralquellen AG and Railcare AG. In 2012, Coop will therefore be examining the inclusion of these acquired companies and the Bell Group in its energy/CO₂ vision. The energy consumption and CO₂ emission data gathered for 2011 already includes the aforementioned companies (see figures section at the end of this report).

Participation in the Carbon Disclosure Project

The Carbon Disclosure Project (CDP) is an independent non-profit organization that maintains the world’s largest database of corporate data relating to climate change. Each year, the CDP uses standardized questionnaires to gather data and information on CO₂ emissions, climate risks, reduction targets and reduction strategies from around

3 000 companies worldwide. Since Coop is not listed on the stock exchange, it is not automatically included in the CDP survey. However, in 2011 Coop became the first non-listed Swiss company to voluntarily take part in the survey, providing comprehensive information regarding its commitment to climate protection. Coop's responses can be viewed on and downloaded from the CDP website. www.cdproject.net

Reducing energy consumption

Increased use of LED lighting

To reduce energy consumption in Coop sales outlets and restaurants, the company is making use of LED lighting technology. As well as having a longer service life, light-emitting diodes consume up to 50% less power than conventional technology. LEDs do not emit any heat either, so the shelf life of the goods they illuminate is extended. In 2011, a further three Coop sales outlets were comprehensively fitted with LED lighting – Unterwasser, Basel-Südpark and Porrentruy-Ajoie. Coop first fitted a sales outlet exclusively with LED technology in 2010. This was the Pfäffikon store in Zurich, for which the company developed a new, LED-specific lighting concept including new LED light fittings. Since 2010, all new and modernized Coop restaurants have also been fitted solely with LED lighting. There are now a total of 33 such restaurants, of which 15 were converted in 2011. New partial LED lighting is also standard in the service areas of all new and converted food stores. This includes meat counters, self-service counters, refrigerated units and fruit and vegetable sections. This has significantly reduced the energy consumed by lighting in 135 supermarkets and megastores. Since July 2011, the spotlighting in all new and converted food sales

outlets also now uses LED technology. The first Import Parfumerie with LED lighting opened in Chur in November 2011.

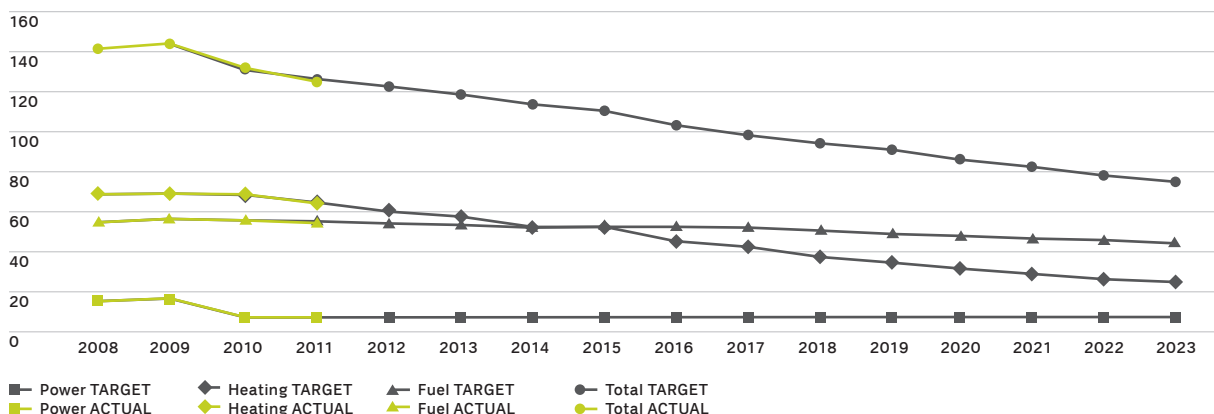
Ripening bananas with waste heat

Each year, approximately 22 000 tonnes of bananas are ripened for several days in ripening cells at the Coop banana ripening plant in Kaiseraugst following their delivery, and then kept cool. This requires a great deal of heat and power. During the course of a year, the entire air-conditioning system and all the controls and ripening cells were replaced. The focus here was on environmental and procedural aspects. The cooling system was optimized and the existing oil-fired heating system replaced. The waste heat from cooling compressors is now used for the ripening cells, to heat the building and to provide hot water. These measures have enabled the banana ripening plant to save 40 000 litres of heating oil per year, and dispense with the use of fossil fuels completely. This means that heating the Coop banana ripening plant no longer generates any CO₂, thus saving 115 tonnes of CO₂ emissions annually.

Optimizing the use of waste heat at Bell

Coop subsidiary Bell AG was also able to reduce its consumption of external energy in 2011 by using more waste heat from its production processes. By optimizing its salami curing plant, Bell's Basel charcuterie has been able to reduce the flow temperature within the plant. The entire curing process can now be operated using waste heat from the cooling system, so the 1 500 megawatt hours of external heat are no longer needed. And connecting two decentralized cooling systems at the Basel abattoir means that their waste heat can now be fully utilized. Basel abattoir is therefore saving around 800 megawatt hours of district heating per year.

"CO₂-neutral by 2023" vision: CO₂ emissions and reduction targets up to 2023
In thousands of tonnes of CO₂



Using renewable energy sources

Increased use of solar energy

In 2010, a year before the Fukushima nuclear disaster and before the Swiss government's decision to pull out of nuclear power, Coop had already fully converted its power supply to low-CO₂ hydroelectricity. Coop still sees huge potential for producing energy from renewable sources in Switzerland. It wants to promote this potential in a variety of ways, such as by producing solar electricity from the roofs of its own buildings. Installing a further four photovoltaic systems in 2011 will generate an additional 850 000 kilowatt hours of solar electricity on Coop buildings. This is equivalent to the energy consumption of up to 250 Swiss households. Added to this are two systems of around 900m² and 650m² that have been installed at Coop manufacturing companies Reismühle Brunnen in Brunnen and CWK-SCS in Winterthur. Two further systems were commissioned in Gossau SG. The one on the Coop sales outlet will produce around 70 000 kilowatt hours of solar electricity per year from a surface area of approximately 900m². The system on the roof of the Gossau distribution centre, which covers 4 500m² and generates 600 000 kilowatt hours of electricity per year, is currently the largest photovoltaic system in eastern Switzerland. Altogether, the 14 photovoltaic systems on Coop buildings generate around 1.9 million kilowatt hours of electricity per year.

More agricultural biogas plants

Each year, Swiss agriculture generates over 20 million tonnes of organic waste such as manure and slurry. This can be used as a raw material for generating biogas. So that this energy does not go to waste, Coop has from 2005 to the end of 2011 been supporting the construction of biogas plants at the farms of Coop Naturafarm producers and organic producers. Via the Coop Sustainability Fund, the company contributed up to 200 000 francs per plant towards investment costs, thereby financing the construction of eleven biogas plants. These plants produce a total of 6.4 million kilowatt hours of electricity each year from organic waste – the equivalent of 50 000m² of photovoltaic cells and the average energy consumption of up to 2 000 Swiss households.

Wood-burning furnace as a climate-friendly alternative

Coop's industrial bakery in Gossau SG produces around 4 300 tonnes of baked goods each year. The ovens it needs for this purpose are heated using thermal oil, which was previously heated to 300 degrees Celsius in a gas-fired boiler. But since Novem-

Coop's CO₂ vision shows foresight



Daniel Büchel
Deputy Director, Swiss Federal Office of Energy, Head of Energy Efficiency and Renewable Energy Department, Energie-Schweiz Programme Manager

“The Fukushima nuclear disaster has led to a rethink in Switzerland's energy policy. In May 2011, the Swiss government decided to draw up a new 'Energy Strategy 2050' aimed at making a transition to a nuclear-free era. This transformation is an ambitious undertaking, and can only succeed with the help of the Swiss population and economy. With its vision of becoming CO₂-neutral by 2023, Coop embarked several years ago on the path towards becoming a flagship company in the field of sustainability. This farsightedness is now being rewarded, particularly with success for its existing sustainability labels. Double-digit growth rates are now required in the field of energy too, not only with regard to energy efficiency, but also the production of energy from new renewable sources. I am confident that Coop will also see these requirements as market opportunities.”

ber 2011, the Gossau bakery has been the first industrial bakery in Switzerland to use a modern wood-chip-fired heating system. It burns 30m³ of wood chippings each day, reducing the bakery's annual CO₂ emissions by approximately 900 tonnes or 70%. Coop is also increasingly using renewable energy sources such as wood and heat pumps to heat its sales outlets too. For example, in 2011 the Coop supermarket and Building & Hobby store in Frick and the supermarkets in Unterwasser, Hüntwangen and Martigny were equipped with wood-burning furnaces. A further three Coop sales outlets in Egg, Maggia and Vaduz have been using heat pumps since 2011.

Energy management at Transgourmet

Cutting back and using renewable energy

Even though the companies that make up the Transgourmet Group are not part of Coop's energy/CO₂ vision, they still practice sustainable energy management. Energy consumption is recorded, targets set and appropriate measures implemented to reduce energy consumption and increase the use of waste heat and renewable energy sources. For example, by 2020 Transgourmet France aims to reduce the greenhouse gases it generates through goods transportation by 20% and to cut its specific energy consumption by 20% by 2015 compared with 2009. To reduce the need for external heat, the waste heat generated from cooling systems is in-

creasingly being used for heating purposes within the Transgourmet Group. In parallel with this, Fegro/Selgros Germany and Rewe Foodservice are meeting their energy requirements by using electricity from renewable sources. Transgourmet Group companies use low-emission vehicles with optimized consumption for transporting goods and people, and are optimizing their truck routes and logistics flows on an ongoing basis. Transgourmet France and Rewe Foodservice are also training their drivers in anticipatory, fuel-saving driving skills.

 www.transgourmet.com

Energy efficient lighting

In order to reduce energy consumption, the Transgourmet Group is using modern, energy efficient technology, particularly for its lighting and cooling systems. Prodega/Growa is using LEDs in its stores, and in 2011 Fegro/Selgros Germany also launched a feasibility study on the use of LEDs. In Germany and Romania, Fegro/Selgros has installed motion sensors to control the lighting in administrative and staff areas as part of all its store upgrades. The lighting in the production areas at Selgros Russia is motion and time-controlled, and Rewe Foodservice is fitting lighting control systems that are sensitive to external light levels.

Walk-in fridges at Prodega/Growa

Since spring 2011, all 27 Prodega/Growa stores have had a 'Cool Way'. These walk-in fresh-produce areas with a surface area of up to 1 000m² are stocked with over 5 000 meat, fish, dairy, bakery, fruit and vegetable products. As a result of cooling technology optimizations, it is significantly more energy efficient to cool products using the Cool Way rather than using conventional cooling systems. Prodega/Growa has been able to reduce its energy consumption by around 35% thanks to this innovation. The use of CO₂ as a coolant in freezers also helps to reduce greenhouse gas emissions in the event of leakages.

Environmentally friendly goods transport

Combined transport cuts road miles

Coop has for years been steadily increasing its use of rail to transport goods. Coop uses rail transport for more than two thirds of its shipments between national and regional distribution centres. There is still great potential for reducing the number of road miles incurred when delivering goods directly from national distribution centres to points of sale. Since it acquired Railcare AG in autumn 2010, Coop has been increasingly able to exploit this potential by us-

ing unaccompanied combined transport (UCT). Since 2011, Railcare has been supplying five Coop megastores on the shores of Lake Geneva from its national distribution centre at Wangen using UCT as part of a pilot project. In practical terms, this means that swap bodies full of food and non-food items are transported by truck from Wangen to the rail hub at Härkingen. Here, they are transhipped by crane onto a Railcare train. The swap bodies are then transferred back to trucks at Dailens near Lausanne, and complete their journey to sales outlets by road. On the return journey, Railcare transports pasta from the Coop manufacturing company Pasta Gala in Morges to Wangen using the same combination of truck and train. Converting from pure road transport to a combination of rail and truck has reduced the CO₂ emissions for this route by 60%. Since October 2011, Railcare has also been delivering frozen goods to 155 sales outlets in the Coop Nordwestschweiz Sales Region and to five sales outlets in the Bern Sales Region. Following a successful pilot phase involving five Building & Hobby stores in Coop's Ostschweiz-Ticino Sales Region, a total of 29 Building & Hobby stores have been supplied by UCT since the end of June 2011. This has been made possible by modifying the ordering and delivery cycles. This expansion means that over 50% of the average delivery volumes from the national distribution centre at Gwatt are now transported to Coop Building & Hobby sales outlets via UCT.

 www.railcare.ch

More trucks using biodiesel

Despite the increased usage of UCT, Coop will still have to rely on trucks to transport goods, due to the highly diffuse nature of its point of sale network. This applies especially to the transportation of goods from distribution centres to points of sale. To reduce the CO₂ emissions caused by road transport, Coop is increasingly using fuel derived from organic waste to power its truck fleet. In 2011, it therefore converted the filling stations at its Schafisheim, Berne and Aclens distribution centres. Coop trucks can now fill up with a mixture of up to 30% biodiesel and conventional diesel. This has been possible at the Coop Dietikon distribution centre since 2010. The biodiesel is produced from organic waste including used frying oil from Coop restaurants and bakeries. In 2011, Coop used around 724 000 litres of biodiesel, thereby avoiding CO₂ emissions of around 1 700 tonnes.

Passenger mobility

Trends in shopping traffic

Coop is affected by a wide variety of different traffic types – goods traffic, business traffic and also commuter and customer traffic. Customer traffic is of particular consequence. Assuming an average distance of 6.4 kilometres per shopping trip, Coop customer travel generates an estimated 200 000 tonnes of CO₂ each year. And people who shop abroad travel significantly further and are therefore causing much more damage to the environment. According to the “2005 transport microcensus” conducted among 33 000 people by the Swiss Federal Statistical Office (FSO) and the Federal Office for Spatial Development (ARE), pure shopping trips account for only 11% of all travel in Switzerland. The vast majority of travel is recreation-related.

Promoting sustainable shopping behaviour

From a transport behaviour point of view, shopping is particularly climate-friendly if it is combined with another activity, carried out on foot, by bicycle or using public transport. Coop supports its customers by providing Switzerland's densest network of sales outlets and good public transport links. What's more, customers can shop from the comfort of their own homes using the online supermarket Coop@home. Coop offsets the CO₂ emissions generated by Coop@home deliveries. To further increase the choice of sustainable mobility methods available to customers and employees, Coop joined the EnergieSchweiz “Mobility management in companies” programme in 2010. In a pilot project in 2011, measures were jointly defined with store managers for five Coop sales outlets in the Basel region in order to promote non-motorized transport, in other words walking and cycling. The project will be implemented in 2012. For several years now, Coop has been involved in home deliveries by bicycle in various municipalities. Shoppers hand in their purchases at the Coop sales outlet, and they are then delivered to the customers' homes by long-term unemployed people on bikes. To further publicize and promote this idea, Coop is planning to standardize the look of its home deliveries by bicycle in its sales outlets, and work together with local organizations in the municipalities concerned.

 www.energieschweiz.ch

Optimizing and avoiding business travel

Coop also included all domestic and international business travel in its 2008 energy/CO₂ vision. To reduce the CO₂ emissions generated by business travel, Coop is using a combination of rail travel and Mobility car-sharing, particularly within Switzerland.

Coop is tackling shopper mobility head on too



Monika Tschannen-Süess
Head of the “Mobility management in companies” programme, EnergieSchweiz Municipality Programme Manager, co-owner of the Rundum mobil GmbH mobility office in Thun

“By participating in the Swiss Federal Office of Energy's ‘Energiesstadt’ programme on the subject of ‘Mobility management in companies’, Coop is committed to increasing sustainability in the field of mobility. Shopping-related travel is an important factor when considering Coop's overall energy consumption. This retailer-induced travel frequently attracts criticism from various quarters. Coop is courageously ‘grasping the nettle’ on this issue. In the year under review, surveys were carried out and solutions sought in five selected outlets in the Nordwestschweiz Sales Region. The next step is to test out and evaluate some initial pragmatic and customer-friendly solutions. Coop is ahead of the game on the sensitive subject of shopper mobility, and is taking up the challenges laid down by a society focused on sustainability.”

In 2011, Coop employees covered a total of around 100 000 kilometers using Mobility vehicles. This makes Coop one of the largest customers of this Swiss car-sharing company. In 2011, Coop set up a second video-conferencing room at its headquarters in Basel as an environmentally friendly alternative to business travel. An additional room is available at the Coop distribution centre in Wangen. And from 2012, Transgourmet Group companies will also be using video conferencing facilities to connect to all their sites. In addition to this, Rewe Foodservice launched a pilot e-learning project in 2011 for training and continuing education purposes. Employees learn not by attending training courses at external locations but via e-learning, with coaching being provided by an on-site colleague. Around 750 external training days plus associated business travel and CO₂ emissions were saved in this way in 2011. The positive results of this pilot project mean that in future even more employees will be trained via e-learning.

Waste avoidance and recycling

Waste management in Switzerland

Sooner or later, every consumed product becomes waste. And even waste has to be managed efficiently and effectively – particularly given the worldwide shortage of natural resources. Many types of waste comprise valuable materials that can be sorted and

then recycled into new raw materials. Domestic waste – in other words, waste that is not the result of production processes – has increased steadily over the last 40 years in Switzerland, and now amounts to around 700 kilogrammes per person per year. Around 50% of this waste is collected separately and recycled. The other half is used for heating purposes and contributes to conserving energy resources. So Swiss waste is not disposed of in landfill sites, but is converted into new raw materials or energy and re-enters the economic cycle.

Waste recovery rates at Coop

Coop focuses primarily on preventing waste occurring in the first place, for example by reducing packaging materials. The company also supports a large number of recycling programmes, thereby ensuring that packaging and products are recovered. Organic waste does not end up in dustbins, but is used to generate energy, for example. Approximately 75% of waste from Coop sales outlets, distribution centres, manufacturing companies and administrative offices is recovered. The main reason for this high waste recovery rate is improved waste management in distribution centres and sales outlets. Up to 27 different materials are separated, collected and passed on for recovery. In 2012, Coop intends to conduct a status analysis of the Transgourmet Group, which it acquired in January 2011. This analysis will then be used to identify specific waste management targets and actions.

The role of retail in recycling

In Switzerland, a wide variety of materials such as paper and cardboard, glass, aluminium and tin and also PET are collected separately. The recycling system is based on an efficient household and commercial collection infrastructure. In recent years, increasing numbers of consumers have been demanding that additional materials such as drinks cartons and plastic containers also be collected separately for financial and environmental reasons. The study on the future of separate collections in Switzerland published by the retailers' organization IG DHS in April 2011 concluded that expanding separate collections in order to recycle materials was desirable from an environmental point of view. Technically, this would be feasible by using partial mixed collections and subsequent separation. The study reported that, as a first step in expanding separate collections by the retail trade, potential exists for combining the collection of drinks cartons, polyethylene milk bottles and plastic containers. These are lightweight and easily compressed materials that could be collected by retailers using their existing supplies infrastructure. The idea of collecting drinks

cartons was dropped at an early stage for financial reasons. A detailed feasibility study involving IG DHS members showed that collecting plastic containers was not usually possible either, due to insufficient space for the necessary collection infrastructure in smaller sales outlets and particularly in integrated locations. The reverse logistics currently in place could not cope with the volumes involved either. Including any additional materials in the recycling process would therefore necessitate a complete change of system to one with mixed collections for household waste.

 www.igdhs.ch

Voluntary measures to combat littering

Littering, the careless discarding of waste in public, is a worrying problem and is also associated with high waste disposal costs. Although retail has been shown to be responsible for no more than 30% of all litter, Coop takes its responsibilities in this area very seriously. As a member of the Swiss retailers' organization IG DHS, Coop has for years been actively involved in efforts to combat litter at a municipal, regional and national level. Since 2008, Coop has been a partner of the IGSU Interest Group for a Clean Environment, whose environmental envoys travel all round Switzerland raising the population's awareness of littering. Coop supports the IGSU both financially and also actively by implementing joint initiatives. Within its own business, Coop is also voluntarily taking numerous measures to prevent littering. When it sponsors events, Coop uses reusable crockery wherever possible. With increased seating facilities in its sales outlets and by providing and maintaining rubbish bins and recycling boxes, Coop is actively helping to reduce the problem. Consumers in all 239 Coop Pronto shops now have access to special boxes for empty aluminium cans in addition to containers for collecting PET bottles. Coop is voluntarily taking action and resisting further legal restrictions such as those proposed by the City of Berne to impose higher waste disposal charges unilaterally on retailers. Berne Administrative Court supports Coop's argument that it is not retailers who cause litter, but each individual person who drops rubbish in public. The Federal Court judgement on this matter is still pending.

 www.igsu.ch

Water management

Action is required

Water scarcity is one of the environmental issues that need to be addressed most urgently. Providing clean drinking water is already a matter of life and

death in many regions of the world. Reasons for this include increasingly irregular precipitation as a result of climate change, pollution and overuse of drinking water by industry and agriculture, and a poor or nonexistent water supply and treatment infrastructure. Drinking water shortages are not yet an acute problem in Switzerland, but they are already affecting areas just a few hundred kilometers further south such as Almeria in Spain, which is an important growing area for fruit and vegetables. Many companies do not yet appreciate or understand the effects of water scarcity. But the economy at all levels has a huge influence on the extent of water shortages, and urgently needs to develop and implement technical and organizational solutions to the problem.

Not all water is the same

Sustainable water management does not just involve measuring water consumption. It also has to take account of the type and quality of water used, and its method of disposal. CDP Water Disclosure recommends making a distinction between blue, green and grey water. Blue water is surface and ground water, green water is rainwater and grey water is dirty water produced by production processes. It makes environmental sense to use grey and green water wherever possible instead of blue water, which can also be used as drinking water.

Sustainable water management at Coop

Although Switzerland is not directly affected by water scarcity, Coop takes its responsibility in this area very seriously and is setting a good example. Coop previously only recorded and published overall water consumption, not the type of water used. In the interests of sustainable water management, Coop has since 2011 made a distinction between drinking water and ground water (blue), rainwater (green) and process water (grey). This has shown that, of the 4.0 million or so cubic metres of water that Coop used in 2011, 91.3% was drinking water, 8.4% was ground water and 0.3% was rainwater. So Coop is currently meeting its water requirements almost exclusively by using blue water, and is using virtually no grey water at all. In the year under review, Coop therefore defined some initial measures not only to reduce its overall water consumption, but also to meet more of its requirements by using grey and green water.

Sophie Hübscher


Trainee retail specialist

Coop as an employer

Coop works hard to provide secure jobs with prospects. It gives its employees the fairest working conditions in Swiss retail and offers them numerous attractive benefits. Coop is also committed to training its apprentices, and boosts the employability of all its staff via a talent management scheme.



Sophie Hübscher is a third-year trainee retail specialist. She is one of a total of 3 385 trainees within the Coop Group. In Switzerland alone, Coop offers apprenticeships in over 20 different professions. More than 60% of trainees remain with Coop after completing their apprenticeships.



H. Nikqi
Coop truck driver

E. Tellenbach
Business analyst, Coop IT

N. Mfomkpa
Retail specialist

S. Ricci
Retail assistant

Haxhi Nikqi has realized his childhood dream and is now a truck driver. At Coop, he has attended courses on load safety and tachographs, as well as undergoing skidpan training.

Nathalie Mfomkpa and Sabrina Ricci were unable to find apprenticeships after leaving school. Coop gave them the chance of a one-year placement to familiarize themselves with working life. And it was worth it – today they both have a vocational qualification and a job at Coop.

Stephan Schellhammer is one of 15 Coop counsellors in Switzerland. They provide employees with support not only for problems at work but also personal, health and financial issues.

Marco Buzzi travels to work by train. Coop contributes 650 francs towards his personal SBB GA travelcard.

Doris Waser and her two children have spent their holidays at a Reka holiday village. Coop arranges free holidays in Switzerland for employees in financial difficulties.

Esther Tellenbach is a board member and secretary of the Association of Salaried Employees of Coop, and therefore represents employees' interests. Coop is the only Swiss retailer to have concluded a collective employment contract with five different social partners.



D. Waser
Haberdashery salesperson,
Coop City

M. Buzzi
Leisure department manager,
Coop Building & Hobby

S. Schellhammer
Coop counselling service

Employees

Since the founding of CoopForte ten years ago, terms of employment have improved substantially. Coop offers young people a wide variety of opportunities for embarking upon working life and professional development. 15 social workers are available to help employees cope with difficult periods in their lives.

Terms of employment

Steady improvement since CoopForte

Since CoopForte, the merging of 14 regional societies and Coop Switzerland to form a single cooperative society in 2001, terms of employment have improved substantially. Between 2001 and 2011, Coop has increased wages by an average of 23.8%, compared with an inflation rate of 8.8%. This equates to a 15% wage increase in real terms since 2001. The nationally applicable minimum wage specified in the Coop collective employment contract has increased from 3 000 francs in 2001 to 3 700 francs in 2011. Maternity pay, which at Coop is 100% of normal gross pay, was extended during these ten years from 12 to 14 weeks for employees with between one and five years' service. Maternity pay for employees with six or more years' service was extended from 14 weeks – which was the norm at Coop even before it became a legal requirement – to 16 weeks as a voluntary benefit. Paternity leave has also been increased – since 2008 it has amounted to five days. When CoopForte was founded, Coop changed the ratio of Coop Personalversicherung CPV/CAP contributions so that employees pay one third and Coop pays two thirds. The option of early retirement was also introduced. Since 2001, Coop has provided one-off interest-free loans of up to 6 000 francs. These are intended to provide assistance in emergency situations for employees with over two years' service. In 2008, Coop introduced a grant of 650 francs for

employees working at least half time to use towards their private SBB GA travelcard.

Attractive staff discounts and advice

All Coop staff enjoy attractive benefits such as five times as many Supercard points on the entire food range, a 10% discount on all non-food items and a 20% discount in Coop restaurants and on the purchase of Reka cheques. The Coop counselling service and various employee committees offer staff free advice on professional and personal matters. Projects such as the Coop talent management scheme, employee health promotion and special arrangements for employees aged over 50 are also fundamentally improving employment conditions.

Extended opening hours to meet consumer requirements

Rapid changes in consumer habits have led to customers increasingly demanding more flexible opening hours in recent years. Shopping opportunities at weekends and at off-peak hours during the week have become a significant requirement, and this has been reflected in the success of Coop Pronto shops, for example. And some marked differences between the legislation covering opening hours in Switzerland and in neighbouring countries account for increasing levels of shopping tourism. For these reasons Coop, within the retailers' organization IG DHS, is advocating standardized regulations across Switzerland and a pragmatic extension of opening hours. The aim is to permit the following opening

hours: Monday to Saturday 7 a.m. to 8 p.m. plus one late opening until 9 p.m., and four Sunday openings per year, as allowed for in national legislation. Store operators should be able to set their own opening hours within this regulatory framework. In Switzerland, workers' needs are protected by labour legislation. This covers night and Sunday working, and specifies wage supplements. The retail trade supports existing labour legislation and is not seeking to change it.

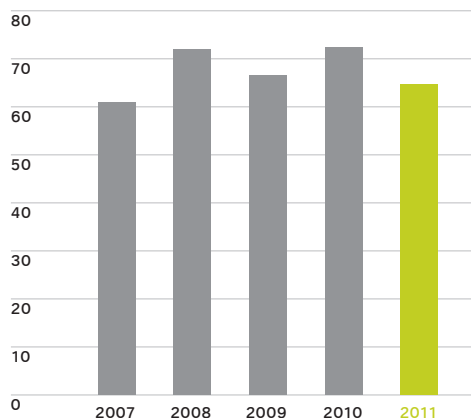
For Coop employees, this means there will be no change to their weekly working hours or any other part of the collective employment contract. Coop is only extending opening hours in those sales outlets where it is worthwhile to do so. Employees will be informed of any changes in good time, and will be involved in staff planning. Extended opening hours may also be advantageous for employees. Introducing shift working with early and late shifts may make it even easier for employees to meet their personal hobby or childcare needs, for example. Additional employees will be taken on if necessary to support sales staff, particularly during the evenings. Coop is thereby attempting to limit the number of evening shifts after 6 p.m. that employees work to a maximum of three per week.

Young people and working life

Unparalleled choice of training

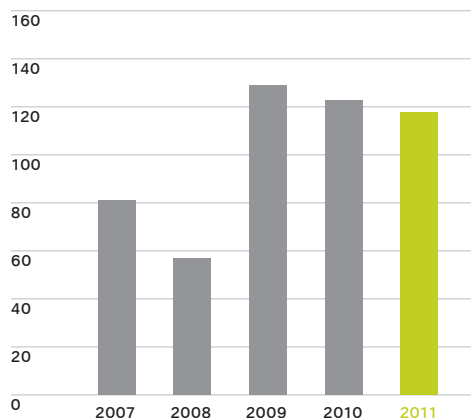
At the end of 2011, Coop employed a total of 2989 apprentices, of whom 86% were specializing in sales, 9% in commerce and 5% in business. And there were an additional 396 apprentices within the Transgourmet Group. With a total of 20 different professions, Coop offers an almost unparalleled choice of training opportunities compared with other Swiss apprenticeship providers. The range of training options available includes retail specialist, pharmaceutical assistant, wine technologist, IT specialist and hotelier. A total of 30 people are employed primarily in looking after apprentices and 2 000 trainers provide them with close support and comprehensive training. For example, prospective retail staff undertake a three to six-month placement in a different sales outlet or different sales format. Apprentices also receive advanced training at regular internal sessions on subjects such as sustainability and social skills. Coop's commitment is reflected in its excellent rate for completed apprenticeships: out of a total of 999 apprentices in 2011, 97.7% successfully passed their examination.

Continued employment at Coop after basic training¹ As a percentage



¹ Coop parent company

Placements for academically weak school-leavers¹ Number



¹ Coop parent company

Opportunities after basic training

Coop seeks not only to provide young people with full training but also to give them an opportunity to benefit from a wide range of career and professional development opportunities. One strategic Coop HR target is therefore to continue to employ more than 60% of all apprentices where appropriate after they have successfully completed their basic training. Thanks to far-sighted planning, Coop achieved a continued-employment rate of 65% in 2011, and was able to offer 620 successful apprentices jobs within the company. Numerous routes to a promising professional future are open to these young people. For those who have completed their basic training and are interested, Coop offers nine to twelve-month language placements in a part of Switzerland where a different language is spoken. An extra language means more knowledge, more experience and therefore more opportunities in professional life.

Personal responsibility for apprentices

Coop operates a future-oriented succession planning scheme and encourages apprentices to take personal responsibility via courses and on-the-job training. A labour pool has been set up for business apprentices, within which they can experience having personal responsibility for tasks and projects outside day-to-day business. The apprentices organize themselves independently and assume joint commercial responsibility for tasks. One example of this is the Coop own-label brand Plan B, which third-year sales apprentices have been independently managing since 2010. Coop is able to benefit from the experiences, ideas and viewpoints of these young adults. And the apprentices acquire experiences that are valuable in their day-to-day work.

Commitment to academically weak school-leavers

Alongside apprenticeships, Coop has since 2006 been offering traineeships especially for school leavers who have learning disabilities and are academically weak. In 2011 there were 118 such jobs, which are intended to enable young people to embark upon their working lives. These one-year traineeships focus on practical skills rather than theory. There are courses as well, but these are primarily used to develop team spirit and social skills. The idea behind the programme is to give these young people back the confidence they have lost during their previous setbacks at school and in applying for training positions. Coop's experiences to date with the traineeships have been very good. Most of the young people are motivated to work hard and, after the year is over, they begin vocational training or continue work in a permanent position. Coop is also a member of the Speranza Foundation patrons association and a sponsor of the Stiftung für Jugendförderung (Foundation for youth patronage). Both of these foundations are involved in training young adults and integrating them into the labour market. They also help to achieve long-term integration for young people who have poor prospects of finding an apprenticeship when they leave school.

Partnership with Young Enterprise Switzerland

In 2011, Coop entered into partnership with the Young Enterprise Switzerland (YES) charity, which develops and supports business training programmes for school pupils. The focus is on young people, who are helped to think in a networked manner, act entrepreneurially and be credible in a business environment. Young students gain an insight into the way the social market economy works, and gain experience through "learning by doing". Coop is also actively involved in the YES

Health promotion is a key element



Monica Basler
Project Manager, Centre of Excellence for Health Promotion and Prevention, Institute for Social Management and Policy, Lucerne University

“Cost pressure, reorganizations, demographic changes and resultant shortages of specialist and managerial staff are placing growing demands on employees. At the same time, the social and commercial skills required of managers are also increasing. To cope with these demands, employees need to be physically and mentally healthy. Within its sustainable HR management policy, Coop is addressing this changing situation with specific health-promotion measures. Conscious that current and future challenges can only be met by a healthy, motivated and valued workforce, Coop is promoting the establishment of working conditions that are conducive to health. The effectiveness and return on investment of these measures have been scientifically proven. The return on trust, however, is priceless.”

“Fit for business” programme. This programme helps young people in academic years eight to ten to cope better with the various economic aspects of their own circumstances. Lessons are given by people actively involved in the business world, including Coop employees. As part of the YES training programme, students also set up a real company that markets its products or services throughout an entire school year. To promote these companies, the secondary school students attend regional “trade fairs”, for which Coop provides display areas in shopping centres.

www.young-enterprise.ch

Sustainable HR management

Coping with increasing demands

Coop attaches great importance to sustainability when it comes to human resource management too. For employees to cope with increasing demands in terms of productivity, they need workplaces that are ergonomically optimized and as safe as possible. A good, constructive working environment is also important, with clearly defined responsibilities and well-trained management. In the event of personal crises and conflicts, the Coop counselling service acts as a contact point and mediator. It offers advice on budgeting and debt, help with addiction problems and family problems, and also provides support during difficult stages in life. For this purpose, Coop employees 15 qualified counsellors who cover the

whole of Switzerland. Through its Child Care programme, Coop has since 2007 provided financial support for external childcare for employees who are single parents on low incomes (up to a maximum of 600 francs per month for one child and a maximum of 1 000 francs a month for several children). In doing so, Coop is accepting its social responsibility towards single parent employees and making an important contribution towards a better work-life balance.

Promoting employee health

In the interests of promoting employee health, Coop held no-smoking courses in all five of its Sales Regions in 2011 in conjunction with the organization Lungenliga. Each course lasted two days, was free of charge for all interested Coop store managers and deputy store managers, and could be attended during working hours. In 2011 Coop also carried out an ergonomic analysis of all its logistics operations. This was used to derive measures such as regular training in safe lifting and carrying. As part of the Coop Municipality Duel fitness event by schweiz.bewegt, Coop organized a variety of activities for employees in different parts of the company in May 2011. These activities ranged from a volleyball tournament and a treasure hunt through to taster Zumba courses. Staff were also encouraged to take part in the Coop Municipality Duel themselves. 532 employees and family members took part, accumulating a total of 1 130 activity hours.

Expanding absence management

In 2011, absences due to illness at Coop increased by 0.2 percentage points to 3.8 percent. One reason for this was a major flu epidemic at the start of the year, but this alone does not fully explain the increase. A detailed analysis of absences was therefore commissioned, based on function, age, length of service and gender, so that the causes could in future be better addressed via target group-specific measures. An internal survey in 2011 revealed that line managers know how they are supposed to react to frequent brief absences and also long-term absences, and where they can obtain support. However, getting the long-term sick back to work is still very challenging. In Trading (non-Coop-branded formats), an intensive absence management initiative has already seen some success. These formats are showing a slightly lower absence rate compared with last year.

Optimum reintegration for the disabled

Together with the state disability insurance fund (IV), Coop is working towards getting more disa-

Employee event motivates and inspires



Dijana Paunovic
Head of Apprentice Supervision, Coop Zentralschweiz-Zürich Sales Region

“For us, the ‘VIVA Grand Prix 2011’ was a huge challenge and also the highlight of our year. As project manager for the Zentralschweiz-Zürich delegation, I was of course looking forward most of all to the Coop own-label sustainability brand and quality label song contest. It was an amazing start to the day! Our Sales Region had to rehearse a song about the Slow Food brand. We put together a team consisting entirely of apprentices, and who would have thought we had so much talent in our midst! We really enjoyed rehearsing and at the same time we learned lots about Slow Food. I found the knowledge trail on the eight own-label sustainability brands and quality labels in the afternoon very exciting as well. We were able to discover the brands in a fun way and learn something new too. The trail also gave me, as a trainer, some ideas on how to convey subjects a little bit differently. It encouraged me to try out new things myself and take a different approach. It was also great to be able to spend the day with Coop employees from other regions and areas, and exchange ideas outside the day-to-day working environment. You could really sense Coop’s energy and dynamism!”

bled employees back to work. However, sorting out disability cases with all the authorities involved is extremely time-consuming. For this reason, Coop became involved in the external project “Concerto” in 2011. The aim of this project is to define clear, standardized national processes and interfaces with disability insurance offices, daily benefits insurance providers and pension funds. This will make processing disability cases more efficient, which in turn will increase reintegration rates and also reduce the costs for employers and insurers.

Motivation day for around 1 800 employees


Behind Coop’s sustainable product ranges there are numerous committed employees in supermarkets, Coop City department stores, Building & Hobby centres, many other sales formats and administrative offices. These people deal with individual products on a daily basis. To inspire, motivate and train them in Coop own-label sustainability brands and quality labels, Coop held the “VIVA Grand Prix 2011” on 21 June 2011. A total of 1 742 Coop employees from all over Switzerland travelled to Interlaken for this event. They were divided into 144 groups and took part in a knowledge trail involving eight significant Coop own-label sustainability brands and quality labels, including

Naturaline, Naturaplan, Oecoplan and Max Have-laar. Eight delegations from the Sales Regions and sales formats took to the stage to perform a song about one of the own-label sustainability brands, generating great enthusiasm. The entire event was CO₂-neutral. The majority of employees travelled to Interlaken on special SBB trains, and the lunch and snacks were organically produced. Coop offset the remaining CO₂ emissions.

Transgourmet Group

Sustainable HR management at Transgourmet

Since January 2011, the 22 818 employees of the Transgourmet Group, which operates throughout Europe, have been part of the Coop Group. Sustainable HR management is a subject that is becoming increasingly important for Transgourmet too. Focal points include health management and occupational health and safety. For example, Fegro/Selgros Germany regularly holds occupational health and safety training courses as well as providing occupational addiction counselling by trained addiction counsellors. Selgros Romania carries out risk analyses for all jobs and provides regular health checks for employees. Store employees are also offered first-aid training. At Selgros Russia, all staff receive additional health insurance to provide them with better medical care. And Transgourmet France offers its employees health insurance that covers health costs that are not included in French statutory health insurance. By holding specific training sessions and raising employee awareness of selected occupational safety issues, Howeg was able to reduce its absence rate significantly in 2011. It is now preparing another training course for 2012 jointly with the accident insurance company Suva.

 www.transgourmet.com

Selective training and professional development at Prodega/Growa

The Swiss company Prodega/Growa attaches great importance to internal training and professional development for its 1 318 employees. On average, each employee takes part in around 22 hours of internal training each year. This has enabled the company to fill approximately 70% of its management and key vacancies internally in 2011. Prodega/Growa also trains around 70 apprentices each year. 27 apprentices passed their final examinations in 2011, and 18 of them were subsequently offered ongoing employment within the company. The survey carried out as part of the Swiss Employer Award 2011 shows just how high the levels

of employee satisfaction within the company are: Prodega/Growa came seventh on the list of Switzerland's best employers. The detailed analysis shows that Prodega/Growa was ranked above the benchmark in all the categories evaluated.

Family conscious HR policy at Rewe Foodservice

The German company Rewe Foodservice, which employs a total of 3 323 people, has also received an award. In May 2011, its Mainz and Schweitenkirchen sites were awarded a certificate by the "berufundfamilie" (work and family) audit initiative. Rewe Foodservice is therefore one of the front runners when it comes to family conscious HR policy in Germany. The certificate shows that both sites have undergone the audit process and drawn up new targets and measures for a family conscious HR policy together with employees, management and workers' representatives. In early 2011, Rewe Foodservice concluded a national works agreement on the subject of "Alcohol and the risk of addiction in the workplace". This agreement aims to increase occupational safety, maintain employee health, recognize and eliminate addiction risks and also arrange prompt in-patient or out-patient treatment for addicts. Regional addiction officers have been appointed throughout Germany for this purpose. An additional 27 local safety officers and 150 trained first aiders are also available to maintain occupational safety.

Society

In 2011, the focus is on “the people behind it all”. The Coop Sustainability Fund raises awareness of sustainable consumption and promotes innovation. Coop increases its financial commitment to “Schweizer Tafel” and “Tischlein deck dich”.

Coop Sustainability Fund

Promoting innovation and raising awareness

The Coop Sustainability Fund acts as a central tool for promoting sustainable consumption. With 15 million francs per year, it enables Coop to initiate innovative solutions that are socially relevant and environmentally friendly, making a pioneering contribution towards sustainability. But to generate the maximum possible benefit for society, innovative products and services not only need to be provided but also communicated. With its Sustainability Fund, Coop is therefore also investing in raising public awareness. It wants to make consumers aware of the wide selection of products available to them, and also of the fact that their purchasing behaviour can have a positive impact. For example, Coop is using tasting sessions in its sales outlets to bring to life choice mountain products from the own-label sustainability brand Pro Montagna and also Coop Naturaplan regional organic produce. The Fund also finances Pro Specie Rara seedling markets to highlight the large variety of Swiss native varieties and breeds. Coop also uses its annual presence at the Natur sustainability exhibition in Basel as a platform for raising customer awareness of sustainable consumption. These commitments are supplemented with numerous brochures, flyers, the “Verde” organic magazine and articles on sustainability in the Coop member press and information on the Internet.

Research for an organic future

If sustainable products are to actually find their way into shopping baskets, they need to conform with market requirements and be able to compete with conventional products in terms of quality and appearance. They must also show demonstrable added value. Achieving this calls for efficient strategies and innovative solutions. For almost twenty years now, Coop has been investing in research and development projects in the field of organic farming. The Research Institute of Organic Agriculture (FiBL) has been a valued partner in this respect. In the “Feed no Food” project, for example, FiBL is researching approaches to feeding cattle that involve the lowest possible levels of concentrated feedstuffs, taking into account the effects on animal health, yield, milk and meat quality and cost-effectiveness. The project is developing possible approaches to organic milk and meat production that cater to the cows’ needs and minimize the use of concentrated feedstuffs, which are mostly imported. The aim is also to improve producers’ competitiveness. A pilot “Climate-neutral arable and vegetable farming” project has shown that, in suitable locations, cultivating the soil without ploughing it can increase resource efficiency and reduce environmental impact – and still generate the same yield. So that we can continue to drink organic orange juice in the future, FiBL is also developing and testing effective organic methods of curbing citrus greening disease, which has recently appeared in Central America and is destroying entire citrus plan-

Coop Sustainability Fund: 2011 projects

Climate

Carbon offsetting

Partners: WWF and SENS | Offsetting the carbon emissions generated by airfreight, business travel and Coop@home deliveries via WWF Gold Standard projects and Swiss Charter certificates from a fridge recycling project in Brazil (2007–2012).

Coop Naturaline CO₂-neutral

Partner: Remei AG | Climate-neutral production of Coop Naturaline organic cotton textiles and organic cotton-wool products by reducing CO₂ emissions and offsetting unavoidable CO₂ emissions via projects along the value chain (2009–2013).

WWF Global Forest Trade & Network Switzerland

Partner: WWF | Improving performance and communicating a responsible timber and paper purchasing policy; increasing the proportion of FSC timber and paper sales by introducing innovative products (2006–2012).

COCON packaging project

Partner: awtec AG | Possible ways of optimizing convenience salad bowls in terms of environmental impact and product quality (2011)

Umwelt Arena

Partner: W. Schmid AG | Partnership with the Umwelt Arena in Spreitenbach, which from 2012 will offer its visitors guidance in consuming sustainable products (2011–2014).

Plants, animals, soil

Feed no Food

Partner: Research Institute of Organic Agriculture (FiBL) | Basic research into the effects of minimizing the use of concentrated feed and feed contaminated with antibiotics on calves and dairy cows with regard to animal health, ecology and product quality (2003–2017).

Organically tackling citrus greening

Partner: FiBL | Developing effective organic methods of curbing citrus greening disease on organic citrus plantations in Cuba and Mexico (2011–2013).

Sustainable cocoa sourcing in Honduras

Partners: Chocolats Halba, Helvetas Swiss Intercooperation | Project on the comprehensive sustainable sourcing of cocoa from Honduras through environmental and social initiatives such as creating water usage plans for communes (2009–2013).

GSCP environmental module

Partner: Eurogroup Far East Ltd. | Pilot project to develop an audit tool for improving the environmental performance of Asian non-food suppliers (2011).

1001 Vegetables & Co.

Partner: PanEco Foundation | Diversity and tasting market in Rheinau with a variety of Coop partners including Pro Specie Rara, Slow Food, Bioverita and Bio Suisse (2008, 2009, 2011).

Water

Energy efficient fish farms for regional production

Partner: Ichthys Ltd | Developing energy efficient, closed-cycle systems for regional fish farming to promote a new line of business for Swiss agriculture, generate regional added value and transfer expertise to developing countries (2009–2011).

Alternatives to fish meal for feeding in sustainable aquaculture

Partner: FiBL | Producing feed for sustainable fish farming that is nutritionally optimized but does not impact on marine resources (2009–2012).

Fairtrade water project

Partner: International Development Enterprises (IDE) | Improving the living conditions of Fairtrade (FLO) farmers and their families in Central America by increasing water efficiency using cost-effective drip-feed irrigation systems (2010–2014).

MSC yellowfin tuna

Partner: WWF | Establishing sustainable fishery methods for tuna in accordance with MSC guidelines in the Philippines for fresh-fish sales (2010–2012).

Sustainable roses and water from Naivasha

Partner: University of Leicester | Establishing an infrastructure and training the population in sustainable water usage for the production of Max Havelaar roses on Lake Naivasha, Kenya (2011–2013).

People

Biore projects

Partner: Biore Foundation | Promoting and supporting social projects in the fields of training, health and nutrition for over 7 100 Biore cotton producers and their families in India and Tanzania (2007–2016).

Slow Food

Partner: Slow Food Switzerland | Partnership with Slow Food to promote food culture and protect biodiversity and high-quality, artisanal products through Swiss presidia groups (2006–2014).

Sustainable rice value chains

Partners: Reismühle Brunnen, Helvetas Swiss Intercooperation | Establishing fair, environmentally friendly rice value chains in India and Thailand (2010–2014).

VIVA Day 2011

Partner: Rufener Events | Event for approximately 1 800 employees from various Coop sales formats, to inspire them and raise their awareness of Coop own-label sustainability brands and quality labels (2011).

Theme of the year: "For the people behind it all"

Partner: Chocolats Halba, Max Havelaar, Remei AG, Alpinavera | "For the people behind it all" sustainability campaign (2011).

Excerpt from 2011 project list.

You can find a full list of all Coop Sustainability Fund projects at www.coop.ch/fund.

tations. By supporting such research projects, Coop is playing an important role in developing sustainable innovations and marketing them successfully, even outside its own marketplace.

www.fibl.org

Focus on “the people behind it all”

Exciting theme of the year

Whereas in 2010 Coop placed the preservation of biodiversity at the centre of its sustainability efforts, its theme of the year for 2011 was “For the people behind it all”. This theme was decidedly exciting, as in 2011 consumers focused more strongly than ever on price. This focus was inflated by numerous media reports and an historic low point in the exchange rate with the euro. Against this backdrop, “For the people behind it all” provided a welcome and much-needed platform to demonstrate that no product is anonymous or emotionless. Behind each product and service there are people with personal commitment: coffee growers in Mexico, organic cotton producers in India, the inhabitants of Swiss mountain regions, researchers, people who care about humane animal husbandry and biodiversity and who are campaigning against overfishing and, last but not least, Coop employees who are committed to increasing sustainability – be this in sales, manufacturing companies or logistics. In 2011, Coop gave a face to those people behind it all with a broad-based communication campaign and numerous events in sales outlets. The Coop stand at the Natur 2011 sustainability exhibition also made visitors aware of the people behind individual Coop products and the added value generated by sales of these products. These projects were largely financed by the Coop Sustainability Fund.

Promoting workshops for the disabled

For many years, Coop has been placing orders with workshops for the disabled amounting to around 3 million francs per year. These are orders for assembly work, price labelling, pallet repairs and ancillary staff in manufacturing companies, for example. In the year of “For the people behind it all”, Coop had a rather special idea for the Christmas cards it sends its business partners. It commissioned the Brändi Foundation’s disabled workshop to produce the cards. In the card workshop in Willisau, disabled people produced around 40 000 Christmas cards in 3 000 working hours between February and September – each one hand-finished and each one unique. Orders like this give disabled people structure in their everyday lives, recognition, self-confidence, opportunities to move into the private

Coop is helping to integrate people with disabilities



Markus Vogel
Head of the Brändi Foundation,
Willisau

“People with disabilities perform valuable work. It’s important to them that

their achievements are appreciated. They’re proud when their products go down well with customers and are sold in shops. The Brändi Foundation gives disabled people a daily routine and a productive environment in which they can work with a minimum of stress. But we are marketing our products in a competitive environment and have to operate profitably, just like any other company. We were delighted to be able to design and produce Coop’s Christmas cards in 2011. This job has made a real contribution towards the professional, social and cultural integration of people with disabilities.”

sector and, last but not least, an income, since disabled workshops are reliant on orders from the private sector. Coop has decided to commission a disabled workshop to produce its Christmas cards again in 2012.

Incorporating social projects into the core business

Coop’s commitment to the people behind it all is also reflected in its sustainable product range. For example, over 7 100 organic cotton producers in India and Tanzania currently benefit from fair working conditions and wages as a result of the launch of the Coop own-label sustainability brand Naturaline in 1993. Via the Biore Foundation, Coop is also supporting numerous local social projects such as the construction of schools and a mobile health clinic. Coop is convinced that establishing long-term business relationships and incorporating social projects into its core business are ultimately better ways of achieving a sustainable impact than simply making donations to institutions. For example, the inhabitants of Swiss mountain regions are benefiting more in the long term from a product label of their own such as the Coop own-label sustainability brand Pro Montagna than from receiving a one-off cash donation. Because all Pro Montagna products are both produced and processed in the Swiss mountains, the added value stays in the mountain regions, thereby safeguarding existing jobs and in many cases creating new ones. In addition, Coop makes a contribution to the non-profit organization Coop Aid for Mountain Regions for each product sold. And as Switzerland’s largest supplier of Fairtrade Max Havelaar products, Coop is making a lasting contri-

bution to the people behind it all. Thanks to the Fairtrade products sold by Coop in 2011, around 3 million francs were paid into Fairtrade premium projects, which local producers select and manage themselves.

Christmas donations to social organizations

The four Christmas donations that Coop made in 2011 for the second time were exceptions to the “core business” rule – and of course, at Christmas exceptions are permitted. With a total of 430 000 francs, Coop supported not only the “Every centime counts” campaign but also the Pro Infirmis organization for disabled people, Reka holiday villages and over 60 organizations that provide Christmas meals for the needy.

Promoting health

Voluntary action in many areas

The eating habits of children and adults are becoming increasingly unhealthy, and many people are overweight. Coop believes in taking voluntary action rather than resorting to a fat tax such as the one recently introduced in Denmark. It is increasingly advocating a varied, balanced diet. When developing its product ranges, Coop’s efforts are centred on freshness, variety and optimized recipes. As well as a diverse standard range, Coop offers its consumers own-label target-group brands to meet a wide variety of different requirements. As part of the actionsanté initiative launched by the Swiss Federal Office of Public Health in 2009, Coop has already voluntarily reduced the sugar and salt content and optimized the fat quality in a number of its own-label brand product groups. For example, Coop Qualité & Prix and Prix Garantie yoghurts now contain approximately 10% less sugar, and its fresh desserts contain around 20% less. Coop has also committed to actionsanté that it will implement the target values defined for the optimum salt content of fresh convenience products by the end of 2012. But Coop is taking action not only with regard to recipes, but also product labelling, information, sponsoring health projects and implementing measures for employees, as well as partnerships with various nutrition organizations.

 www.actionsante.ch

Transparent labelling

Coop’s product labelling often voluntarily exceeds statutory requirements. The packaging of around 4 000 Coop own-label brand products displays clear, comprehensive nutritional information in the form of a food profile. Allergy advice is also clearly

visible on all own-label brand products. Special products for vegetarians are labelled with the European vegetarian label (the “V” label), and Weight Watchers products display the ProPoints® value. Around 200 products also bear the “5 a day” portion logo granted by the Swiss cancer charity Krebsliga to indicate a sufficient intake of fruit and vegetables.

Raising awareness and motivating

In addition to the information displayed on products, Coop provides comprehensive nutritional information and services on the Internet, in the Coop member press and on numerous fact sheets. By sponsoring health projects, Coop is specifically making children, parents and teachers aware of the importance of a healthy lifestyle. The projects it supports include Fit-4-Future – an initiative to combat lack of exercise and obesity in schoolchildren, and Gorilla, a national project that promotes healthy eating in children and young people. To promote the health of its own employees, Coop has taken measures including the provision of courses on nutrition and exercise in its Logistics department. So that it can encourage as many people as possible to pursue a healthy lifestyle, Coop is also entering into partnerships to seek solutions. For example, a joint initiative with “5 a day” resulted in sales activities such as carrier bags full of fruit and vegetables intended to specifically boost the consumption of seasonal produce. Another measure employed is the “Eating trends in focus” survey that Coop regularly conducts with the assistance of the Swiss Society for Nutrition (SSN). This survey investigates the interests and attitudes of the population towards nutrition.

Protecting young people

Alcohol test purchases as a monitoring tool

The pressure on retailers and the catering trade to effectively protect young people is as intense as ever. In 2008, Coop undertook to sell alcohol only to people over 18 years of age. Cashier training via a “Training on the job” (TOJ) module was stepped up once more in the year under review, and was also documented. For monitoring purposes, Coop either carries out test purchases itself or commissions others to do so. These purchases are conducted in accordance with standardized criteria laid down in the Swiss Federal Office of Public Health’s manual for test purchases. For 2011, Coop set itself the ambitious target of meeting the regulations for the protection of young people in 75% of all cases. A Group-wide analysis showed large regional varia-

tions, but the overall success rate was 75%, and Coop therefore just met its target. By setting the target for 2012 at 90%, Coop is underlining its clear intention to give young people an extremely high level of protection.

Coop's stance on official test purchases

A report commissioned by Coop concludes that test purchases cannot be used as a basis for the criminal prosecution of cashiers. They should be classified as covert investigations similar to phone tapping. They can therefore only be used where a serious offence is suspected. Selling alcohol to minors does not fall into this category. Coop fails to understand why cashiers should be prosecuted on the evidence of test purchases – particularly since the young people themselves know perfectly well that they are not legally permitted to buy alcohol. Age restrictions are displayed in large lettering both on the shelves and at checkouts. Coop also intends to ensure that test purchases will not lead to cashiers being prosecuted under the new alcohol legislation. What is undisputed, however, is the fact that test purchases are useful for monitoring purposes. There are significantly fewer contraventions of the regulations for the protection of young people in cantons where there is good monitoring. Coop is opposed to price-related measures for protecting young people, such as minimum prices or even higher levels of duty on alcohol.

Other activities

Donating food to the needy

In Switzerland, it is estimated that one person in ten is living in poverty. With the support of “Schweizer Tafel” (Swiss table), “Tischlein deck dich” (Table be set) and Caritas, Coop is helping to combat poverty in Switzerland and is making sure that perfectly edible food does not have to be thrown away. Since 2005, Coop has had a close partnership with “Schweizer Tafel” and “Tischlein deck dich”. These two organizations collect food that is past its sell-by date but not yet past its use-by date from food wholesalers, producers and retailers. Each day, “Schweizer Tafel” distributes more than twelve tonnes of high-quality food free of charge across eleven Swiss regions to over 500 social institutions such as emergency accommodation centres, charitable organizations, soup kitchens and homes. These deliveries ease pressure on kitchen budgets, which are often very tight, thereby enhancing the meal plans for those in need. And the food deliveries carried out by “Tischlein deck dich” relieve the household budgets of the 12 500 people affected by

An ideal business model



Daniel Böhny
Managing Director, Howeg

“Howeg has been supporting ‘Tischlein deck dich’ since its inception over ten years ago. This non-profit organization has almost become a part of our company, and is deeply embedded in our corporate culture. Both parties benefit from this multi-faceted joint initiative. ‘Tischlein deck dich’ receives food from us that is surplus to requirements and can no longer be sold, and ensures it is distributed in a rational manner. We also provide the association with infrastructure and logistics free of charge. In return, we save on disposal costs, while at the same time supporting people in need by giving them valuable foodstuffs. We even operate a food distribution point on our own premises, where Howeg staff issue food to needy people from the city of Winterthur and its surroundings each week. Both the staff and I personally gain a great deal from this corporate volunteering programme. It enables me to see beyond my own horizons and put my own problems into perspective.”

poverty who are able to buy food for one symbolic franc at 86 distribution points across Switzerland each week. Both these organizations use many voluntary helpers – “Schweizer Tafel” has around 100 volunteers and “Tischlein deck dich” has 1 600. Both organizations also offer community service placements, and enable the long-term unemployed to get back to work thanks to collaboration with unemployment programmes. Each year, employees and volunteers at both these organizations distribute around 5 500 tonnes of food – of which almost 2 000 tonnes alone come from a total of 300 Coop sales outlets. Coop also supports both organizations financially by donating 250 000 francs per year to each of them. This enables “Schweizer Tafel” to supply more institutions and “Tischlein deck dich” to open more distribution points. The aid organization Caritas also receives food from Coop. Until 2010, Coop made occasional donations of products via its own manufacturing companies. Since 2011, Coop has been donating foodstuffs worth 100 000 francs each year. Caritas sells this food at very low prices to impoverished people in its 19 stores across Switzerland.
www.schweizertafel.ch, www.tischlein.ch, www.caritas.ch

Coop supports the mountain population

Mountain regions and rural areas play a key role in unifying Switzerland – they convey a sense of belonging and identity, and are much-loved holiday

destinations. Farming is what forms the basis of these mountain regions, and its activities have to be reconciled with green tourism, energy provision and regional politics. For almost 70 years, Coop Aid for Mountain Regions has been campaigning for better living and working conditions for the inhabitants of Switzerland's mountain regions, thus counteracting the threat of depopulation. In particular, it provides support for Swiss farming families and helps people to help themselves, enabling farmers and producers to maintain sustainable livelihoods in difficult conditions. Coop Aid for Mountain Regions is supported by contributions from its members and by donations. In addition, for every Pro Montagna own-label brand product sold, Coop donates part of the retail price as a solidarity contribution. In 2011, Coop Aid for Mountain Regions invested around 4.1 million francs in 113 projects in Swiss mountain regions.

Another aid initiative that Coop has been undertaking for eleven years now is the sale of bread rolls on 1 August, Switzerland's national holiday. For every special 1 August bread roll sold, either 20 or 60 cents is donated directly to Coop Aid for Mountain Regions. Coop matches this contribution and uses all of the money, with no deductions, for a specific self-help sustainability project. In 2011, the 1 August bread roll and also the new 1 August sausage initiatives generated a total of 300 000 francs, which was used to renovate the dairy and several other Alpine buildings on the Fluonalp above Giswil in the Canton of Obwalden.

Voluntary service project

In 2011, Coop Aid for Mountain Regions got together with the Coop member press to develop a completely new, exclusive "Active holiday on the Fluonalp" for readers. This gave Coop press readers the opportunity to spend five days on the Fluonalp in the Canton of Obwalden, directly experiencing everyday life on the alp and helping with a variety of jobs. Coop employees benefited from a special offer, which sold out extremely quickly. A total of 60 participants carried out voluntary work under expert guidance. They herded cows, cleaned out cowsheds, cooked on open fires, made cheese, weeded pastures and generally helped out everywhere they could. This pilot project was a great success and is therefore being repeated in 2012. Coop is supporting the project because voluntary service makes an important contribution to social sustainability.

Social initiatives at Transgourmet

It is a well-known fact that end consumers in B2C businesses are much more aware of social and charitable initiatives than companies in B2B busi-

nesses are. Nevertheless, the wholesale companies that make up the Transgourmet Group are involved in a variety of social projects. Fegro/Selgros, Prodega/Growa and Howeg in particular support "Die Tafeln" in Germany and "Tischlein deck dich" in Switzerland – organizations that distribute food to the needy. Howeg provides office and warehouse space for "Tischlein deck dich", incorporates it into its IT systems and supports it with logistics expertise. Howeg employees even carry out voluntary work, managing one of the organization's 86 or so distribution points themselves. In Poland, Fegro/Selgros also supports people in need, kindergartens, welfare associations and public institutions. In Russia, where the divide between rich and poor is particularly wide, Selgros Russia is involved in a variety of small social projects and establishments. In the year under review, the company supported the "Sunflower" project for the first time. This project cares for children suffering from immunodeficiency disorders. Selgros Russia placed collecting boxes and information material in its stores. And the German company Rewe Foodservice is particularly committed to schoolchildren. It packs up and distributes 1 600 "power bags" to schools each day to give children a healthy breakfast.

 www.transgourmet.com

Werner Loeffel

Cook and helper, Felsenau House
temporary accommodation centre, Berne

Schweizer Tafel / Tischlein deck dich

“Schweizer Tafel” and “Tischlein deck dich” collect food products that have passed their sell-by date but are still within their use-by date, and distribute them to impoverished people and social institutions. Coop supports both organizations with food donations and 250 000 francs each per year.



Werner Loeffel has been helping to reintegrate addicts and released prisoners for twelve years now. He is convinced that nutrition plays a major role in wellbeing. Thanks to “Schweizer Tafel”, he is able to cook more varied, healthier and better food.



2
300 Coop
sales outlets

3
5 514 tonnes
of food

4
500 institutions
in 11 regions

1 As their main partner, Coop has been supporting “Schweizer Tafel” and “Tischlein deck dich” financially since 2005. This has enabled the organizations to increase their fleet to 44 vehicles and expand their activities to cover more Swiss regions.

2 In 300 Coop sales outlets across Switzerland, employees collect food that has passed its sell-by date but not its use-by date. Food of excellent quality is given to “Schweizer Tafel” and “Tischlein deck dich”.

3 In 2011, the two organizations collected a total of 5 514 tonnes of top-quality food. Over a third of this came from Coop sales outlets.

4 “Schweizer Tafel” distributes the food across eleven Swiss regions free of charge to over 500 social institutions such as emergency accommodation centres, charities, soup kitchens and homes.

5 “Tischlein deck dich” relieves the household budgets of 12 500 impoverished people, who are able to buy food for one symbolic franc at 86 distribution points across Switzerland each week.

6 “Schweizer Tafel” has around 100 volunteers and “Tischlein deck dich” has 1 600. Both organizations also offer community service placements and enable the long-term unemployed to get back to work.

1
44 vehicles

6
1 700 volunteers

5
12 500
impoverished
people



Key sustainability data

66 Sustainable products & services

66 Sustainable consumption

66 CO₂ offsetting

67 Resource efficiency & climate protection

67 Energy consumption

68 Carbon dioxide emissions (CO₂)

68 Water consumption

69 Waste

70 Employees & society

70 Employee headcount and turnover

70 Diversity

71 Training and professional development

71 Occupational health management

71 Social commitment

You can find further key figures in the Coop Group **Annual Report**.

Sustainable products & services¹

Sustainable consumption

in CHF millions	2008	2009	2010	2011
Coop Naturaplan	690	726	758	779
Coop Naturafarm	467	478	461	450
Coop Oecoplan	102	112	117	121
Coop Naturaline	67	68	67	66
Other (Pro Montagna, Pro Specie Rara, Slow Food, Max Havelaar, Bio, MSC, FSC, Topten from 2010 onwards)	238	238	487	586
Sales of own-label sustainability brands and quality labels	1 565	1 621	1 891	2 002

as a percentage	2008	2009	2010	2011
Percentage of retail turnover from own-label sustainability brands and quality labels	8.6	8.9	10.2	10.9
Percentage of farmed seafood turnover that is organic ²	32.1	33.6	30.1	30.7
Percentage of wild-caught fish turnover that is MSC certified ²	24.7	28.8	37.3	56.5
Percentage of total seafood turnover that is certified as sustainable ²	27.5	30.3	33.3	39.7
Percentage of total seafood turnover that is recommended/ acceptable seafood according to WWF ²	–	–	–	98.2

CO₂ offsetting

in thousands of tonnes	2008	2009	2010	2011
Air freight	81 524	66 688	77 851	65 020
Business travel by road	3 601	5 701	6 306	6 443
Business travel by air	1 388	1 310	1 382	1 666
Coop@home deliveries	621	1 419	1 565	1 504
Total carbon dioxide (CO₂) emissions offset	87 134	75 117	87 104	74 633

¹ Retail

² Excluding tinned food

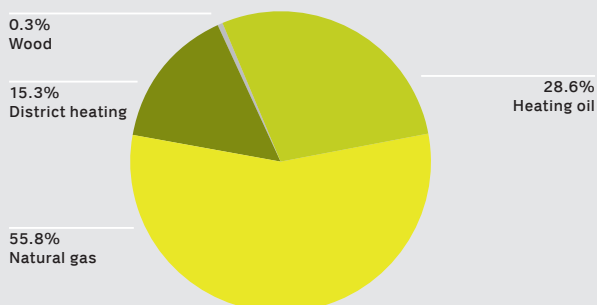
Resource efficiency & climate protection

Energy consumption

in megawatt-hours	2008	2009	2010	2011
Sales outlets	606 123	637 266	629 549	618 117
Distribution centres	59 340	57 638	57 908	57 503
Administration	7 512	9 573	10 507	10 440
Retail	672 975	704 477	697 964	686 060
Bell Group	91 240	172 211	174 301	178 336
Coop manufacturing companies	67 353	67 910	68 449	70 937
Manufacturing	158 593	240 120	242 750	249 272
Cash & carry				275 258
Wholesale supplies				113 988
Wholesale				389 246
Electricity consumption	831 568	944 598	940 714	1 324 578
Sales outlets	197 815	202 383	198 733	186 627
Distribution centres	50 904	50 931	49 327	43 165
Administration	2 260	2 232	2 175	2 157
Retail	250 979	255 546	250 235	231 948
Bell Group	48 308	81 958	95 055	99 022
Coop manufacturing companies	66 000	65 420	57 524	51 804
Manufacturing	114 308	147 378	152 580	150 826
Cash & carry				107 547
Wholesale supplies				13 930
Wholesale				121 477
Energy consumption for heating purposes	365 287	402 924	402 815	504 251
Goods transportation ¹	168 674	172 056	171 781	170 729
Administration ²	25 849	25 918	27 624	28 212
Retail	194 523	197 974	199 405	198 941
Bell Group ³	22 871	22 755	23 605	23 924
Coop manufacturing companies	4 305	4 180	4 229	5 866
Manufacturing	27 176	26 935	27 834	29 790
Cash & carry				26 730
Wholesale supplies				207 755
Wholesale				234 485
Fuel consumption	221 699	224 909	227 239	463 217
Retail	1 118 477	1 157 997	1 147 604	1 116 949
Manufacturing	300 077	414 433	423 163	429 889
Wholesale				745 208
Total energy consumption	1 418 554	1 572 430	1 570 768	2 292 046

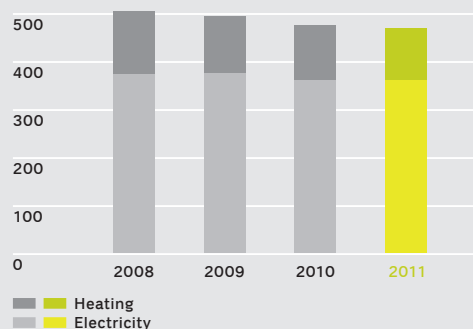
Energy sources used to provide heat

Total consumption: 504 gigawatt-hours



Specific energy consumption of sales outlets

in kilowatt-hours per square metre



¹ Coop's own goods transport, Coop@home deliveries, goods transport by third parties in Switzerland on behalf of Coop

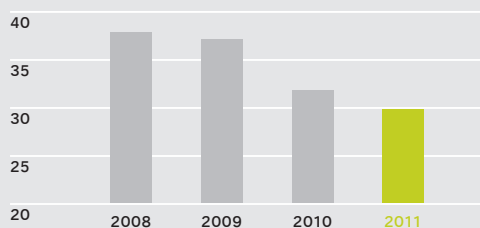
² Including business trips by car and aeroplane

³ Only Bell Switzerland

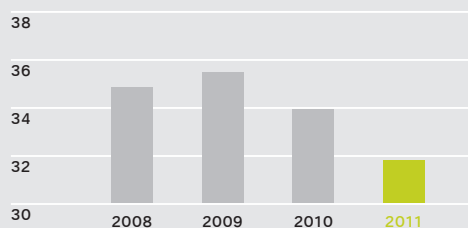
Carbon dioxide emissions (CO₂)¹

in tonnes	2008	2009	2010	2011
Sales outlets	60 948	62 851	54 344	51 022
Distribution centres	11 142	10 870	9 877	9 063
Goods transportation ²	47 501	48 450	47 325	45 470
Administration ³	7 910	7 949	8 314	8 457
Retail	127 500	130 120	119 861	114 013
Bell Group	16 808	67 849	71 908	74 628
Coop manufacturing companies	13 781	13 474	12 320	12 100
Manufacturing	30 589	81 323	84 228	86 728
Cash & carry				146 039
Wholesale supplies				81 583
Wholesale				227 622
Total carbon dioxide emissions (CO₂)	158 089	211 444	204 089	428 362

Specific CO₂ emissions of sales outlets in kilogrammes per square metre



Specific CO₂ emissions for goods transportation⁴ in grammes per tonne-kilometre

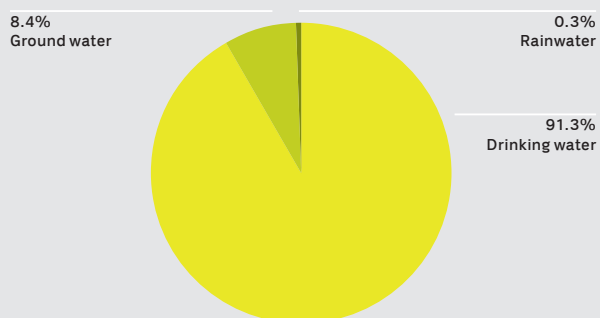


Water consumption

In thousands of cubic metres	2008	2009	2010	2011
Sales outlets	784	836	780	819
Distribution centres	211	242	196	190
Administration	15	15	13	13
Retail	1 010	1 092	989	1 022
Bell Group	1 536	1 942	1 754	1 972
Coop manufacturing companies	263	260	298	298
Manufacturing	1 799	2 202	2 052	2 271
Cash & carry				484
Wholesale supplies				182
Wholesale				666
Total water consumption	2 808	3 294	3 042	3 959

Types of water used

Total consumption: 3959 thousand cubic metres



¹ The CO₂ emissions shown include not only direct CO₂ emissions but also all indirect and upstream emissions

² Coop's own goods transport, Coop@home deliveries, goods transport by third parties in Switzerland on behalf of Coop

³ Includes business travel by road and air

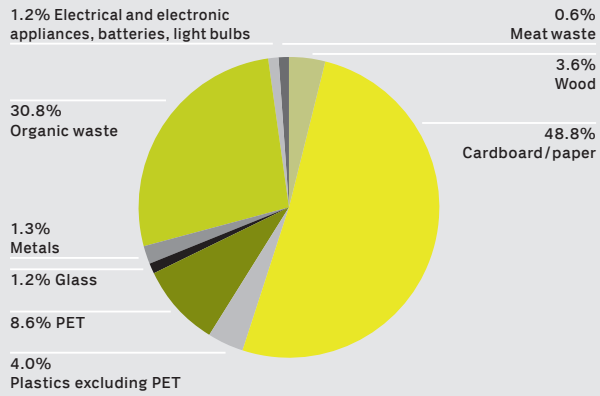
⁴ Transportation of goods by Coop from regional distribution centres to sales outlets

Waste¹

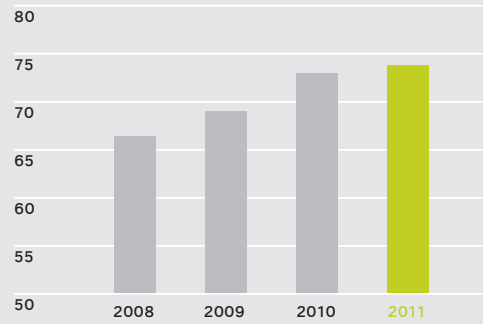
in tonnes	2008	2009	2010	2011
Recycled waste	64 933	71 975	80 028	83 793
Waste used as heating fuel (wood)	2 523	2 926	3 479	3 138
Incinerated waste	34 219	32 369	30 854	29 265
Special waste	675	1 106	652	596
Total waste production	102 350	108 377	115 013	116 791

Recovered waste

Total: 86931 tonnes



Waste recovery rate as a percentage



¹ Retail and Coop manufacturing companies only

Employees & society

Employee headcount and turnover

Number (as at 31 Dec.)	2010	2011
Retail and manufacturing	53 559	52 478
Wholesale		22 818
Employees (incl. trainees) at 31.12	53 559	75 296
Retail and manufacturing	33 492	32 798
Wholesale		19 356
Full-time employees (incl. trainees)	33 492	52 154
Retail and manufacturing	3 014	2 989
Wholesale		396
Trainees (employees) at 31.12	3 014	3 385
in percent (as at 31 Dec.)	2010	2011
Retail and manufacturing	14.5	15.1
Wholesale		20.3
Turnover rate	14.5	16.7

Diversity

in percent (as at 31 Dec.)	2010	2011
Retail and manufacturing	60.1	59.9
Wholesale		48.2
Percentage of workforce who are women	60.1	56.4
Retail and manufacturing	45.1	44.7
Wholesale		43.4
Percentage of full-time staff who are women	45.1	44.2
Retail and manufacturing	14.9	14.7
Wholesale		25.0
Percentage of part-time staff who are men	14.9	16.3
Retail and manufacturing	24.2	25.1
Wholesale		18.8
Percentage of staff over 50 years of age	24.2	23.2
Percentage of women in the Delegate Assembly	38.3	39.7
Percentage of women on the Board of Directors	44.4	40.0
Retail and manufacturing	8.9	9.4
Wholesale		21.3
Percentage of women on the Executive Committee and in upper management	8.9	15.4
Retail and manufacturing	35.4	36.0
Wholesale		31.8
Percentage of women in middle management and departmental management	35.4	35.3

Training and professional development

in thousands of participant days

	2010	2011
Retail and manufacturing	58.2	59.4
Wholesale		28.2
Internal training and professional development	58.2	87.6

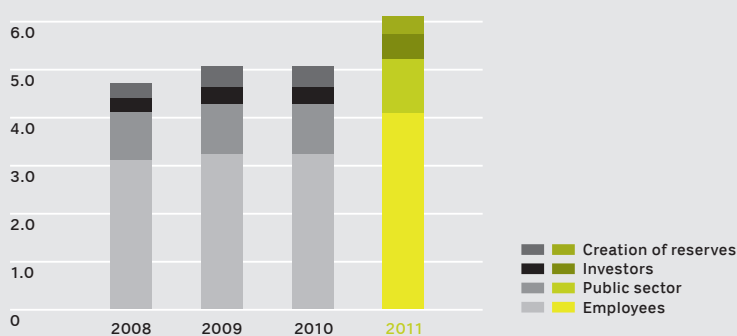
Occupational health management

as a percentage ¹

	2010	2011
Sickness rate for retail and manufacturing	3.6	3.8
Sickness rate for wholesale		3.6
Occupational accident rate	0.3	0.4
Non-occupational accident rate ²	0.5	0.5
Accident rate for retail and manufacturing	0.8	0.8
Occupational accident rate		0.5
Non-occupational accident rate ²		0.0
Accident rate for wholesale		0.5

Distribution of added value

in CHF billions



Social commitment³

in CHF thousands

	2010	2011
Climate	3 849	3 529
Water	677	1 080
Plants, animals and soil	6 737	5 655
People	816	5 241
Coop Sustainability Fund subsidies	12 080	15 505
Schweizer Tafel and Tischlein deck dich ⁴	300	500
Additional contributions for social projects	8 979	7 870
Contributions for social projects	9 279	8 370
Contribution as per cooperation agreement	200	200
Contribution from the 1 August campaign	123	150
Administrative costs covered	499	507
Contributions to Coop Aid for Mountain Regions	822	857

¹ As a percentage of total working days

² Excluding foreign operations. Under EU law, non-occupational accidents are paid for by the health insurance provider rather than the employer.

³ Retail and manufacturing

⁴ In addition to financial donations, these organizations were given foodstuffs

Reporting in accordance with UNGC and GRI

The Ten Principles of the UNGC

In signing up to the United Nations Global Compact (UNGC), a voluntary business initiative, Coop undertook to embrace, support and enact – within its sphere of influence – a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. The UNGC's Ten Principles are based on widely recognized standards of good corporate management and are formulated as follows:

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. They should also promote:
Principle 4: the elimination of all kinds of forced and compulsory labour,
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses are asked to support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The present Sustainability Report of the Coop Group is a communication on progress as proposed by the UNGC. Coop's website includes a detailed overview of where and how the reporting provides information on compliance with the UNGC's principles.

www.unglobalcompact.org, www.coop.ch/gri-ungc

Internationally recognized GRI guidelines

In its approach to reporting in the Annual and Sustainability Reports, the Coop Group aims to provide the fullest possible information on its ecological, economic and social achievements.

Reporting is based closely on the indicator list of the Global Reporting Initiative (GRI). The GRI is an international organization that draws up widely recognized guidelines for sustainability reporting. It attests an Adherence Level of A to the present report.

In the reports the Coop Group publishes each year, it does not break down its sustainability performance by GRI indicator, but by the most important areas in which it is active. This approach is intended to improve the readability of the publications and to clearly identify Coop's priorities and interests. On key points, Coop's reporting goes further than the GRI requirements.

Coop's website includes a detailed overview showing where and how the present reports provide information on GRI indicators.

www.globalreporting.org, www.coop.ch/gri-ungc

Content

Coop

Sustainability

Sibyl Anwander Phan-huy

Tel. +41 61 336 71 11

E-mail: nachhaltigkeit@coop.ch



Statement GRI Application Level Check

GRI hereby states that **Coop Group** has presented its report "Coop Group: Annual report and sustainability report 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, February 17th 2012

A handwritten signature in black ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: *Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on February 14th 2012. GRI explicitly excludes the statement being applied to any later changes to such material.*

Publishing details

Any statements in this report that do not refer to historical facts relate to the future and do not constitute guarantees of future products and services. They incorporate risks and uncertainties including, but not exclusively, future global economic conditions, exchange rates, statutory regulations, market conditions, competitors' activities and other factors beyond the company's control.

This report is published in German, French, Italian and English.
The German version is authoritative.
An online version can be downloaded from
www.coop.ch/report

Print-run

5 800 Ge / 1 500 Fr / 700 It / 1 000 En

Published by

Coop Cooperative
Thiersteinallee 12
Postfach 2550
CH-4002 Basel
Tel. +41 61 336 66 66
Fax +41 61 336 60 40
www.coop.ch

This report can be ordered from

Coop
Info Service
Postfach 2550
CH-4002 Basel
Tel. +41 61 336 66 66
www.coop.ch

Editing: Coop, Public Relations
Concept/Design: YJOO Communications AG, Zurich
Realization: Victor Hotz AG, Steinhausen/Zug
Coop portrait photos: Heiner H. Schmitt Jr., Basel
Printing: Birkhäuser+GBC AG, Reinach
Binding: Grollmund AG, Reinach



