



# **2019 ANNUAL REPORT OF THE COOP GROUP**

## **Publishing details**

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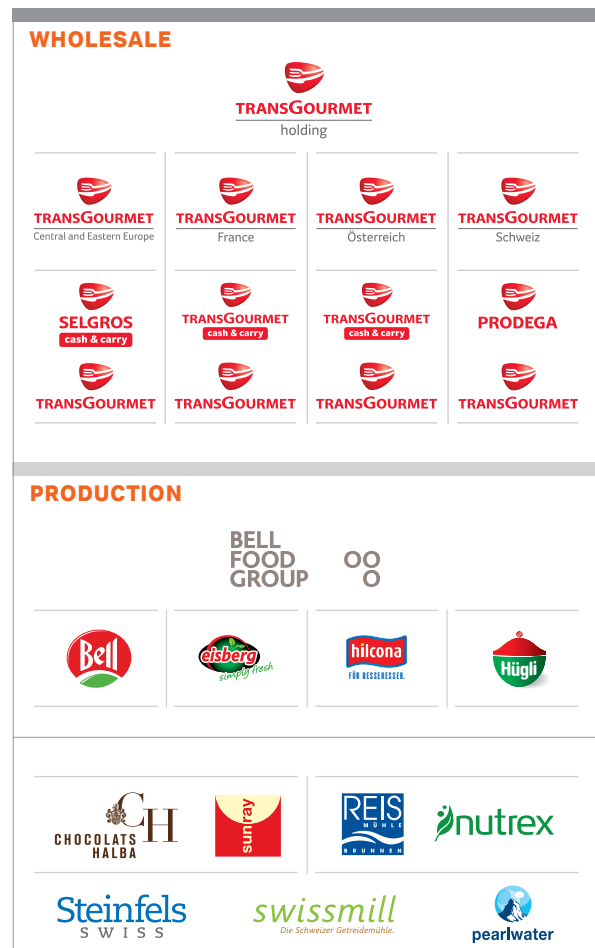
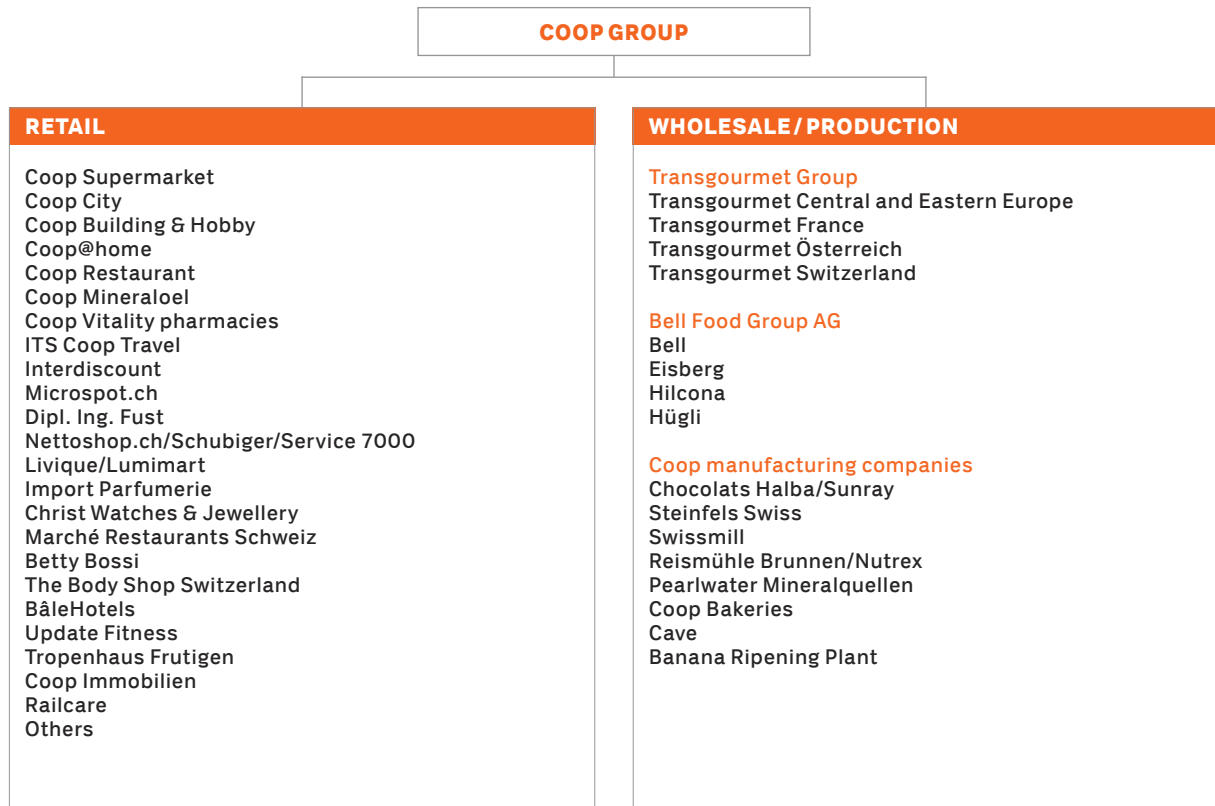
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# 2019 Annual Report of the Coop Group

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# Coop Group business areas

As at 1 March 2020



## Key figures at a glance

### Total sales

**30 669** CHF million

### Net sales Group

**29 633** CHF million

of which

**20 159** CHF million Switzerland

**9 474** CHF million abroad

### Net sales segments

**17 986** CHF million Retail

**14 148** CHF million Wholesale/Production

### Net sales online trading

**913** CHF million Retail

**1 691** CHF million Wholesale/  
Production

### Employees at 31.12

**47 455** Retail

**42 852** Wholesale/Production

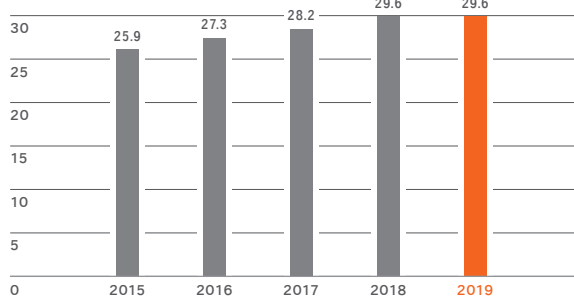
### Trainees at 31.12

**2 459** Retail

**996** Wholesale/Production

### Net sales

in CHF billion



### Earnings

**2 046** CHF million EBITDA

6.9% of net sales

**782** CHF million EBIT

2.6% of net sales

### Profit

**531** CHF million

1.8% of net sales

### Equity

**10 265** CHF million

50.2% Equity ratio

### Cash flow from operating activities

**1 877** CHF million

### Investments in tangible fixed assets

**888** CHF million Switzerland

**360** CHF million abroad

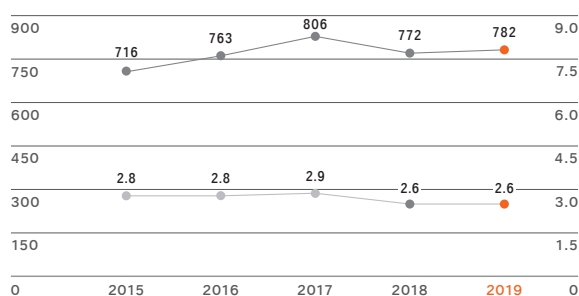
### Sales outlets/markets

**2 333** Retail

**145** Wholesale/Production

### Operating result (EBIT)

— in CHF million — as a % of net sales





Hansueli Loosli and Joos Sutter

## Foreword

# Coop still on track for success

Despite the difficult environment, Coop can look back on a successful financial year in 2019, in which it generated sales of 30.7 billion francs. Profit amounted to 531 million francs.

In Retail, Coop increased its net sales by 1.4%, to 18 billion francs. With more than 90 000 employees, 2 333 sales outlets, and 42 shopping centres, Coop offers its customers a shopping experience tailored to their needs. In 2019, for instance, the remodel of Volkiland in Volketswil and the new Coop Löwenberg in Murten created modern shopping centres which bring together various sales formats, such as Coop Building & Hobby, CoopCity, as well as Interdiscount, Import Parfumerie and others. In the supermarket segment, more than 110 sales outlets already boast the 2025+ store design. The 2.5% increase in footfall is just one indicator of customers' appreciation for the high quality of the ranges, with a wide selection of sustainable products, and the diversity on offer in Coop supermarkets.

In the specialist formats, net sales grew to 7.5 billion francs for the whole Group. The Coop City department stores continued to gain market shares. The home electronics segment, with the Interdiscount (+3.4%) and Fust (+2.6%) formats, reported positive growth. Coop Vitality also continued to perform well, with growth of 5.8%. Update Fitness performed particularly well, with growth of 21.8%. With 48 studios, the company is now one of the leading fitness providers in Switzerland. Livique/Lumimart lifted its net sales by 2% to over 200 million francs. With net sales of close to 2.5 billion francs, Coop Mineraloel AG retains the top spot in trade in fuel and in con-

venience sales in Switzerland. The 314 related Pronto shops, with their customer-friendly opening hours and big choice of fresh and convenience products, grew by 1.9% last year.

In the online business, Coop continued to make great headway, generating a total of 2.6 billion francs in this channel. The online shops in the home electronics segment were heavily instrumental in this, with growth of 17.5%, to over 600 million francs. One particular milestone was the remodel of Microspot.ch from a home and consumer electronics supplier to a comprehensive online Swiss non-food online shopping centre with a marketplace function. Online supermarket Coop@home posted growth of 5.4% and thus gained market shares.

Net sales of the Wholesale business area – the Transgourmet Group – totalled 9.7 billion francs, which equates to growth in local currency of 3.7%. Transgourmet thus strengthened its position in the European cash & carry and wholesale supplies business, and grew in all countries. Last year, Transgourmet's primary focus was the expansion of the fresh produce range and the standardization of IT systems across all countries, enabling customized digital services for its customers. Moreover, Transgourmet broadened its dairy expertise in Switzerland with the acquisition of Emmi Frisch-Service AG. In Austria, the company acquired Gastro Profi GmbH and, with it, comprehensive expertise in the rapidly expanding ethnic catering segment. In Germany, Sanalogic, one of the leading companies for IT-based catering management in the care sector, is now a wholly-owned subsidiary of Transgourmet.

Net sales of the manufacturing companies grew by 0.5% in local currency, totalling 4.8 billion francs. For the Bell Food Group, the financial year saw big rises in raw material prices for pork in Europe, the organizational restructuring of Bell Germany, the commissioning of Europe's most modern convenience factory in Marchtrenk in Austria, and a good business performance in Switzerland in the second half of the year.

The Coop Group's sales of sustainable products grew by 40 million francs in 2019, to over 4.7 billion francs. Sales of organic products also continued to develop well, with growth of 8.4%. As a result, Coop remains the undisputed number one in this segment. Moreover, with the 2019 "Day of good deeds", Coop took another important step in its long-standing commitment to society and nature. Hundreds of thousands of volunteers got involved in the day of action, showing their solidarity with their fellow humans and the environment. The numerous actions delighted people of all ages, and created a positive movement in all parts of Switzerland. The "Day of good deeds" will be repeated in 2020, along with other initiatives in the area of sustainability.

The Coop Group is in great shape for the future. It enjoys a very solid financial foundation. And in all business segments it has highly dedicated employees who work tirelessly each day to meet customers' needs. We are sincerely grateful to them all.



Hansueli Loosli  
Chairman of the Board of Directors



Joos Sutter  
Chairman of the Executive Committee

# Milestones in 2019



## January

**Transgourmet takes over Gastro Profi GmbH**  
Transgourmet Österreich takes over Gastro Profi GmbH, thus expanding its ethnic catering range. The company, which specializes in wholesale catering, retains its autonomy. All jobs are retained.

## February

**Transgourmet takes over Emmi Frisch-Service AG**  
Transgourmet takes over Emmi Frisch-Service AG, along with all of its employees. The company supplies around 600 companies in the food service, hospital and care home, convenience store and wholesaler segments.

## Coop opens Fooby store in Lausanne

Coop opens the first Fooby store in the former Kursaal Théâtre on Place Bel-Air in Lausanne. The store is dedicated to craftsmanship, regional products and sustainability.

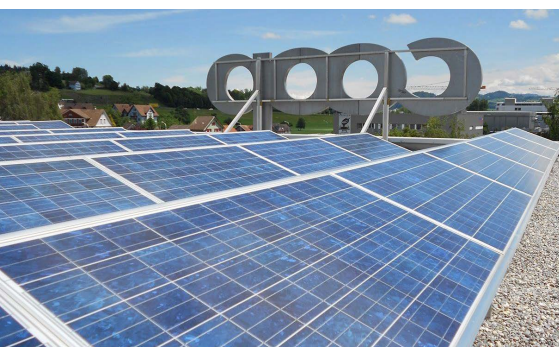
## 2x 100 000 francs donated to SRC for emergency aid

Following Tropical Cyclone Ildai, Coop donates 100 000 francs to the Swiss Red Cross (SRC) for emergency aid in Malawi. In November, another donation is made to an SRC rescue organization after the devastating earthquake in Albania.

## March

### Doris Leuthard joins Coop's Board of Directors

On 28 March 2019, Coop's Delegate Assembly elects former Federal Councillor Doris Leuthard to Coop's Board of Directors.



## April

### WWF again acknowledges Coop

The WWF has awarded new environmental ratings to Switzerland's main wholesalers and retailers. Since the last rating in 2015, Coop has risen further up the rankings in almost every area covered. Coop's sustainability performance is classed as "trendsetting" and, in various areas, "visionary".

## May

### Coop establishes "Day of good deeds"

Together with five major partners, Coop establishes the "Day of good deeds". In undertaking this venture, Coop is seeking to focus attention on volunteering and gestures of solidarity with our fellow human beings. Hundreds of thousands of people volunteered for the inaugural "Day of good deeds", which will be an annual event in future.

## June

### Sapori d'Italia now in Coop supermarkets too

Coop's four Sapori-d'Italia stores are very popular. Now, Coop introduces over 100 authentically Italian Sapori-d'Italia specialities and new products to its supermarkets.





## July

### Coop launches first Swiss multiple-use system for take away packaging

Coop launches reCIRCLE, the first multiple-use system in Switzerland for take away packaging. The pilot project kicks off in Basel, helping to reduce the number of disposable dishes used for take aways and, therefore, the volume of waste.

## August

### Microspot.ch becomes a comprehensive non-food online shopping centre

Microspot.ch progresses from a home and consumer electronics provider to a comprehensive Swiss online shopping centre. The range has been greatly expanded, with improvements to both delivery and customer services.

### Bell Food Group begins operating Europe's most cutting-edge convenience factory

With the commissioning of Europe's most cutting-edge convenience factory in Austria, the Bell Food Group further consolidates its market position in this segment.

## September

### Fust opens its new logistics centre

On 12 September, Fust opens its new logistics centre in Oberbüren. After just two years of construction work, the surface area of the old warehouse has been doubled, and logistics have been extensively automated. This central location delivers to all 156 branches and twelve home delivery depots.



## October

### Coop supports mountains in Upper Valais

For each "1 August roll" sold, part of the proceeds goes to Coop Aid for Mountain Regions. This campaign enabled Coop's scheme to fund the vital rehabilitation of Alpe Frid in the canton of Valais.

## November

### Microspot.ch becomes a marketplace

Microspot.ch introduces the marketplace function. From November, selected third-party retailers can use the Swiss online shopping centre to sell their products under their own name and for their own account.

### Volkiland opens

The new Volkiland is reopened and, with it, the Coop Megastore. Following the complete revamp of the shopping centre, the Megastore now has a total surface area of 5 450 m<sup>2</sup> and has been upgraded to the latest store design.

### Coop City St. Annahof reopens

The famous Coop department store in Zurich has a new, modern look following its successful renovation. The traditional store has increased its ranges of jewellery, cosmetics, textiles and toys, and stocks the biggest range of foods on Bahnhofstrasse.

# Strategy and operating environment

With innovative ranges, the expansion of modern store concepts and new formats, Coop is making a statement which strengthens its position on the Swiss retail market. Coop is committed in all areas to digitalization, is automating processes and is adapting its supply chain to new demands. In wholesale, Coop is working with Transgourmet to broaden its expertise and is expanding in its existing markets. Coop is committed to sustainability and verticalization in the production of strategically important goods and benefits from an efficient organization.

## Profile of the Coop Group

### Active in retail as well as wholesale and production

The Coop Group operates in the retail as well as wholesale and production sectors. In the retail sector, Coop operates supermarkets and various specialist formats in Switzerland. The Coop Group is the market leader in many of these formats. In wholesale, the Coop Group operates in Germany, Poland, Romania, Russia, France, Austria and Switzerland through Transgourmet. The Transgourmet Group is Europe's second-largest cash & carry and food service company. In the production sector, the internationally active Bell Food Group is the biggest company in the Coop Group. In addition to the Bell Food Group, the Coop Group also operates other manufacturing companies in Switzerland.

### The Coop Group is a cooperative

The Coop Group has a history that goes back over 150 years and it has always been structured along cooperative lines. At the organizational level, it is divided into six regions and has over 2.5 million cooperative members. For the Coop Group, the focus is on the customers – the members of the cooperative. It gears all its efforts to their needs. As a cooperative, the Coop Group does not strive to maximize profits; because of this, it plans sustainably for the long term.

## Strategies and objectives

### Aligned to the Corporate Profile

A shared vision, a shared corporate profile and company-specific mission statements shape the Coop Group's day-to-day work and corporate culture. Over 90 000 employees share the same Group vision: "Together to the top". The corporate profile is also the same for all sales formats and companies in the Coop Group. It shows how we perceive our work: close, diverse, distinctive, innovative and partnership-oriented. The mission statements are set out for each company and each format individually and reflect its positioning in the sector and strategic focus. With their respective mission statements, the companies and formats make their contribution to the Group-wide vision and corporate profile.

### Growth and internationalization

In terms of growth and internationalization, the Coop Group pursues two strategic thrusts. In retail, efforts are focused on the targeted optimization of the network of sales outlets. This involves making adjustments to the ranges and launching new formats which pick up specific trends. Moreover, the Coop companies engage with digitalization to introduce new online shops and services, further expand the omnichannel offering and make processes more efficient. In this way, the Coop Group is strengthening its position on the domestic market. In wholesale, it is opening up new markets in Europe, thereby expanding the market position of the Transgourmet units. This can be achieved both through organic growth and through acquisitions.

### Verticalization

For goods of particular strategic importance, Coop is committed to verticalization, i.e. integrating manufacturing companies into its business activities. Whether meat from the Bell Food Group, water from Pearlwater, cereals from Swissmill or chocolate from Chocolats Halba/Sunray, integrating the manufacturing companies enables Coop to respond swiftly to new trends and exploit the synergies between the Retail and Wholesale/Production business areas. The business areas generally work closely together and exploit synergies in purchasing and logistics. Furthermore, the manufacturing companies produce products for retail and wholesale. The objective is to exhaust the availability synergy potential, set the range apart with distinctive products, and attain even greater efficiency, which will translate into lower consumer prices.

### Digitalization

Coop is pursuing two main strategic thrusts where digitalization is concerned. The primary purpose of digitalization must be to even better meet customers' individual needs and simplify the shopping process. At the same time, it should make behind-the-scenes processes even more efficient and economical. Coop has devised a digitalization concept specifically for this purpose, which is systematically geared towards customer service and is broken down into seven pillars. Topics such as "E-Business & CRM", "Category Management & Purchasing", "Communication", "Goods flow management" and "Logistics" as well as "E-back office" and "IT Infrastructure" are the priorities. However, Coop also regards digitalization as an opportunity to adopt new business models. The significance of digitalization is also behind Coop's decision to become a main partner of Digital Switzerland and of the digital innovation hub for start-ups, Kickstart Accelerator.

Another particularly noteworthy focus is the omnichannel approach, combining online and in-store trading. In 2019, the Coop companies were among the leading Swiss companies in online trading. Almost all specialist formats have an online shop. Goods ordered online can either be delivered to the customer's home or collected in person at the POS of the specialist format in question or at one of more than 1 100 pick-up stations. Drawing on its wide network of POS, the Coop Group is systematically increasing the number of pick-up stations in Switzerland. In total, the Coop Group operates 40 online shops, 23 of those in retail and 17 in the Wholesale/Production business area.

As well as the omnichannel approach, Coop is also committed to the Microspot e-business platform, which is the Coop Group's non-food platform. This Swiss online shopping centre brings together national and international wholesalers as distributors, and sells an extensive, diverse range of non-food products. Microspot also has products from the Coop Group's non-food formats, including Coop Building & Hobby, Import Parfumerie and Christ Watches & Jewellery.

### Purchasing strategy

The aim of Coop's purchasing strategy is to secure access to raw material sources and safeguard the high quality of those sources. In Switzerland, Coop is committed to long-term partnerships with Swiss agriculture. Purchasing regional and local products, as well as organic products, is an important aspect of this. Sustainability is a key element of purchasing, both at home and abroad. Working with producers in emerging and developing countries in particular, Coop is implementing a multitude of projects which involve high social responsibility and environmental standards. The projects also stabilize income and production in those countries.

The Coop Group handles the purchasing of food and non-food products in Asia via its subsidiary Euro-group Far East Ltd., which also assists business partners in the Far East in implementing environmental and social standards.

Coop subsidiary Alifresca is responsible for purchasing fruit and vegetables in Spain and Italy. As well as providing customers with quality assurance, Alifresca also delivers the goods to all of the Coop Group's distribution points throughout Europe, ensuring the right quantities reach each market. Agecore, the internationally renowned purchasing alliance in Europe formed to promote the development of cross-border activities in the retail sector, is also seeking to create additional synergies in purchasing. Both nationally and internationally, Coop is committed to long-term partnerships with its suppliers, with whom Coop is optimizing the supply chain and exploiting synergies.

### Quality management

For over 114 years, Coop has been operating laboratories in order to satisfy stringent product quality requirements. Taking a risk-oriented approach, the laboratories test products for compliance with the statutory quality and safety requirements but, more than that, they check fulfilment of Coop's own stringent standards, at every stage of the product chain. Business partners of Coop and Coop's employees also play a crucial role in quality assurance. Coop selects reliable business partners who satisfy the quality requirements and whose manufacturing processes are certified to international standards. There are inspection concepts in place for own-label brands and officially recognized labels which serve to guarantee compliance with the relevant requirements. As well as its own inspection activities carried out by quality assurance experts, Coop also works with independent inspection agencies.

### Goal-setting process

To ensure that long-term strategies give rise to effective measures each year, the Coop Group has, since 2001, had a uniform, top-down goal-setting process in place. Every year, it defines key objectives that apply to the Group as a whole. Based on these goals, concrete measures are developed right down to the operational levels. With a view to the continuous further development of its sustainability commitment, the Coop Group has set multi-year targets for all divisions covering the three pillars of its sustainability concept.

## Economic and political environment

### Sales in Swiss retail

The Swiss retail sector recovered somewhat in 2019. However, nominal sales increased only slightly. The food sector remained flat and was only marginally up on the previous year's level. By contrast, the non-food sector rallied and achieved a slight profit for the first time after years of declining sales.

### Littering and waste initiatives

There was an increased focus on the issues of littering and waste in the year under review. A number of political initiatives are calling for measures for improved recycling systems, bans on plastic, and anti-littering actions. As a responsible retailer, Coop is heavily involved in reducing the use of plastics in packaging and offers reusable containers in its ranges. Coop supports pragmatic solutions which take the polluter-pays principle seriously and take account of the current division of responsibilities between the retail sector and the municipalities. Since 2012, Coop has reduced packaging material by close to 24 000 tonnes. The goal is to save around 4 000 more tonnes of packaging material by the end of 2020.

# To the top with sustainability

Sustainability is part of Coop's corporate DNA and imbues all its relevant strategies. The focus is on sustainable products, environment and climate protection as well as commitment to employees and society. With its approach to sustainability management, Coop is seeking to make a substantial contribution to the company's success and the wider public.

## Strong awareness of sustainability

After 30 years of strong commitment to sustainability, it has become a major part of Coop's corporate DNA. The Coop Group has enshrined sustainability in its Articles of Association, its Corporate Profile and its missions and integrated it into all relevant strategies and processes. To give one example, sustainability targets are systematically incorporated in the comprehensive target-setting process, the training of employees and in operating processes and procedures.

Through its comprehensive approach to sustainability, the Coop Group seeks to set itself apart by delivering added value in the various markets, securing access to resources and making sustainability a shared value throughout the Coop Group. By doing this, Coop also ensures that the growing demands made by society and politicians are implemented efficiently and credibly throughout its business activities, thus making a contribution to the wider public interest.

Coop's main reporting channels for its numerous sustainability-related measures are the [Coop Member Press](#), the Internet platform [actions-not-words.ch](#) and the [integrated Annual Report](#) of the Coop Group. A [Sustainability Progress Report is published](#) annually. Sharing specific information, the report provides a detailed insight into Coop's commitment to sustainability and the percentage of attainment of its multi-year sustainability targets.

## Holistic and highly relevant

Coop's sustainability efforts are concentrated on areas in which Coop can achieve significant leverage. These areas are determined by internal analyses and have high social, environmental or economic relevance. When setting priorities, Coop draws on many different tools such as range screening, life assessment cycles, risk monitors and stakeholder dialogue. Societal expectations and political demands are also major factors when choosing priorities.

The key areas are reflected in Coop's Sustainability strategy concept, which describes how the issue of sustainability is managed at Coop and how sustainability is holistically integrated within the existing management system. The strategy concept is based on three pillars (Sustainable Products, Environment and Climate Protection, and Employees and Social Commitment), which in turn build on the foundation, the strategic basis. The three pillars represent the starting points that the companies of the Coop Group integrate into their business activities. All these elements come together to enable us to successfully implement the sustainability targets, yielding success for the company and benefiting the common good.



### The strategic basis

Coop is a cooperative and promotes the economic and social interests of its members and its consumers. Economic, environmental and ethical principles secure the cooperative's competitiveness and continued existence. Sustainability is also pivotal to our Vision 2025+, in which Coop sets itself apart from its competitors through sustainable products and its commitment to sustainability projects. The guiding principles of sustainability also contribute to this distinctiveness: they determine which principles apply to the implementation of overarching objectives and are used for internal communication throughout the Coop Group.

#### Pillar 1: Sustainable products

Coop is committed to observing ambitious minimum requirements along the whole value chain, in all product ranges. In addition, Coop is involved in pioneering sourcing projects and long-term partnerships to promote organic farming, fair trade, animal welfare and biodiversity. The own-label sustainability brands and quality seals play an important role here, being the medium through which Coop sets itself apart with the most stringent standards in Swiss retail. Coop promotes sustainable consumption, with conscious range selection, targeted customer information and a variety of advertising activities.

#### Pillar 2: Environment and climate protection

The efficient use of resources and energy also contributes to cutting costs. Coop's efforts focus on reducing energy consumption and making increased use of renewable energy, as well as the consistent implementation of the "CO<sub>2</sub>-neutral by 2023" vision, which was adopted back in 2008. Coop has defined a reduction schedule, and the implementation is still on track thanks to its own defined measures and targets. Other important topics are packaging optimization, waste avoidance and recycling, logistics and goods transport, and water management and sustainable construction. Coop is making special efforts to optimize packaging, an area in which it is committed to the responsible use of plastics.

#### Pillar 3: Employees and social commitment

Pillar 3 covers Coop's commitment to employees and social projects with relevance to society. As an employer, Coop provides training for apprentices, a standardized, progressive collective employment agreement for the whole of Switzerland and a generous pension scheme. By supporting the organizations "Schweizer Tafel" (Swiss Table) and "Tischlein deck dich" (Table Be Set), Coop makes a substantial contribution to the responsible use of foodstuffs. Another key aspect is our commitment to Coop Aid for Mountain Regions and our collaboration with strategic partners such as the Swiss Red Cross (SRC). Coop has also used its public profile to successfully launch the annual "Day of good deeds", calling on people right across Switzerland to do voluntary good deeds for society and the environment.

### Coop Sustainability Fund

Coop finances projects from all three pillars through the Coop Sustainability Fund. Customers experience the result of these projects, not just in Coop's range but when doing their daily shopping. Promotions and events for employees and the public are a direct expression of the Fund's innovative solutions to key social and environmental issues. Through pioneering work in the area of sustainability, Coop raises public awareness of sustainable consumption. The Coop Sustainability Fund currently has access to funds of at least 16.5 million francs a year to implement such projects.

For information about projects run by the Coop Sustainability Fund, visit:  
[www.actions-not-words.ch/fonds](http://www.actions-not-words.ch/fonds).

### Strategic anchoring in wholesale and production

All companies of the Transgourmet Group as well as the main Coop manufacturing companies have their own sustainability strategies. The strategies are geared towards Coop's Sustainability strategy concept and each take account of the specific concerns as well as the realities of the relevant markets.

## Overarching topics in the area of sustainability

The companies of the Coop Group continued their impressive track record on sustainability in the year under review. Below, we discuss three selected sustainability projects. News on sustainable projects from the individual business areas is assigned to the respective chapters.

### Coop's "Day of good deeds" inspired the whole of Switzerland

On 25 May, Coop staged the first ever "Day of good deeds", galvanizing the whole of Switzerland into doing good deeds. The event was all about voluntary commitment and gestures of solidarity with our fellow human beings. Hundreds of thousands of volunteers – from children, families, clubs and Coop employees to Swiss celebrities – got involved by doing good deeds. The actions included donating blood, cleaning up waterways, and donating food. Five big partners – the Swiss Red Cross, WWF Switzerland, Schweizer Tafel, Tischlein deck dich and the Swiss Scout Movement – joined the initiative and organized hands-on activities for the public right across Switzerland. The "Day of good deeds" will be continued, with the next one taking place on Saturday, 13 June 2020.

For more information about the "Day of good deeds", visit:  
[www.tag-der-guten-tat.ch](http://www.tag-der-guten-tat.ch)

### Coop is committed to the responsible use of plastics

To meet the growing demand for plastic-free alternatives and unpackaged products, Coop has embraced a transparent and systematic commitment to reducing plastics. Since 2012, Coop has saved or environmentally optimized around 24 000 tonnes of packaging material. Already, some 40% of organic fruit and vegetables in Coop's range are unpackaged or available in environmentally optimized packaging. We are seeking to increase this percentage to 60% in the next few years. Furthermore, Coop has set itself the target of optimizing a further 4 000 tonnes of packaging by the end of 2020. In the convenience segment, Coop has introduced reCIRCLE reusable boxes, which have been available since July in all Coop restaurants and Coop Take It outlets, in return for a ten-franc deposit. After use, the boxes can be returned to any participating reCIRCLE restaurant, where they are washed and reused. In addition, Coop added various plastic-free alternatives to the range in the year under review. In October 2019, Coop announced that, from 2020 onwards, it would no longer be giving out free plastic bags at any of the Coop Group's retail formats in Switzerland.

For more information about reducing plastic at Coop, visit:  
[www.actions-not-words.ch/packaging](http://www.actions-not-words.ch/packaging)

### **Top ranking in BFAW animal welfare rating**

For the sixth time in a row, Coop was the only retailer in Switzerland to be awarded a top ranking in the international “Business Benchmark on Farm Animal Welfare” (BFAW) rating. This means that Coop has been one of the top-level recipients of the internationally-renowned rating since 2013. BFAW singled out Coop’s high animal welfare standards for particular praise. With its Naturafarm Chicken, Natura-Beef and Natura-Veal, Coop is the only Swiss retailer to also stock a wide range of grass-fed meat as well as organic meat. Coop made further progress with animal welfare by establishing and expanding the Coop milk programme for conventional milk: pasture grazing is now mandatory, and producers are guaranteed a fair price for their milk. Furthermore, Coop supports more than 20 research and development projects aimed at improving animal welfare, which was another factor in the top marks awarded in the latest rating. BFAW is the world’s leading rating for corporate performance in the area of animal welfare.

### **WWF again acknowledges Coop as a “pioneer”**

In April 2019, the environmental organization WWF again acknowledged Coop’s commitment to sustainability. Since the last rating in 2015, Coop has risen further up the rankings in almost every area covered. The WWF classed Coop’s sustainability performance as “trendsetting” and, in various areas, “visionary”. Back in 2006, Coop became the first Swiss retailer to embark upon a strategic partnership with WWF Switzerland. The collaboration focuses mainly on forests, oceans, fish and the climate. The aim of the collaboration is to raise awareness of sustainable consumer behaviour and further expand the range of sustainable products. Coop sees the award as further vindication of its unwavering commitment to people, animals and nature.



# Retail business area

|  |           |
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| <b>Sales formats and range</b>   | <b>18</b> |
| <b>Supermarkets and food formats</b>   | <b>18</b> |
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# Retail business area

Coop opens innovative store formats and expands the family-friendly range with sustainable and reasonably-priced products. Microspot.ch evolves into a comprehensive online shopping centre in the non-food segment. In logistics, digitalization projects progress according to schedule.

In 2019, the Coop Group generated net sales of 17.9 billion francs in retail. Despite numerous price cuts, the Retail business area, excluding fuel and heating oil, was thus able to exceed the previous year's figure.

## Sales formats and range

In the Retail business area, the Coop Group operates supermarkets as well as numerous specialist formats for every customer need. At the end of 2019, it had 2 333 sales outlets throughout Switzerland, which is 20 more than the previous year. Coop also boasts a wide range of online shops and systematically combines online and offline trade (omnichannel). Almost all of Coop's specialist formats now have their own online shops in addition to their brick-and-mortar stores. The 40 online shops in the retail segment in all achieved growth of 16.3% in 2019 compared with the previous year.

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**17.9** CHF billion  
net sales in retail

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Coop attaches particular strategic importance to its sustainable ranges. In 2019, Coop's retail sales from sustainable products totalled an encouraging 4.21 billion francs, which was up 3.1% over the previous year (for details see [www.coop.ch/sd-report](http://www.coop.ch/sd-report)). Sales of organic products alone came to 1.47 billion francs, which is an increase of 2.2% year on year.

## Supermarkets and food formats

The Coop supermarkets generated net sales of over 10.4 billion francs in 2019. With growth in customer footfall of 2.5%, Coop gained many new customers and significantly increased its market shares. With 931 stores, Coop has the densest network of sales outlets in Switzerland. In the 2019 financial year, 23 new sales outlets were opened and ten closed. Coop implemented the new store concept 2025+ in 35 supermarkets in 2019, bringing the total number of new-style supermarkets to 110. Coop also implemented the 2025+ store concept in the new Coop Megastore in the Volkiland shopping centre, with 5 100 m<sup>2</sup> of retail space.

### New Fooby store format opens in Lausanne

In March, Coop launched a brand-new Fooby store format in Lausanne. The first Fooby store showcases artisanal foods, regional products and sustainability. The Fooby concept store is both a convenience shop and production facility. The former Kursaal dates back to 1901, and has been transformed into a stage for all things food: nearly 1 000 m<sup>2</sup> of space is dedicated to smoking fish, roasting coffee, baking bread, making sausages and holding wine tastings. Some 30 employees and experts are on hand to advise interested customers, and regional producers present their exclusive specialities. Furthermore, around 70% of the products are sustainable.

### **Marché opens first Zopf & Zöpfli café and renovates Neuenkirch-Ost location**

In November, the first Zopf & Zöpfli café opened in the Coop Volkiland shopping centre. By creating the new format, partners Marché and Betty Bossi are opening up a new market segment: in future, the successful collaboration will be available not just at stations, but also in shopping centres. There are plans to open another branch in the Letzipark shopping in Zurich in the 2020 financial year. In addition, the expansion of Zopf & Zöpfli branches at stations will continue. For Marché, 2019 was dominated by the renovation of the Neuenkirch-Ost location. The Lucerne service area was aligned with the latest restaurant concept. The company also opened a Burger King branch, to ease the strain on the Burger King at the Neuenkirch-West location.

### **Coop's catering and restaurant business introduces multiple-use take away system**

Following a successful pilot, from July Coop offered reCIRCLE reusable boxes in all 178 Coop Restaurants and Coop Take It outlets. Coop customers use one of the reusable reCIRCLE boxes for their take away menus. If guests spend more than ten francs, Coop rewards their environmentally-conscious behaviour with a 10% discount. The boxes can be returned to places other than Coop: after lunch or supper, reCIRCLE boxes can conveniently be handed in at a participating reCIRCLE partner, a Coop Restaurant, or at Coop Take It.

## **Product range diversity**

As well as stocking the biggest selection of national and international branded products, Coop also stocks numerous own-label brands for every customer need in all its sales formats. In food retailing alone, with over 40 000 products in the food and non-food segment it offers the greatest product range diversity in Switzerland. Besides own-label sustainability brands and quality labels, Coop also stocks other own-label brands that cover diverse customer needs and offer optimum value for money.

### **Coop is committed to lower consumer prices**

Coop remained committed to low consumer prices in 2019. Among other things, over several price-cutting rounds, Coop has lowered the prices of many branded articles as well as Prix Garantie products. In the year under review, Coop invested 65 million francs in lower sales prices. Coop announced all of the price adjustments in the Coop Member Press.

### **Prix Garantie makes Coop more attractive to families**

Adding over 170 new products, predominantly fresh and family products such as fruit and vegetables, dairy products and cold cuts, Coop began expanding the Prix Garantie range in the year under review. The expansion of the product portfolio is set to continue until the end of 2020. Thanks to these measures, Coop will be able to respond even better to the needs of all customer groups in future, particularly families. The claim remains the same: Prix Garantie is a range of good quality, low-price products.

### **Coop launches "Happy Cola" own-label brand**

In May, Coop launched a new own-label brand under the name Happy Cola. This Swiss-made cola alternative is available as Happy Cola Classic and Happy Cola Zero. The products soon caught on with customers: over 35% of all customers who tried Happy Cola have already purchased it a second or third time. Happy Cola has now become established as a serious alternative in the competitive environment of leading cola manufacturers. Coop plans to increase the number of cola alternatives available and to offer its customers even greater choice in future. As well as Coop supermarkets, Coop Restaurants, coop@home, Coop Pronto and Transgourmet all stock Happy Cola.

### **Plant-based alternatives for burgers and yoghurt**

In April, Coop became the first retailer to sell the Beyond Burger from California in Swiss supermarkets. Beyond Burger is a plant-based meat alternative which closely resembles the original in flavour, consistency and appearance. The composition of the Beyond Burger is similar to that of a meat burger: proteins, fats, trace elements and water. 100 grammes contain 17.6 grammes of purely plant-based proteins derived from peas. Beetroot gives the burger its meaty red colour, while coconut oil and potato starch ensure good bite and consistency. Also in April, Coop introduced a plant-based yoghurt alternative based on almonds. As well as being lactose-free, the purely plant-based yoghurts contain little to no sugar. Part of the Karma range, these products are available in three flavours, and are aimed at any-

one who is looking for an alternative to animal products. They supplement the diverse range of more than 600 vegan products at Coop.

### First universal CO2 cylinder by Coop Qualité & Prix

To meet the growing demand for home carbonation devices, in January Coop very successfully launched the first universal CO2 cylinder under the Qualité & Prix brand. The cylinder is compatible with all standard carbonation appliances, is of a high quality and is environmentally sustainable. Moreover, Coop's Qualité & Prix CO2 cylinders significantly undercut the prices of the market leader.

### Organic palm oil in conventional products

In 2018, Coop set itself the goal of using organic bud label palm oil in conventionally manufactured Coop own-label brand foods as well. This is certified palm oil which meets the stringent Bio Suisse guidelines. Where appropriate and technically feasible, Coop is replacing palm oil with other oils and fats in selected own-label brands. If other tropical oils or fats such as coconut oil are used, they must come from Fairtrade and/or Bio-Suisse-certified production. The first products to satisfy the new requirements, including own-label madeleines and chocolate meringue kisses, have been on Coop shelves since 2019. An external evaluation of the sustainability of organic bud label palm oil has found that all Bio Suisse-certified palm oil producers perform very well in regard to land use, working conditions and environmentally-friendly cultivation methods.

### Coop is committed to sustainable soya

In 2019, Coop became the first retailer in the world to meet all its soya needs in its own-label brands from responsibly produced soya grown to the highest standards. Among other things, those standards require that rainforests are preserved and that no genetically modified soya is grown. Because of its high protein content, soya is widely used as an animal feed. For this reason, soya ends up on Swiss consumers' tables mainly in the form of eggs, fish, meat and dairy products. Own-label brands account for the majority of this Coop range. Therefore, it is important to Coop that soya in animal feed is sustainably produced, and it has already largely achieved this aim. Moreover, by acquiring sustainability certificates, Coop can ensure that, for every quantity of soya which does not yet meet the requirements, the same quantity of certified soya is produced. This system makes it possible to drive forward the production of sustainable soya.

## OWN-LABEL SUSTAINABILITY BRANDS AND QUALITY LABELS



## OWN-LABEL TARGET GROUP BRANDS



## OWN-LABEL STANDARD BRANDS



➔ This list is a selection of the key own-label brands and quality labels.  
For more information about Coop own-label brands, visit [www.coop.ch/labels](http://www.coop.ch/labels)

### Bundling purchasing of non-commercial goods

To exploit synergies, many of the non-commercial goods for the entire Coop Group have been bundled across all countries. The various threads involved in purchasing these goods all come together at the head office in Basel where, together with the specialized services of the Coop Group, purchasers with central responsibility define the requirements and specifications. The resulting bundling effects yield significant savings every year for the Coop Group. In the year under review, Coop focused in particular on bundling the product groups paperboard, packaging material and labels, as well as more complex technical areas such as forklift trucks and trucks.

### Highlights from the food formats

The table below lists the highlights during the year under review, along with a factsheet on each specialist format. For more information about the Coop Group's specialist formats, visit [www.coop.ch/einkaufen](http://www.coop.ch/einkaufen).



The Coop supermarkets have the densest network of sales outlets in Switzerland

- Gains in market share
- 2.5% more customers
- Another 35 branches remodelled according to the new store concept. At the end of 2019, 110 branches had been remodelled.
- 23 new sales outlets opened
- 4 182 training sessions conducted
- Coop Passabene Mobile is the first self-scanning system to be introduced across Switzerland in all Coop supermarkets
- Paper straws and palm leaf disposable dishes are two ways in which plastics are reduced.
- Launch of a cola drink (Happy Cola), produced in-house
- Retail première for Beyond Burger (purely plant-based)
- Launch of Coop own-label brand Conviva health & life

▼ Factsheet



The number one in the Swiss convenience market

- 3 filling station shops and 1 standalone newly opened
- 5 shops reopened following major refurbishment
- More than 500 new products each year
- Strong growth in the area of sustainable products by Naturaplan
- Expansion of hot dog range at more than 74 locations
- Pick-up service at more than 48 locations
- Improvement in sustainability with LED lighting, latest generation of cooling systems with cold reservoirs, and central electricity purchasing

▼ Factsheet



Coop to go offers exclusive take-away products not available in any other Coop format

- Positive sales trend
- New branch in Coop City St. Annahof Zurich

▼ Factsheet



The online supermarket with the biggest range and personal delivery to your front door

- Number of articles increased to 18 000 in German-speaking and western Switzerland
- Success with online counters for meat, fish, cheese and bread
- Digital Commerce Awards 2019: 3<sup>rd</sup> place in the "Body&Taste" category
- New transporter with roof-mounted solar panel to operate refrigeration during waiting times; if the trial is successful, it will be deployed on all new vehicles from 2020

▼ Factsheet



The format for artisanal food, regional products and sustainability

- Opening of the first Fooby store on 6 March 2019 in Lausanne Bel Air
- Wide range of products freshly made in store
- Around 45 regional producers
- 70% of products are sustainably produced

▼ Factsheet



The trendy store format for vegetarian and vegan products

- Positive sales trend
- Bread/baked goods range expanded, with a vegan sprouted wheat croissant

▼ Factsheet



Coop's Italian delicatessen store

- Opening of a sales outlet at Zurich's main station and at Geneva station
- Launch of own-label brand Saponi d'Italia in all Coop supermarkets, with more than 100 authentic Italian specialities

▼ Factsheet



Culinary treats every day, at fair prices

- Significant market growth
- Further development of the "Vista" design concept, with new, innovative elements
- Introduction of sustainable "reCIRCLE" solutions to reduce plastic
- Replacement of plastic straws and disposable cutlery with sustainable cardboard, paper and wood products

▼ Factsheet



The fresh host at busy locations

- Marché Neuenkirch-Ost remodelled in line with new Marché concept and successfully reopened
- Expansion of clean toilets facilities at the Bellinzona-South and North service areas
- Launch of "En Route" customer magazine: information and behind-the-scenes stories about Marché
- Opening of Così at Thun station, an Italian concept: enjoy pasta in the restaurant or to take away
- New Burger King opens at the Neuenkirch-Ost service area
- Remodelling of Burger King at the Würenlos service area, in line with Burger King's new dining area design
- Complete redesign of the Marché Cafébar at the Würenlos service area

▼ Factsheet



The take-away format for Zopf, in all its versions

- Concept development and opening of a staffed Zopf & Zöpfli Café in the Volkiland shopping centre in Zurich

▼ Factsheet



Switzerland's number one for cooking and indulgence

- Sales growth in the sale of kitchen aids in Switzerland
- Launch of a digital subscription to the Betty Bossi magazine and introduction of other types of subscription
- Development and introduction of state-of-the-art recipe software and preparation of the Betty Bossi recipe database to connect external cooperation partners
- Expansion of food consulting for Coop's catering and restaurant business in the areas of recipe development, culinary coaching and mystery eating

▼ Factsheet

## Non-Food specialist formats

The specialist formats made use of the 2019 financial year to strategically refine their online shops. On top of this, they also continued to develop their brick-and-mortar stores, and their innovative sales concepts and optimized sites proved a hit with customers. The success of the Non-Food area is indicative of the strategic importance of these measures: with its specialist formats alone, the Coop Group generated net sales of over 14.1 billion francs in 2019, representing further growth in a declining market. Broadly speaking, the non-food formats succeeded in further increasing or maintaining their market shares. Coop remains a strong presence in home electronics. This segment includes the specialist formats Interdiscount, Microspot.ch, Dipl Ing. Fust and Nettoshop.ch. In 2019, the net sales of the four formats totalled around 2.1 billion francs, which is an increase of 53.4 million compared with the previous year. Consequently, the Coop Group was also able to strengthen its market leadership in this area.

### Microspot.ch becomes Switzerland's comprehensive non-food online shopping centre

In 2019, Microspot.ch evolved from a home and consumer electronics supplier to a comprehensive online shopping centre. The new direction is apparent not only in the substantial expansion of the range, but also in improved delivery and customer services, as well as visually in a new look with optimized online shop. From the world of the Coop Group alone, Microspot.ch incorporated more than 34 000 non-food products in the expanded range, including products of Coop Building & Hobby, Import Parfumerie and Christ Watches & Jewellery. The 1 000+ most popular own-label brands

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over **400 000**  
products in the range at  
**Microspot.ch.**

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of Coop – such as Naturaline, Qualité & Prix and Oecoplan – can also be found at Microspot.ch. Products of foreign distributors supplement the range. Microspot.ch stocks a total of 400 000 products. Individual Coop formats and selected third-party retailers have the option of selling their products on Microspot.ch under their own name and for their own account. Microspot.ch thus introduced a new marketplace functionality in the year under review.

Home delivery services have also been greatly expanded. Depending where they live, customers can take advantage of same-day or next-day delivery, including Saturdays. In addition, Microspot.ch launched the “same day delivery” services in the cities of Basel, Berne, Biel, Fribourg, Geneva, Lausanne, Lucerne, Olten, St. Gallen, Winterthur and Zurich. “Speed” labelled products ordered by 12 noon can now be delivered that same evening. All orders can also be collected at 450 Coop pick-up locations.

#### **Dipl. Ing. Fust commissions extended logistics centre and rolls out SAP**

On 12 September 2019, Dipl. Ing. Fust opened its new logistics centre in Oberbüren. Over a two-year construction period, the surface area of the former warehouse was doubled, logistics heavily automated and a floor added for offices. The structure has a giant roof-mounted photovoltaic system, which supplies the building with renewable energy. The 50 000 m<sup>2</sup> surface area provides storage for four times more products and reduces delivery times. Thanks to an automated small parts and high-rise warehouse, orders can be processed much faster. Deliveries are made from the Oberbüren site to all 156 Fust branches, twelve home delivery depots and all customers of the online shop. The new logistics centre also houses state-of-the-art Fust repair workshops for a wide array of product groups, and a call centre for the repair service.

Dipl. Ing. Fust introduced SAP at the start of the year. The company had already introduced new stock management and route planning software for the home delivery service back in 2016. In 2018, Dipl. Ing. Fust issued sales advisors at the branches with a tablet. The new SAP system now links up all IT systems. Fust successfully implemented the first phase of the introduction of SAP as a comprehensive IT system, when the “Kitchen and bathroom” and “Building management” areas went live. The introduction of SAP for all retail processes is scheduled and underway for next year. For 2020, the company plans to connect all branches and the online shop to the software. The GK cash register systems will be connected at a later date.

#### **Coop City opens Zurich St. Annahof following revamp**

After eight months of refurbishment work, Coop City St. Annahof on Bahnhofstrasse in Zurich opened in mid-November with the new “Bellacasa” store design, which has already been successfully applied to a dozen sales outlets throughout Switzerland. On six levels, with around 10 000 square metres of retail space, visitors can find everything they would expect in a modern department store.

#### **Import Parfumerie launches customer club**

Import Parfumerie launched its first-ever customer club in June. Called “The Member Club”, Import Parfumerie offers members a 10% welcome discount, a welcome gift, exclusive discounts as well as invitations to events, loyalty gifts and much more. The bonus programme has three membership levels: Bronze, Silver and Gold. The higher the level, the more benefits members of “The Member Club” receive, in addition to the usual Superpoints. The Coop Supercard doubles as the membership card for Import Parfumerie’s club. By the end of 2019, “The Member Club” already had 34 500 members.

#### **Service 7000 and Schubiger Haushalt join forces**

The organizations of Service 7000 AG and the B2B business of Schubiger Haushalt (a subdepartment of RS Vertriebs AG) were merged with effect from 1 October 2019. Since then, the two companies have been jointly providing their support services. Service 7000 AG is a specialized household appliances service organization for professional property managers. Stock management and administration for the joint service organization has been handled centrally since October, from Service 7000 AG’s head office in Netstal. Schubiger Haushalt’s internal sales force remains in St. Gallen. Both providers continue to operate under their old brand names. The merger improves the quality of repair and exchange services.



## Highlights from the Non-Food specialist formats

The table below lists the highlights during the year under review, along with a factsheet on each specialist format. For more information about the Coop Group's specialist formats, visit [www.coop.ch/einkaufen](http://www.coop.ch/einkaufen).

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|  |   |  |
|--|---|--|
|   | Number one in the Swiss consumer electronics market | <ul style="list-style-type: none"><li>• Further gains in market share</li><li>• Strong growth of 30% in online orders</li><li>• 43% of online orders collected in-store</li><li>• Live stock information now shown in the online shop for items available in branches</li><li>• New facility for product ratings in the online shop</li><li>• 2 new branches opened in Basel and Wattwil; 9 branches upgraded</li><li>• Enhanced employee skill levels and customer experience, thanks to new sales trainers</li><li>• New delivery service for large appliances</li><li>• New support services, including online purchase of Mobile Protection</li><li>• Customer satisfaction higher, according to market research and customer survey</li></ul>   |
| ▼ Factsheet  |   |  |
|  | Switzerland's online shopping centre                | <ul style="list-style-type: none"><li>• Market position further expanded</li><li>• Increase of 15.2% in online sales</li><li>• Complete rebranding, with the new logo and design, as well as improved website with new online support services</li><li>• Repositioning as Switzerland's online shopping centre in the non-food segment, with over 400 000 articles</li><li>• More than 34 000 non-food products of the Coop Group added to range, including more than 1 000 own-label brands</li><li>• Launch of the marketplace function: third-party retailers sell products on Microspot.ch under their name and for their own account</li><li>• Continual expansion of the range, by linking up selected distributors and merchants</li><li>• Same day delivery in 11 major Swiss cities: orders of speed items placed by 12 noon are delivered to the front door that evening, in CO2-free electric vehicles; speed items ordered by 6 p.m. are delivered the next day anywhere in Switzerland, including Saturdays.</li><li>• New collection facility at 450 Coop pick-up locations</li><li>• Customer contact also via Chat, WhatsApp and call-back service</li><li>• New advertising campaign with claim: "Lacking something? We've got it."</li></ul> |
| ▼ Factsheet  |   |  |

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The second-largest department store chain in Switzerland

- Further gains in market share
- Implementation of new “Bellacasa” store design in St. Annahof Zurich
- Refurbishment and extension of food department in Coop City Lausanne Au Centre, with new additions including a cheese humidor
- Opening of integrated Coop-to-go branches in Coop City Zurich St. Annahof and Lausanne Au Centre
- High level of customer acceptance of self-service checkouts for cosmetic and hygiene products in Zurich St. Annahof, Zurich Bellevue, Fribourg, Winterthur, Aarau, Bern Ryfflihof, Baden, Olten, Geneva Plainpalais, Geneva Fusterie, Lausanne Au Centre and Basel Pfauen
- Successful implementation of the new trouser concept
- Successful reopening following remodel in the Coop Volkiland shopping centre, Volketswil
- High level of customer satisfaction according to market research

▾ Factsheet



Switzerland's leading building supplies store

- Market leader in DIY stores
- Increase in sales
- Strong growth in online business of 41.1%
- Omnichannel leader in the “Home DIY” category according to study by Google/VSV (Verband Schweizerischer Versandhandel)
- Strengthening of sales organization with 4 regions
- First trial of self check-out in the Swiss DIY store sector
- Expansion of Interlaken sales outlet, and remodelling and refurbishment of Zurich-Oerlikon sales outlet
- Opening of Murten combined store
- Pilot of immediate “Annanow” delivery at the Zurich-Letzipark sales outlet
- 30 years of Coop Oecoplan: successful anniversary of Switzerland's first sustainability brand, with sales growth of 4.6%
- Discontinuation of potentially invasive neophytes
- Increase of 5.4% in sales of Pro Specie Rara
- High level of customer satisfaction increased, according to market research

▾ Factsheet



The provider of customized furnishing solutions

- Sales growth and increased market share
- Strong sales growth of 53.6% at online shops
- Lumimart is the market leader for lighting
- The Livique brand, which was launched a year ago, becomes hugely popular
- Gains in sales of customizable products; more than 100 million customized furniture options
- Expansion of digital sales assistants to bedrooms and dining rooms



The first choice for lighting

- New Lumimart Steinhausen opens
- Reopening of upgraded and modernized Livique Egerkingen and Livique Cham stores
- Even higher level of customer satisfaction at Livique and Lumimart

▾ Factsheet

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## IMPORT PARFUMERIE

The leading Swiss provider of prestige perfumes

- Market leader in perfume market and market share gains
- Sales growth of 25.1% in online shop
- Strong growth in ordering in-store from online range
- Range in online shop expanded by 10%; expansion of distribution with cosmetics brand MAC
- Omnichannel leader in the market according to study by Google/VSV (Verband Schweizerischer Versandhandel)
- Launch of “The Member Club” with 34 500 members
- Opening of new locations Shopping Arena St. Gallen and Gäupark Egerkingen
- Total of eight branches upgraded to the new look
- Introduction of makeup toolbelts and flash make-up for all employees in sales
- Import Parfumerie and Estée Lauder open another shop-in-shop with the MAC and AVEDA cosmetics brands in Coop City Lausanne Au Centre
- Higher overall customer satisfaction

▾ Factsheet

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## CHRIST

Watches & Jewelry

The prime destination for watches and jewellery

- 43.7% sales growth in online shop
- Online range expanded by 12%
- Omnichannel leader in the “Jewellery & Watches” category according to study by Google/VSV (Verband Schweizerischer Versandhandel)
- New Christ Bahnhofstrasse Zurich opens
- Refurbishment of the Jelmoli Zurich, Coop City Lausanne Au Centre and Volketswil branches
- Expansion and growth in own-label jewellery brand
- Modernization of wedding ring segment, development of the Christ bridal collection (diamond jewellery, engagement and wedding rings)
- Expansion of third-party brand range in the areas of fashion watches and jewellery as well as genuine jewellery
- Strong growth in Swiss-made watches and above-average growth in the Christ own-label brand
- Positive customer feedback regarding identity, expertise and friendliness

▾ Factsheet

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## FUST


Just the job: number one for electrical household appliances and upgrading your kitchen or bathroom


- Market share gains in electrical appliances
- Sustained strong growth of 24% in online business
- Support for advisory process with tablets in stores
- IT infrastructure redeveloped based on SAP
- Opening of expanded and automated logistics centre in Oberbüren
- 5 new stores opened, 6 modernized
- Strengthening and focusing the range of services for property managers under the Service 7000 and Schubiger Haushalt brands.
- Even higher level of customer satisfaction based on market research by GfK and own customer survey (Net Promoter Score)


▾ Factsheet


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|  <p>netto.ch<br/>Wir lieben Haushalt</p> <p>▼ Factsheet</p> | <p>The biggest online shop for household appliances, with personal advice and service</p> | <ul style="list-style-type: none"> <li>• Further increase of 3% in net sales</li> <li>• Introduction of new support services (delivery time slots, extended warranty)</li> <li>• Delivery times shortened</li> <li>• Online advice now available via Chat feature</li> <li>• Expansion of 1:1 marketing via new e-mail marketing platform</li> <li>• Higher repeat purchase rates and customer satisfaction ratings</li> </ul> |
|--|---|--|

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|---|---|--|
|  <p>coop vitality</p> <p>▼ Factsheet</p> | <p>Everything that is good for your health, from prescription medicines to beauty products.</p> | <ul style="list-style-type: none"> <li>• Gains in market share</li> <li>• Increase of 5.8% in net sales</li> <li>• Sales growth of 122.3% in the online business; presence stepped up on social media, on Instagram and Facebook</li> <li>• Launch of free hotline for over-the-phone advice from pharmacists</li> <li>• Launch of Coop Vitality app with digital medication plan</li> <li>• Expansion of pharmacy network, with six new pharmacies in Basel Erlenmatt, Uster, Zurich Airport, St. Gallen Shopping Arena, Murten, Châtel St-Denis and two takeovers in Delémont and Mellingen</li> <li>• Rollout of new store concept at four locations: Jona, Volketswil, Oftringen, Kriens Schappe</li> <li>• Launch of Taping and Burgerstein Microcare services</li> <li>• Increase in sales of generics and own-label brands</li> </ul> |
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|---|--|--|
|  <p>THE BODY SHOP</p> <p>▼ Factsheet</p> | <p>The natural and sustainable cosmetics company</p> | <ul style="list-style-type: none"> <li>• 10.8% sales growth in online business</li> <li>• Implementation of new store design in Winterthur and Oftringen</li> <li>• Modernization of Zurich Letzipark sales outlet</li> <li>• New Volkiland branch opened</li> <li>• New look and enhanced functionality for customer club app</li> <li>• The Body Shop sets the target of becoming the most sustainable beauty retailer by 2030</li> <li>• 25th anniversary of Shea community trade programme in Ghana</li> <li>• New community trade plastic programme in India, the first in the world: in the first year, The Body Shop removes 250 tonnes of plastic from the environment</li> <li>• Customer satisfaction: industry champion in the industry monitor Schweizer Branchenmonitor 2019/2020 in the area of "Shopping, Fashion &amp; Lifestyle"</li> </ul> |
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|  <p>coop mineraloel</p> <p>▼ Factsheet</p> | <p>The market leader in Switzerland, with a wide network of Coop filling stations</p> | <ul style="list-style-type: none"> <li>• Additional market shares gained</li> <li>• Hydrogen: two additional facilities planned in 2020 (Crissier and Dietlikon)</li> <li>• Over 35 locations have AdBlue on fuel pumps</li> <li>• Cooperation with HitchHike at more than 100 locations</li> </ul> |
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|  <p>coop heizöl</p> <p>▼ Factsheet</p> | <p>For warmth and well-being</p> | <ul style="list-style-type: none"> <li>• Percentage of orders in the online shop increased to 44%</li> <li>• Percentage of customers purchasing low-emission eco heating oil increases to 63%</li> <li>• Option of CO<sub>2</sub> offsetting via Myclimate</li> </ul> |
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| <p><i>BâleHotels</i></p> <p>▼ Factsheet</p>  | <p>Coop's hotel group</p>  | <ul style="list-style-type: none"> <li>• Full renovation of BâleHotel Victoria completed</li> <li>• Takeover of restaurant in Hotel Baslertor by Coop's catering and restaurant business on 1 July</li> <li>• Restaurant Les Quatre Saisons will be repurposed as a banqueting/event space on 1 January 2020</li> <li>• Detailed planning of Project Märthof with hotel and catering completed; construction work commences at the end of 2019</li> </ul> |
| <p></p> <p>▼ Factsheet</p>  | <p>The travel agent owned by Coop and Rewe – Switzerland's leading direct seller of beach holidays</p> | <ul style="list-style-type: none"> <li>• Launch of dynamic booking system (combining flights with hotel rooms on a single digital platform)</li> <li>• City breaks added to the product portfolio</li> <li>• Percentage of online sales grows to 34%</li> </ul>   |
| <p></p> <p>▼ Factsheet</p>  | <p>Leading fitness provider in German-speaking Switzerland</p>   | <ul style="list-style-type: none"> <li>• Expansion from 40 to 48 locations in 13 cantons; 3 facilities get a facelift</li> <li>• Membership grows by 19.3%, sales by 21.8%</li> <li>• 101 people added to the team; now 898 full and part-time employees</li> <li>• New premises for Central Eastern Switzerland; new West base in Ostermundigen</li> </ul>   |
| <p></p> <p>▼ Factsheet</p> | <p>Tropical house with a restaurant</p>  | <ul style="list-style-type: none"> <li>• Net sales up 15% compared with previous year</li> <li>• Perch and pike perch production increased by 30%</li> <li>• 34% rise in volume of caviar sold</li> <li>• Launch of pre-portioned frozen caviar for events and banquets</li> <li>• Lighting in public area switched to LED</li> </ul>   |

## Logistics, IT and property

### Expansion of Aclens distribution centre gathering pace

In June of the year under review, the foundation stone was laid in Aclens for the expansion of the empties collection centre for the Suisse Romande logistics region, which will become the new logistics and administration centre. By centralizing administration and logistics at the Aclens site, Coop is safeguarding optimum supplies for the western Switzerland region in the future. The first phase of the project involved adding 753 m<sup>2</sup> to the sectors for dairy products, crossdocking, fruit and vegetables and general goods. A building of around 21 700 m<sup>2</sup> is being erected alongside the existing distribution centre. This new building will be used primarily as an empties collection centre, which will take up around 10 700 m<sup>2</sup>, and will be commissioned in stages by mid-2020. The building, covering approximately 8 600 m<sup>2</sup>, will house administration for the Coop Suisse Romande sales region, which is currently based at the Renens (VD) site. This means that another 300 or so employees will be joining the site, bringing the total workforce there to just under 850. The new building meets the Minergie standard. The location is expected to become fully operational in 2022.

### Passabene Mobile available in all supermarkets

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# 1 000

branches offer  
Passabene Mobile

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In November, Coop became the first retailer to offer the self-scanning system Passabene Mobile in all of its supermarkets across Switzerland. Customers now have the facility in around 1 000 branches to scan items with their mobile iOS or Android device and pay for their virtual shopping basket, bypassing the time-consuming scanning process at the cash register. Coop has been offering Passabene Mobile since 2012 and has continually expanded the system. Alternatively, since 2005 customers have had the facility to simplify the shopping experience by using special Coop Passabene digital hand scanners.

### Digitalization in logistics

Coop's logistics activities underwent further digitalization in 2019. The focus in the year under review was on optimizing route planning, adding more pick-up stations and improving service logistics. Data specialists at Coop partnered with American startup "Project 44" to produce a visualization of the delivery network. Using methods such as geofencing, it is now possible to compare the route plans with real-time data and continually optimize deliveries. Order picking has also been enhanced by greater digitalization: for the first time, data glasses were used to display pick locations and quantities.

Yet more new pick-up stations were added to the network in 2019: customers can also collect their on-line orders at selected Coop Pronto branches. Since 2019, this has included non-food platform Micro-spot.ch, which now delivers to over 460 pick-up stations.

### Artificial intelligence to determine promotional volumes

In 2019, as part of the "Promo2017+" project, Coop introduced a new forecasting tool for special-offer items. The tool enables sales outlets to calculate as accurately as possible the quantities they need to order during promotions. In the past, the category managers used a fixed allocation formula to assign the quantities of goods to the sales outlets. This method could not take account of any of the outlets' remaining stocks from previous promotions. The forecasting tool uses artificial intelligence to calculate with a high degree of accuracy the promotional volume for each sales outlet and item, taking account of stocks at the sales outlets. Furthermore, the outlet is given an indicator of the quality of the forecast volume. As well as improving the accuracy of order quantities, this also reduces food waste and ensures greater freshness.

### Sustainability in Coop real estate

Energy efficiency and the production of sustainable energy are key considerations for Coop when planning and implementing its real estate projects. All of Coop Immobilien's buildings are designed and, where possible, certified according to the Minergie requirements. In the year under review, Coop obtained certification for the expansion of the shopping centre in Schwarzenburg, as well as the expansion of the Coop Building & Hobby store in Rickenbach. The newbuild project in Domat Ems and the construction of the new shopping centre in Murten-Löwenberg also achieved certification. In 2019, Coop invested around 2.1 million francs in eight energy-saving modernization projects. These included construc-

tion measures such as optimizing heat generation, improving thermal insulation and the use of efficient LED lighting. Coop has invested a total of around 19 million francs in such measures since 2013. The target of installing new photovoltaic systems was once again exceeded by 32%, with a total of approximately 26 400 m<sup>2</sup>. To give a few examples, Coop installed photovoltaic modules with a surface area of 5 400 m<sup>2</sup> on the Gallusmarkt in St. Gallen, 6 670 m<sup>2</sup> on the Transgourmet buildings in Hinwil and Kriens and 2 900 m<sup>2</sup> in Murten and Löwenberg. Photovoltaic panels with a surface area of 4 500 m<sup>2</sup> were also installed in Bassecourt in Western Switzerland.

### Digitalization of real estate planning

In 2019 Coop planned its first four real estate projects using Building Information Modeling (BIM). This system aims to increase planning efficiency and avoid planning errors. A BIM model was provided to the project planners for the new sales outlet in Vich, the new build in Murten, the sales outlet in Löwenberg, the refurbishment of the TH12 building in Basel and the expansion of the sales outlet in Aadorf. Thanks to the BIM software, each project planner can work on his or her part of the project and submit the data to the BIM coordinator every three to four weeks. The BIM coordinator then draws up a conflict list which the persons involved discuss at a BIM coordination meeting, the aim being to avoid said conflicts.

### Real estate projects

Coop embarked on a total of 16 real estate projects in 2019 and completed 14, including six newbuilds, eight expansions/refurbishments, two restructuring projects and four modernizations.

#### *Head Office Basel*

In June, work got underway on the complete renovation of Coop's head office building at Thiersteinerallee 12, with the refurbishment of the façade and office space. As part of the modernization, office space on floors 1 to 12 will be refurbished. Catering has been relocated from the 13<sup>th</sup> floor to the ground floor of the building at Thiersteinerallee 14, so that the 13<sup>th</sup> floor can be repurposed. The renovation work and commissioning will take place in stages until December 2020.

#### *BâleHotels*

Since November, the Märthof, a listed building in Basel's historic centre, has been undergoing work to convert it to a 4-star boutique hotel with 68 rooms. The overall concept for the Märthof was devised by the Property Business Unit, in close collaboration with BâleHotels. The commissioning of the hotel is planned for 2021.

#### *Opfikon-Rümlang*

A multi-purpose complex with a total usable area of around 80 000 m<sup>2</sup> and broad mixed use is to be developed on the border between the municipalities of Opfikon and Rümlang, on two plots in the Bäuler/Cher area which were secured by Coop with construction rights. A design competition was run, in which ten teams came up with a project proposal. The winning project was developed by Japanese architects Sou Fujimoto. Working with investors and partners from the area of office premises, hotels, health, education and leisure, Coop Cooperative plans to establish a multi-purpose base in a space which currently lacks a clear identity. Rather than a shopping centre in the traditional sense, the plan is to create a place for the immediate and wider environment where people of all ages who live, work or are visiting here can enjoy spending time, feel at ease and pursue a wide variety of activities. Coop will optimize the winning project by 2023 and draw up the design plans in collaboration with the municipalities and the canton.

#### *Volkiland shopping centre*

On 21 November, after around 30 months of construction work, the Coop Volkiland shopping centre opened its doors in Volketswil. As well as established Coop formats such as the Coop Restaurant, Coop Vitality, Coop Building & Hobby, Interdiscount, Christ Watches & Jewellery, The Body Shop and Import Parfumerie, the shopping centre is also home to new formats such as the Zopf & Zöpfl Café. A Coop City with around 3 300 m<sup>2</sup> of retail space has also been built, according to the "Bellacasa" concept, along with a Coop Megastore which has the 2025+ store design and approximately 5 450 m<sup>2</sup> of retail space.

#### *Centro Tenero and Murten Löwenberg shopping centres*

On 28 June, the remodelled mall opened on the upper level of Centro Tenero. After 20 months of construction work, the Murten Löwenberg shopping centre opened its doors on 7 November. In the shop-

ping centre, customers will find a Coop Supermarket with 6 200 m<sup>2</sup> of retail space and a Coop Building & Hobby with 4 500 m<sup>2</sup> of floor space. Also located in the centre are a 168-seat Coop Restaurant, a Coop Vitality pharmacy and a branch of “Let’s Go Fitness”.

#### *New Châtel-St-Denis sales outlet*

The Châtel-St-Denis project opened on 27 November. The former Coop sales outlet was demolished in 2016. In its place, Coop built a new sales outlet, with 2 100 m<sup>2</sup> of retail space. A Coop Vitality pharmacy, a Coop Restaurant and an underground car park with 115 customer parking spaces can also be found in the new building. The top floor accommodates 45 apartments and just under 550 m<sup>2</sup> of office space.

## Additional services

### Comprehensive quality management

Implementing the new Foodstuffs Ordinance remained a major focus for quality management in 2019. The ordinance necessitates changes to the labelling of all products by 2021. As the basis for implementation, the Coop Guideline on Labelling was revised. Among other things, the guideline stipulates how the origin of raw materials and nutritional information are to be disclosed on Coop own-label brands. Coop’s disclosures regarding the origin of animal-derived raw materials voluntarily exceed the legal requirements and are transparently shown if they make up at least 10% of the food.

Since 2012, all sales outlets offering counter service have been audited and certified by independent inspection body q.inspecta for compliance with quality requirements. A total of 407 sales outlets were successfully audited in 2019. These audits were in addition to the 2 500 or so internal quality-control audits conducted by Coop.

In its own laboratory, Coop tested around 30 600 random samples from the food and non-food segments for compliance with the requirements. This involved checking more than 835 000 criteria. Owing to the growing supply of fresh products made at the sales outlets, hygiene monitoring is also becoming ever more important in this area.

As part of its risk management in the area of product quality, Coop devoted a great deal of time in 2019 to issues surrounding the safeguarding of the supply chain for critical raw materials. Furthermore, Coop clarified the requirements for critical product groups in the non-food segment and made these available to potential suppliers in automated form. The e-learning courses “Safe selling of chemicals” and “Quality management in purchasing” were introduced, to improve employee skills in sales and purchasing.

### Social commitment

Coop again pursued its commitment to society in 2019 with numerous projects. Through the Coop Sustainability Fund alone, Coop invested around 16.85 million francs in charitable projects. For information about other projects besides those listed below, visit [actions-not-words.ch](http://actions-not-words.ch)

#### *Coop stages the first “Day of good deeds”, encouraging a plethora of good deeds*

On 25 May, Coop asked people to get involved in the first “Day of good deeds”. This nationwide initiative aimed to focus attention on volunteering and gestures of solidarity with our fellow human beings as well as to motivate the public to do good. Coop’s “Day of good deeds” surpassed all expectations. Hundreds of thousands of volunteers got involved, demonstrating their solidarity with society and the environment. The partners, Swiss Red Cross, WWF Switzerland, Schweizer Tafel (Swiss Table) & Tischlein deck dich (Table Be Set), as well as the Scouts, organized numerous hands-on activities.

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**12.4** million  
meals distributed

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#### *More food for the needy thanks to pre-sorting project*

For many years, the food banks Tischlein deck dich and Schweizer Tafel have been picking up food from Coop supermarkets that is of impeccable quality but cannot be offered for sale the next day. This has meant that, each year, around 12.4 million 200-g meals have been distributed to people in need. Coop supports both organizations by handing out the food and making an additional financial contribution. To get more sales outlets involved in this system, and enable more fruit and vegeta-

bles to be handed out, in 2017 the “Pre-sorting at the sales outlet” project was launched on a trial basis. At the pilot sales outlets, in the evening before the stores closed, fruit and vegetables were sorted into



“still edible” or “I wouldn’t eat” and taken to the distribution centre in the Coop’s usual forms of transport. From there, they are transported to Tischlein deck dich, for distribution to people in need. Having proved a great success, the pilot project was broadened out in 2019. The “Pre-sorting at sales outlets” project meant that, in 2019, a total of 80 tonnes of additional food (fruit and vegetables) could be collected and handed out.

#### *Seed research for non-GM cotton*

The organic cotton used in Naturaline products has always come from the production sites of bioRe India and bioRe Tanzania. Coop has been supporting these projects for many years. Since genetically modified seed was introduced in India in 2002, the production of non-GM organic cotton has presented a huge challenge. As early as 2013, 95% of the available cotton seeds in India were genetically modified. The seed research project has made it possible to prove that cotton seed is non-GM, and to propagate that seed. Six of the organic cotton seeds from bioRe’s seed research have been approved for commercial marketing, and are suitable for large-scale production in the soil. After nine years of intensive research, this is a major milestone. As a pioneer in the cultivation of organic cotton, bioRe India is now able to begin supplying farmers with organic seed. The Coop Sustainability Fund supports bioRe’s seed research with substantial donations, thus enabling the continued cultivation of organic cotton in India.

#### *Commitment to business education for young people*

In 2019 Coop once again participated in the “Company Programme” by YES (formerly Young Enterprise Switzerland), awarding a sustainability prize. For the competition, groups of young people came up with an innovative project idea and, with the help of experts, developed it into an actual company, as a practical example through which to learn about the key interrelationships in the world of business.

#### *Coop Aid for Mountain Regions supports Alpe Frid with 382 000 francs*

The Coop Aid for Mountain Regions programme is committed to improving living and working conditions for the inhabitants of mountain regions and supports Swiss mountain farmers. In 2019, 159 self-help projects were supported to the tune of around 4.8 million francs. The Swiss National Day “Weggen” campaign attracted a lot of attention. For each “1 August roll” sold, as well as other products, part of the proceeds goes towards the scheme for mountain regions. In 2019, this campaign raised a total in excess of 300 000 francs. The Coop Aid for Mountain Regions programme increased the amount to 382 000 francs, enabling the important rehabilitation of Alpe Frid in the canton of Valais. The Zewo recertification, which was obtained during the financial year, certifies that donations by the Coop Aid for Mountain Regions programme are used appropriately, efficiently and effectively.

#### *Promoting the inclusion of handicapped people in the world of work*

By awarding various contracts to sheltered workshops, Coop promotes the inclusion of handicapped people in the world of work. In 2019, Coop awarded contracts worth over 4.3 million francs to such institutions.

#### *Partnership with SRC*

Coop is a partner of the Swiss Red Cross (SRC). In the year under review, without any unnecessary red tape, Coop made a donation of 100 000 francs for emergency aid in Malawi in the wake of Tropical Cyclone Idai and donated an equal amount after the earthquake in Albania. Furthermore, Coop donated food worth 384 000 francs to the “2 x Weihnachten” (2 x Christmas) project. Thanks to the Grättibänz fund-raising campaign, Coop raised 108 000 francs for families in need in Switzerland. SRC and Coop ran a very special campaign as part of the “Day of good deeds”: together, they encouraged people to donate blood or blood stem cells.

#### *Commitment to more exercise and a healthy diet for children and young people*

Coop supports the organizations “Fit4future” and “Gorilla”, which run workshops in schools with the aim of encouraging children and young people to do more exercise and eat healthily. “Fit4future” is present in one third of all primary schools and, as well as “play barrels” in the school yard, also runs cookery courses and sports camps. Gorilla inspires young people in schools to do more exercise with freestyle sports, such as street skating and break dancing, and to cook with healthy foods by running nutrition workshops. In the year under review, the two projects enabled more than 21 000 children and young people to take advantage of these schemes.

## Communication and advertising

### *Customer Service answers around 800 000 enquiries*

Customer Service dealt with around 800 000 customer enquiries in 2019. As well as general queries about Coop, the Coop Member Press and Supercard, the issue of sustainability was a dominant theme, with a lot of questions in particular about the Actions, not words campaign and about plastics. Customers also expressed interest in marketing activities, such as Emoji, Bee Happy and Sea Happy, and enquired about current advertising campaigns as well as pricing and the range selection.

### *Image campaigns for the supermarkets*

Coop launched its new image campaign in April. Central to all the commercials were Coop's customers and their varying needs. Coop employees also featured heavily in each commercial, supporting customers in a friendly way with their shopping and raising smiles. The new campaign enjoyed a high profile and will be continued in 2020.

### *Families benefit from loyalty schemes*

Coop continued to reward its customers' loyalty in 2019, with a total of four collection promotions. Once again, the focus was on families with children, who enjoyed free products. The "Bee happy" and "Sea happy" promotions also turned the spotlight on sustainability issues. The emoji promotion in the summer also proved very popular once again. In its pre-Christmas business, Coop picked up on the film highlight of the year, in partnership with Disney, in its "Frozen 2" promotion. All four promotions were very popular with customers, which meant they also helped boost sales.

### *Supercard credit card exceeds target*

In 2019, more than 3.2 million households right across Switzerland used the Supercard, Switzerland's largest customer loyalty programme. There was a sustained, sharp rise in use of the Supercard app and of the digital services in the year under review. To facilitate this development, the Supercard login was overhauled and simplified. The new Supercard ID still offers easy and secure access to all Supercard services. The new golden Supercard credit card launched in November 2018 is proving extremely popular and, at the end of 2019, there were already more than 167 000 active cards in circulation. This means that Coop significantly exceeded its ambitious target. The new credit card is available as a Mastercard or Visa. Coop also offers a visa prepaid card, to appeal to people who like full control over their spending.

### *Coop Mobile successfully launches on the Swisscom network and exceeds targets*

Since January, Coop Mobile has been using the Swisscom network, which is regarded as the best in Switzerland. Coop Mobile's offering has already achieved very good results and gained lots of customers, who are particularly drawn by Coop Mobile's pricing, flexibility and support.

### *Mondovino wine club*

Coop's wine club, Mondovino, remained very popular, Mondovino now has around 160 000 members and more than 6 000 Facebook fans. This is an increase of 10 000 customers compared with the previous year. Mondovino is committed to an omnichannel strategy: wine lovers can experience the club online, at over 820 Coop sales outlets and at the annual Mondovino wine fairs. To further raise the club's

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Around **160 000** members

**Mondovino wine club**

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profile, in 2019 Mondovino was a guest at the "Matter of Taste" wine event and was actively involved in "Food Zurich". Mondovino's wine range now boasts 2 200 wines, complemented by subscriptions and specialities from Casa del Vino and Riegger. Mondovino members receive benefits such as weekly club offers and digital coupons.

#### *Continued reliance in social media on video and networking platforms*

Social media was dominated by Coop's image campaign and sustainability in 2019. The "Day of good deeds" met with a particularly favourable response on social media. The actions taken by the general public right across Switzerland were shared with the hashtag #TagdergutenTat. Progress was also made with establishing various target group channels: Coop added a Facebook page for Mondovino and an Instagram channel for Coop's basic training programme. In addition, a special series was created on the Instagram TV channel, in which employees from various areas give an insight into their working day at Coop.

#### *Content House with high readership Coop Member Press evolves into internal agency*

In 2018, Coop Press was renamed Content House and developed into an internal agency. The Coop Member Press and staff magazine remain the key corporate publishing products produced in the Content House.

The weekly newspapers Coopzeitung, Coop ration and Cooperazione, which are published in three languages, have a total print run of over 2.5 million copies and a readership of around 3.3 million. The annual survey by independent Swiss media research agency Wemf AG confirms that the Coop Member Press is still Switzerland's highest circulation and most-read print medium. In the year under review, the regionalization of the Coop Member Press was continued. Special editions on the subjects of cheese, beer and wine were published in 21 sub-regions with different cover themes and cover stories in each region. Furthermore, a special edition of the Coop Member Press and various forms of live reporting accompanied Coop's first-ever "Day of good deeds".

Employees of the Content House also produced multimedia content commissioned by Coop. The Content House further expanded its range of services in the year under review, implementing more than 110 projects for numerous organizational units of the Coop Group. In the Publishing business segment, for example, the Content House produces the Mondovino magazine, and it has designed various image and information brochures in the Editorial Design area. The Content House added to its skills in video and digital channels, and created short videos, information videos and event reports for a number of internal clients.

#### *Sponsorship for the general public*

Coop made changes to its sponsorship concept in 2019. There will be a greater emphasis in future on title sponsorship projects and local activities which also directly involve the sales outlets. Family projects remain a strategic focus. One important project in 2019 was the Federal Gymnastics Festival in Aarau, in which Swiss gymnastics clubs compete. Involving around 70 000 gymnasts, the Federal Gymnastics Festival is Switzerland's biggest sporting event, and is held every six years. Coop has been a main sponsor of the Festival for many years, and also supports cantonal and regional gymnastics festivals. With 160 Coop Gemeindeduell events and seven Coop Andiamo events, Coop is also committed to popular sport in Switzerland.

#### *Media Unit: sustainability issues in the spotlight*

As one of Switzerland's biggest media offices, Coop's Media Unit further intensified dialogue with journalists in 2019. Consequently, heavy media coverage of Coop news continued in the year under review. The opening of the new Fust logistics centre in Oberb ren and the first-ever "Day of good deeds" attracted particularly great media interest. Media reporting also focused on the reduction of plastics in connection with the climate movement. To give some examples, packaging of organic fruit and vegetables was reduced, new packaging solutions were developed for baked goods, we began offering sustainable product alternatives such as wooden toothbrushes, palm leaf dishes and paper drinking straws. The Coop Media Unit issued a total of over 40 media releases and responded to over 1 600 media enquiries in the year under review.

# Wholesale/Production business area

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# Wholesale/Production business area

The Transgourmet Group continues to expand its fresh produce range. It standardizes IT systems across all countries, enabling customized digital services for its customers. Bell strengthens its position on the convenience market. Coop's manufacturing companies step up investment in sustainable products.

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**14.1** billion CHF

**Net sales in wholesale and production**

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The Coop Group's Wholesale/Production business area generated net sales of over 14.1 billion francs in 2019, which is a gain of 2.5% in local currency.

## Transgourmet Group

With subsidiary Transgourmet Holding AG, the Coop Group is active in the cash & carry and wholesale supplies market in Germany, Poland, Romania, Russia, France, Austria and Switzerland. In 2019, the Transgourmet Group generated net sales of over 9.7 billion francs from 145 cash & carry stores and wholesale supplies which equates to growth of 3.7% in local currency year on year. The company was thus able to further consolidate its position as the second-biggest in European wholesale. Transgourmet generated sales of 341.5 million francs from sustainable ranges in 2019. This was only possible thanks to exceptional commitment, as sustainable ranges are nowhere near as developed in wholesale as they are in retail, for instance.

### Multi-channel: standardized IT system for the whole Group

The digitalization of conventional core processes is largely complete in Transgourmet's wholesale business. Transgourmet is now pursuing the aim of systematically exploiting the options presented by technology in order to improve its range of services and become an innovation leader in this area. As a foundation for this, it has implemented a standardized, Group-wide IT landscape for all national subsidiaries. To provide customers with the best, individual service, the ongoing Transgourmet Multichannel project is establishing a new supply chain management approach, with automated processes. Workable, multifunctional SAP services enable Transgourmet to respond quickly, simply and flexibly at all times, and to fully accommodate all country-specific needs. Transgourmet Germany launched the project, but SAP experiences from other countries and expertise from Coop's retail business provide regular input. In 2019, a total of three distribution centres and five Selgros/cash & carry stores in Germany were switched to SAP. The SAP solution will be implemented throughout the Group by 2024.

### Customized digital services

Transgourmet has set itself the goal of a 360-degree complete range, with specific additional services and software solutions for catering customers. When it acquired the majority in German start-up Gastronovi in 2017, Transgourmet Holding gained valuable expertise to help it achieve this. Gastronovi Office offers a comprehensive and customized end-to-end solution – supply chain management, cash register system, ordering system, table reservation – for the catering sector. Another example is Gastivo, a standalone marketplace for the catering business: as a subsidiary of acquisition Team Beverage AG, with this marketplace, which is open to all suppliers and service providers, Gastivo offers one-stop shopping and supports the wholesale beverages sector with digitalization.

Transgourmet Germany's menu manager, with access to the online shop, also makes it easier for hospitals and care homes to plan their shopping and menus.

Since February 2019, customers of Transgourmet France have had access to a new online store, complete with online payment system (transition for e-order to e-commerce online store). Moreover, following on from the 2018 launch of the "e-Quilibre Hygiène" online solution for hygiene management, the year under review saw the launch of "Jardin de Pays". On this platform, customers can search specifically for fruit and vegetables from the regional range and order the products via Transgourmet. The new Group Intranet (Adobe Intranet) model was also implemented.

Transgourmet Österreich is the exclusive provider of the new "Transgourmet Click&Carry" service: customers fill their personal shopping cart in the online store or via the app and, just two hours later, the order has been picked and packed and is ready for collection from the saved location, at the requested time.

With effect from 1 May 2019, Transgourmet Germany took over Sanalogic GmbH, one of the leading companies undertaking development, implementation and support for complete software solutions for IT-based care management in the care sector. The company advises customers in Germany, Austria, northern Italy and Switzerland. This takeover enables Transgourmet Germany to build further on many years of previous collaboration – in both distribution and development – and to actively participate in shaping technical progress and the automation of processes for the benefit of customers. Sanalogic continues to operate on the market as an independent software provider for the whole care process, including meal planning, recording menu requests, production control and delivery, and purchasing.

### Expansion of fresh food range

In the year under review, Transgourmet Switzerland took over Emmi Frisch-Service AG, a Swiss trading company born of the merger of Burra and Interfrais. This takeover enables Transgourmet Switzerland to offer customers an even wider range, exploit synergies in national logistics, and broaden its dairy expertise. Its customers include around 700 companies in the food service, hospital and care home, convenience store and wholesaler segments. Merging the activities of Emmi Frisch-Service AG with Transgourmet's existing supplies business gives customers access to Transgourmet's entire fresh, food and beverages range. All employees were taken over and both Schlieren, which is the central location for Interfrais, and the Burra brand will be retained.

The cooperation with Eisberg Österreich resulted in a bigger range of ultra-fresh products for Transgourmet in the year under review: a total of 63 articles in the convenience salad and vegetables range as well as eleven gourmet salads under the Transgourmet Quality own-label brand. Freshly cut items are delivered daily, and sent out to catering customers the same day. Outstanding product quality, coupled with the diversity of the range – which also includes customer-specific items – ensure strong customer demand: 189 tonnes were sold in just the first four months of the collaboration.

In Germany, Frischeparadies is the biggest specialist store for, and supplier of high-quality, fresh foods for both catering businesses and private customers. Transgourmet Switzerland introduced a slightly adapted version of the German model at the Basel and Zurich locations in 2019. The typical Frischeparadies approach – combination of B2B and B2C with integrated bistro – is an innovative model in Switzerland.

### Same standards for sustainable sourcing in all countries

The Transgourmet national subsidiaries adopted minimum standards for the joint sourcing of own-label products in 2019, in the areas of quality and sustainability including animal welfare. Among other things, these standards require that palm oil at least satisfies the RSPO Mass Balance sustainability standard. In addition, several Transgourmet national subsidiaries have already written their own guidelines on sustainable sourcing, which are based on the relevant Coop guideline. The aim is for all Transgourmet national subsidiaries to adopt their own guidelines on sustainable sourcing by 2021.

### Sustainable packaging measures

In 2019, Transgourmet Germany partnered with external experts to launch a project to develop a comprehensive plastics and packaging strategy. The wide-ranging project, which will continue for several years, focuses on actions involving plastics and packaging in own-label products, in the fresh food segment at cash & carry stores as well as in the range of ToGo products. As well as laying the foundations for the phased implementation of the strategy, the project involves regular trialling of packaging alternatives. The downstream, practical implementation of the strategy is particularly helpful to Purchasing and Category Management when it comes to identifying sustainable packaging concepts in the supplier pool.

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**292** items

**in Origine own-label sustainability brand in Transgourmet Switzerland's range**

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Since the end of 2019, Transgourmet Österreich has been packaging fruit and vegetables in FSC-certified cardboard trays. This saves in excess of 600 000 styrofoam trays each year, which is a major step towards becoming Austria's most sustainable catering wholesaler. While the plastic stretch film to protect the products will remain in use for now, the ultimate aim is to develop a sustainable alternative.

### Transgourmet Österreich: one takeover and renaming of four cash & carry stores

In the year under review, Transgourmet Österreich acquired all the shares in Alkoven-based Austrian food wholesaler Gastro Profi GmbH from the Hochreiter Group. Gastro Profi will remain an independent company, while benefiting from Transgourmet's expertise and synergies. Gastro Profi specializes in ethnic catering, with a range of 800 products and 80 employees. By acquiring the rapidly expanding ethnic pizzerias and kebab restaurants, Transgourmet Österreich is opening up new target groups whose requirements and needs it can now comprehensively meet.

The four successful regional "mein c+c" cash & carry stores, which are well established on the local catering market and serve catering and commercial customers in Graz, Bruck an der Mur, Feldbach and Oberwart, have been trading since June 2019 under the name "Transgourmet Cash & Carry", offering a wider range and even more support services. This regional offering is strengthened by Transgourmet Click&Carry.

## Highlights from the national subsidiaries of the Transgourmet Group

The table below lists highlights from the year under review at the individual national subsidiaries and companies of the Transgourmet Group, along with a factsheet on each national subsidiary. For more information about the Transgourmet Group, visit [www.transgourmet.com](http://www.transgourmet.com).



## Transgourmet Central and Eastern Europe

▼ Factsheet

### Germany



- As of 1 May 2019, Sanalogic GmbH becomes a wholly-owned subsidiary of Transgourmet Germany.
- New Cologne Langel logistics centre built
- Expansion of sustainable Ursprung range, including more communication
- Launch of own-label range of spices at Transgourmet and Selgros, with around 100 products
- Plant-based food (meat-free diet): pilot project in Selgros store
- Initial experiences of the SAP project in live mode at Transgourmet companies and in Selgros cash & carry stores
- Expansion of gas-fuelled trucks at Transgourmet and start of using biogas
- Further rollout of the use of cargo bikes on the last mile at both Transgourmet and at Selgros Cash & Carry
- Selgros Stuttgart Feuerbach opens, with its own bistro, dry ageing fridge for dry-aged beef and a new Frischeparadies fresh fish counter
- First cash & carry store with solar panels (Selgros Ingolstadt)
- 60 years of Selgros marked by numerous in-store promotions and launch of Selgros app
- Germany's first 'fish stakeholder' scheme launched (first crowdfarming project for restaurants and contract catering)
- Continuation of Cooking for Seniors project: publication of cookery book and practical handbook for German retirement homes
- Promotion of organic bread box: sustainable foods for first day at school

### Poland



- Further digitalization of operational business in deliveries to the catering sector and addition of more app functions
- Small format adapted for smaller towns such as Siedlce, Slupsk, Gorzów Wlkp – start of construction work on first smaller store in Siedlce
- First-ever collaboration with vocational schools to support and safeguard jobs for new employees
- Marketing strategy realigned to targeted communication supported by own TV campaign

### Romania



- Opening of the new C&C store in Baia Mare, in November 2019
- More delivery activities for catering customers
- Continuation of loyalty programme for private customers/bonus system
- Addition of own-label brands Economy, Quality and Premium to the range
- Launch of Topseller own-label brand in the entry-level price segment
- All stores switched to LED lighting
- Cooling system and refrigerating units in Pantelimon replaced to save energy
- Continuation and expansion of the "Health begins on the plate" programme
- Comprehensive basic and advanced training programme across all levels and areas
- More options for dual training in the cities of Iasi, Cluj, Brasov, Constanta and Bucharest
- Development of young chefs' and senior chefs' gastronomic expertise as part of the "Arena Bucatarilor Cooking Contest"



## Russia



- Renovation of store in Moscow-Kotelniki, with bigger fresh produce department and LED lighting and according to new concept with bistro
- Selgros and Globalfoods join forces to serve professional HoReCa customers, range increased and optimized logistics
- Introduction of a CRM module for customer-oriented sales and further development of the mobile app
- Pallet pooling with Chep, reduction in harmful emissions and waste volumes

## Specialists

- Food & Beverage Services GmbH acquires 51% interest in GEVA, a solution provider for the beverage industry.
- Transgourmet Seafood wins the Seafood Star 2019 in the categories “Street food products” and “Smoked fish”.
- New building and expansion at EVG AG in Eberswalde, including new FP and staging areas
- Team Beverage now has ten new wholesale beverages partners, with just under 21 800 catering companies for the wholesale platform: Vendis (Homburg) and Bierhalter (Karlsruhe)
- Team Beverage integrates VfG-Vertriebsgesellschaft für Gastronomie-Betriebe (Radeberger’s beverage wholesale business)
- The Markt Aktiv Group joins forces with 191 Team Beverage GmbH beverage cash & carry stores
- Team Beverage begins delivering beverages to Deutsche Bahn for on-board catering and lounge locations
- Catering portal Gastivo passed the 13 000 order mark in September, generating in excess of ten million euros in sales from orders. One key driver of this is the launch of the Gastivo ordering app.
- Gastronovi expands into France. Countries opened up: D, A, CH
- Gastronovi starts joint advertising and sales campaigns with Selgros C&C, Transgourmet Germany, Switzerland and Österreich
- Gastronovi opens a new office in Würzburg.
- Sump & Stammer steps up purchasing alliance with companies in the Coop and Transgourmet Group.
- Sump & Stammer achieves continued double-digit growth in the cruise segment
- Niggeman introduces new supply chain management
- Niggeman creates maximum transparency in the traceability of fresh meat, going beyond the legal rules applicable to beef and for all other types of meat as well (poultry, pork, lamb)
- Frischeparadies unveils new logo
- Frischeparadies gives own-label brand “Frische Paradies” and the Frische Paradies quality label a makeover, adding fish and seafood from Galicia
- Frischeparadies expands ASC, MSC, Friend of the Sea, Label Rouge, thus significantly increasing sales of sustainable items
- Frischeparadies Munich wins Seafoodstar 2019
- Rollout of new CRM system at Frischeparadies
- Frischeparadies is an official partner of Jeunes Restaurateurs, Romantik Hotels and publisher Busche-Verlagshaus (Schlemmer Atlas)





## Transgourmet France

▼ Factsheet

### France



- Since February 2019, Transgourmet online store with online payment for orders (transition from e-order online store to genuine e-commerce online store).
- Launch of “Premium” product range
- Expansion of “Origine” range (approx. 35 articles in 2019)
- Introduction of Transgourmet ranges with local products
- Further rollout of “Premium” marketing/distribution model in the cities of Nantes, Strasbourg and Toulouse
- Launch of a new and exclusive range of small ice-cream sundaes under the “L’Atelier des Ecrins” brand
- Introduction of voice-operated order picking system with Personal Digital Assistant (PDA) and light guide system on picking carts
- Delivery vehicle drivers equipped with new PDAs (with scanner and camera): visualization of route, customers, display racks and articles, recording of display racks for loading and unloading (rolls), GPS route planning including traffic situation, authentication of delivery (photo and signature)
- Expansion of warehouse and completion of renovation of Transgourmet Cash & Carry in Schiltigheim
- Truck fleet expanded with alternative drive systems. Target: by 2025, at least 40% of the fleet has been switched to renewable energies and/or alternative fuels
- BREEAM certification (Building Research Establishment’s Environmental Assessment Method) for Transgourmet’s site in Aquitaine (Saint-Loubès)
- ISO 14001 certification for Transgourmet France head office
- ISO 22000 certification for all Transgourmet Operations locations (except Transgourmet Seafood, Transgourmet Laplace and Transgourmet BP East).
- Road safety awareness and prevention campaign for employees
- Accelerated campaign to integrate people with disabilities in the world of work.

### Specialists

- Launch of Gastronovi in France as part of Transgourmet Solutions
- ISO 14001 recertification for Transgourmet Fruits & Légumes.





## Transgourmet Österreich

▼ Factsheet

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### Austria



- Introduction of Click&Carry: order via the online store or app, two hours later the products have all been picked and packed and are ready for collection from the saved location, at the requested time
- Re-certification to ISO 14001
- Switch from styrofoam trays to FSC-certified cardboard trays for fruit and vegetables
- Ongoing rollout of sustainable wheeled container covers, switch made at Villach site in October 2019
- Environment and energy training for all employees

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### Specialists

- Takeover of Gastro Profi GmbH, specialist in ethnic catering
- Former “mein c+c stores” integrated into the Transgourmet Österreich umbrella brand as “Transgourmet Cash & Carry”, with bigger range





## Transgourmet Switzerland

▼ Factsheet

### Switzerland



- Takeover of Emmi Frisch-Service AG, broadening expertise in sales and logistics
- Sales growth in wholesale supplies: Transgourmet gains market shares, strong growth in customers and regional ranges
- Opening of Prodega store in Kriens, and commissioning of the eighth Transgourmet regional warehouse: greater logistics capacity, shorter delivery distances in central Switzerland
- Wholesale supplies reports greatly increased sales of own-label brands Economy, Quality and Premium
- Range of own-label sustainability brand Origine expanded, with lots of new products across all product groups
- Cook prestige brand reports big increase in sales to specific customer group
- Launch of live cooking in French-speaking Prodega stores as well (chefs from the culinary centre of excellence cook using Transgourmet products)

### Specialists

- Frischeparadies opens in Basel and Zurich, with broader fresh fish expertise, and fresh fish specialists Polar Comestibles and Braschler's Comestibles successfully integrated.



## Production

The Coop Group also includes numerous manufacturing companies, chief among them the Bell Food Group, in which Coop is a majority shareholder. The Bell Food Group, which is one of the leading companies in meat processing and the production of convenience products in Europe, gives Coop a strong international presence.

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Over **6.7%**  
more sales from sustainable  
products in Production

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Net sales of the Coop Cooperative Production segment grew to CHF 815 million in 2019. Added to this are net sales for the Bell Food Group, which increased to CHF 4 billion. Total sales of sustainable ranges in Production came to around 1.32 billion francs in 2019. Coop therefore increased its sales of sustainable products in the production area by 6.79% year on year.

## Bell Food Group

The 2019 financial year saw big rises in raw material prices for pork in Europe, the organizational restructuring of Bell Germany, the commissioning of Europe's most modern convenience factory in Marchtrenk in Austria, and a good business performance in Switzerland in the second half of the year.

### Increase in raw material prices for pork

African swine fever and the associated shortage of raw materials, coupled with the trade disputes between the USA and China, pushed up raw material prices for pork in Europe by more than 40% in 2019. Negotiations to enforce price increases were quickly ushered in, but were only partially successful. This development had a significant impact on the result in the Bell International business area.

### Abandonment of German sausage business

Organizational changes were made in the Bell Germany Division in 2019. At the end of June, the Bell Food Group announced that it was quitting the German sausage business. The factories in Suhl and in Börger have been sold, in a transfer of undertakings. By the end of the year, the factory in Bad Wünnenberg had been converted to a manufacturing facility for fresh convenience products. Going forward, Bell Germany will be focusing on, and expanding its strong position on the cured ham market.

### New manufacturing facility for Serrano ham in Spain

The new manufacturing facility for Serrano ham, near Madrid, was opened in the first half of 2019 at the Spanish national subsidiary, which, for organizational purposes, belongs to Bell Germany. Together with the two existing factories, the company is now ideally placed in the growing market for Spanish charcuterie.

### The convenience market continues to grow

The Convenience business area is making good headway, as the convenience market continues to grow. Ultra-fresh and ready-to-eat products in particular are experiencing very high rates of growth. In Marchtrenk, the Bell Food Group has opened a state-of-the-art production facility where, for the first time, fresh and ultra-fresh convenience products by Bell, Eisberg and Hilcona are manufactured under one roof for the German and Austrian market. The new production facility was opened in spring 2019 and was commissioned in stages.

## Highlights from the Bell Food Group

The table below lists highlights from the year under review at Bell Food Group AG. For more information about the Bell Food Group, please refer to the factsheet below and visit [www.bellfoodgroup.com](http://www.bellfoodgroup.com).

BELL  
FOOD  
GROUP



### Bell Food Group AG

▼ Factsheet



#### *Bell Switzerland business area*

- Bell Switzerland celebrated its 150<sup>th</sup> anniversary in 2019. The product line launched especially to mark this, “Samuel Bell 1869”, developed very well in 2019.
- After a difficult financial year in 2018 and a poor start to the year, the situation at Bell Switzerland eased in the second half of 2019.
- Virtually all of the business units were instrumental in the improved business performance, with the areas of poultry and seafood doing particularly well.

#### *Bell International business area*

- The raw material situation for pork remained strained in 2019.
- The sale of the sausage business in Germany, along with the repurposing of the Bad Wünnenberg production facility, significantly dented sales at Bell Germany.
- In Fuensalida, near Madrid, a new manufacturing facility with annual capacity of around one million Serrano hams was opened.
- The positive trend at Hubers continues. Sales in Austria rose thanks to the acquisition of new customers; sales of organic products and sustainable specialities such as corn-fed chicken performed particularly well.
- The national subsidiaries in Poland and Hungary developed well and reaped the benefits of their ongoing volume strategy.



#### *Convenience business area*

- With a shortage of specialists in catering, novel food solution concepts will come to the fore. The Bell Food Group wants to play a leading role in this trend, and is investing in new production technologies for customer-specific food service solutions.
- A hot, dry summer made for difficulties sourcing raw materials for salads and vegetables from Europe.
- Despite the Swiss market being somewhat saturated, Eisberg had a good year in 2019, thanks to innovative products and strong rates of growth in Eastern Europe. The trend for high-convenience product concepts (salad bowls, shakers) continues.
- Hilcona achieved further growth in 2019. The new manufacturing facility for the German market was opened in Bad Wünnenberg in December 2019. With the launch of the Green Mountain burger, Hilcona made its first and successful foray into the booming meatless burger market in 2019.
- Hügli posted good sales in the food service business in 2019 and is benefiting to a greater extent from synergy effects within the Group. At year-end, for instance, Hügli took over spice filling from Coop's own manufacturing company Sunray. The trend towards fresh and liquid products continues.



## Coop's manufacturing companies

### Chocolats Halba trains cocoa farmers in Ghana

In 2019, Chocolats Halba initiated the Sankofa project which, for the first time, combines cocoa growing around the world, using dynamic agroforestry methods, with CO<sub>2</sub> offsetting to the Gold standard. On the agroforestry plots, the farmers plant trees which store greenhouse gases while at the same time providing shade, nutrients and water for the cocoa. By 2023, Coop will offset around 75 000 tonnes of CO<sub>2</sub> through this project. Chocolats Halba and Coop are contributing heavily to the Sankofa project. They are training 2 900 farmers and showing them how to switch from monocultures to mixed planting, securing

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Around **75 000** tonnes  
of CO<sub>2</sub> offset in Ghana

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their livelihood for the long term. Around 400 hectares of land are managed according to dynamic agroforestry principles. The cocoa grows almost as it would in a rainforest, with a multitude of other plants such as maize, mango and mahogany trees. This boosts soil fertility and biodiversity and, thanks to the mixed crops, the farmers enjoy higher cocoa yields and additional income.

### Reismühle Brunnen/Nutrex committed to sustainable sourcing

When sourcing its goods, Reismühle Brunnen/Nutrex takes account not only of economic but also social, ethical and environmental aspects. In 2019, the India and Thailand projects educated and trained 453 farmers in laser levelling, teaching them the skills to measure out and level their fields using a laser, so that the fields can then be planted to the same height everywhere. This means that less of the scarce water is needed to irrigate the fields. Thanks to this water-efficient technique, Reismühle Brunnen/Nutrex ensures that – except during monsoon season – farmers need 42% less water per kg of rice, leaving enough water available for all farmers. In 2019, Reismühle Brunnen/Nutrex decided to switch from IBC containers for vinegar packaging, to folding containers with an inner liner. As the folding containers are not only reusable, but can also be folded and stacked after use, they take up less space during transport and in the customer's warehouse. This has advantages in terms of sustainability.

### Coop bakeries investing in Ticino

In 2019, Coop invested in the bakery in Castione, where panettone and wood-fired loaves are produced for Coop sales outlets. A special baking line with cutting-edge technology has been built for panettone production, and Coop has installed three wood-fired ovens, each with six baking chambers, for wood-fired bread. The products will go on sale in March 2020.

### Highlights from Coop's manufacturing companies

The table below lists the highlights during the year under review, along with a factsheet on the individual Coop manufacturing companies. Additional information can be found at [www.coop.ch/produktion](http://www.coop.ch/produktion).



Flours, flour mixtures, durum wheat semolina, polenta, oat flakes, extruder products

- Increase in production output to over 210 000 tonnes, meaning further expansion of market shares in cereals for human consumption processed in Switzerland
- Successful tandem with Hilcona and Transgourmet
- Systematic diversification of the range and completion of process optimization measures in the oat and spelt segment
- 2nd extruder system successfully commissioned, with launch of new products (fillers and additives)
- Complex renovation work on silo 1924 on track
- As required by private law, raw material prices successfully adjusted for export customers

▼ Factsheet

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Chocolate bars, confectionery, festive assortments, chocolate for industrial purposes

- Sales growth of more than 20% in chocolate exports; successful market entry in China with premium, sugar-free chocolate
- Market share gains in Switzerland in organic/fair trade products; Madagascar added as a country of origin for Coop's successful project chocolates



Dried fruit, nuts, seeds, dried mushrooms and vegetables, pulses, sugar, edible oils, baking and dessert products

- Increase in direct and certified sourcing of raw materials from countries of origin
- Start of a world-first project for sustainable cocoa cultivation and carbon offsetting in Ghana
- Completely CO<sub>2</sub>-neutral production; use of over 90% renewable energies; around 133 trees planted daily for carbon offsetting

▼ Factsheet



Cosmetics, detergents and cleaning products, hygiene products

- Sales growth of more than 2% in all customer segments, in Switzerland and abroad
- Lead with sustainable ranges increased, sales of sustainable products up by 11% in all customer segments
- Six new aha-certified Naturaline Sensitive products brought onto the market
- PET bottles for Oecoplan detergents switched to 100% recycled PET
- App-controlled dispensing technology for professional dishwashing successfully introduced at a large number of customers
- Halal certification obtained, prerequisite for markets in Southeast Asia

▼ Factsheet

Coop bakeries

Fresh bread products (loaves, rolls, braided bread), frozen bread products, cakes and biscuits, tarts and pastries, and commercial doughs

- Panettone: new process line, new recipes, new packaging design
- New wood-fired oven line installed at Castione site
- Fresh dough extended to 41 sales outlets
- Commercial doughs: new recipes and new packaging
- Further automation continues to be introduced
- IFS certification for Schafisheim Bakery

▼ Factsheet



Organic and fair-trade rice, rice specialities and rice blends

- Positive growth of over 25% in the industrial segment in Switzerland
- In exports with SC Swiss, sustainable increase with new customers in retail and online business and with specialities at Transgourmet Österreich and Transgourmet France



Vinegar and vinegar specialities

- Two new Fine Food rice products brought onto the market; Sushi Koschihikari from Japan and Sadri rice from Iran
- Substantial 25% increase in organic vinegar, to 30% of total volume
- Awarded the "Chapeau" prize for social commitment, for efforts to reintegrate recipients of invalidity benefits into the job market

▼ Factsheet



Mineral water and sugar-containing soft drinks

- Sugar reduced by 10% in all soft drinks
- Launch of flavoured water 1l and mint water 0.5l with pleasing volume growth
- Lemon-flavoured water 0.5l a big success, with market growth
- Higher sales volumes for Aquina at Transgourmet
- Planning permission obtained for exploratory drilling on the Coop site; preparations underway to open up more sources
- Reduction in packaging materials for shrink wrap, labels and some preforms

▼ Factsheet



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|             |  |   |
|-------------|--|---|
| Cave        | White wines, rosé wines, red wines, dessert wines, sparkling wines | <ul style="list-style-type: none"><li>• Substantial increase in sales of wines vinified in-house and increase in overall output</li><li>• Expansion of product portfolio at Transgourmet Switzerland, more articles listed</li><li>• Successful range of Trophy wines for spring/summer, as well as autumn/winter</li><li>• Manufacture of sparkling wines expanded</li><li>• Special edition created for “Swiss International Air Lines” to coincide with “La Fête des Vignerons 2019”</li></ul> |
| ▼ Factsheet |  |   |

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|                       |   |   |
|-----------------------|---|---|
| Banana ripening plant | Bananas, exotic fruit such as pineapple and kiwi, dried fruit | <ul style="list-style-type: none"><li>• Two robots to boost efficiency replaced</li><li>• All processes switched to international standard carton</li></ul> |
| ▼ Factsheet           |   |   |

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# Employees

|   |           |
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# Employees

Coop is using digital solutions to make recruiting more efficient, and relies on a combination of digital learning content and practical experience in its training programme. The Management and Leadership CAS is the first time Coop has offered certified management training to university of applied sciences standard.

In 2019, the Coop Group had a total workforce of 90 307 in the Retail and Wholesale/Production business areas, including 3 455 apprentices. In the year under review, 62.7% of jobs were in Switzerland and the remainder abroad. Coop plays an important integrative role in society, by employing people of all educational levels and nationalities.

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## 90 307

employees of  
the Coop Group

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The latest developments on the labour market make sustainable HR work a challenging task. Chief among those developments are the skills shortage, growing competition for qualified employees and rapid technological advances. Demographic change, particularly with regard to the low birth rate generations and the retirement of baby boomers, also requires companies to be highly adaptable. Professional activity is far more significant among women, the world of work is becoming increasingly multicultural, and working models are becoming more flexible. In this environment, the Coop Group positions itself as a diverse,

attractive and sustainable employer. This is particularly important in order to attract and then retain the best qualified job-seekers as employees.

In its HR work, the Coop Group pursues the following strategic priorities: attractiveness as an employer, entrepreneurship and management, and change management. One of the main aims of Coop's HR work, besides recruiting new staff members, is to enthuse employees for and impart to them the skills they need in order to deal with technological change and digitalization.

## Attractiveness as an employer

### CPV/CAP Coop Pension Fund performs well

Despite the still very difficult environment, the CPV/CAP Coop Pension Fund achieved a very satisfactory return of 9.1%. As at 31 December 2019, it had a funding ratio of 116%. The target of 115% was reached, and funds were built up.

Due to this pleasing result, the old-age pension assets of active members accrued interest of 2% in 2019. This is twice the level of the minimum interest rate under Swiss law. The provisional interest rate for 2020 is 2%. Pensions remained unchanged, and this will also be the case in 2020. However, pensioners will receive a one-off special payment of 500 francs in May 2020. At 37 266, the number of active members was slightly higher than the previous year (37 181 members). The number of pensioners rose by 346 people to 20 488 at the end of 2019.

### Employer awards for Coop and Transgourmet France

Many years of systematic investment in staff development earned Coop Bilan magazine's "Prix des Meilleurs Employeurs" in the "grandes entreprises" category for the second time in succession in 2019. The French edition of the magazine "Capital" chose Transgourmet France as one of France's best employers in 2019. In the "Wholesale" category, Transgourmet ranked 11<sup>th</sup> on the list of best employers in 2019. The ranking is derived from a survey conducted by an independent survey institute, for which the institute surveyed 20 000 people at companies across France with more than 500 employees.

## Training and staff development

### Investment in training and professional development

Employees attended around 4 200 internal professional development events in 2019, to build on their expertise and knowledge. This equates to more than 422 000 hours of training. They spent at least as many hours learning at the workplace, via e-learning, instruction or on the job training. Coop again invested around 45 million francs in this, providing a wide range of opportunities through some 350 internal courses. Approximately 65 000 e-learning courses were completed on subjects including protection of young people, occupational safety, hygiene, fire safety and the cold chain. Furthermore, Coop allocated around 3.8 million francs of funding for external training courses outside the Coop Campus, enabling employees to obtain a wide array of qualifications. These include retail manager, advanced food technology diplomas and business ethics officer with CAS.

### Success for apprentices

In 2019, 98.6% of apprentices across the whole Coop Group passed their final exams. Coop business units were therefore able to offer jobs to a total of 69.7% of graduate apprentices. Interest in Coop as a provider of apprenticeships also remains unabated: within the Coop Group, as of 1 August 2019 a total of 1 083 apprenticeships were filled. Coop offers a total of 3 505 apprenticeships each year, in 32 professions. There are careers on offer in sales, logistics, administration, catering, production and transportation. 2 000 trainers and 30 full-time helpers assist and support apprentices, making Coop the second-largest apprenticeship provider in Switzerland.

### Preliminary integration apprenticeships successfully completed

At the start of the 2019 apprenticeship year, another 40 or so young people began their preliminary integration apprenticeships at Coop. These apprenticeships enable young refugees to get a foothold on the Swiss job market. By August 2018, around 30 young people had started this one-year preliminary apprenticeship at Coop. Of the participants, in August 2019 just under 70% were able to start a two or three-year apprenticeship. A high degree of motivation, marked linguistic progress, the desire to integrate and enthusiasm for the profession were key factors in successfully transitioning to the conventional apprenticeship.

### Coop Campus: new Coop Management and Leadership CAS gets underway

Following a complete overhaul of the content and methods, in 2019 Coop relaunched its management training programme in sales. A total of around 33 course days on four levels were redesigned and the course profile was fine-tuned for the target groups. As well as sales executives, managers in the areas of logistics and catering can also take advantage of the more modern course design, electronic learning platforms and new course settings according to the "Management and Leadership" philosophy. Among other things, in the summer of 2019, a course commenced which trains employees to the level of a Certificate of Advanced Studies (CAS) from a university of applied sciences.

### **Coop Campus basic training in the offing**

To better meet the requirements of retail, in 2019 Coop began thoroughly modernizing its retail specialist training. From August 2020, Coop will be making learning content available for the Coop Campus basic training in electronic format. Furthermore, up to twelve apprentices at a time will receive an in-depth and highly relevant introduction to their new profession at large, basic sales outlets. In future, from their second year onwards, apprentices will be professionally equipped to independently take on tasks in smaller Coop sales outlets.

### **Digital recruiting and introduction of SuccessFactors**

Having centralized reference writing, job advertisements and pre-selection at the Shared Service Centre (SSC) in 2018, in the year under review Coop introduced the new SAP system "SuccessFactors". When a vacancy arises, the team at the SSC that deals with central job advertising and pre-selection can use the software to publish an advert on pre-specified channels.

In the future, the software will handle other steps, such as induction of new employees, training, employee interviews, target/performance interviews, remuneration and succession planning as well as personnel management. Moreover, it will also be possible in future to edit staff duties on mobile devices.

In the year under review, Coop also engaged external service providers to help it make changes to its employer branding, and introduced active sourcing. This is a process whereby Coop uses social media, such as LinkedIn and Xing, to search for and contact suitable candidates. By so doing, it can increase the applicant pool for jobs which are difficult to fill because of their particular profile. Coop now also actively posts current news, videos and images on social media and career sites.

### **Managing director exchange between Edeka and Coop**

In 2019, Coop and Edeka exchanged managing directors. Ten selected managing directors at Coop were able to spend a week visiting store/market managers at the purchasing alliance partner in Germany. The visits were an opportunity for the people involved to discuss sales-related topics, resource management questions and share ideas about the presentation of merchandise. The exchange will take place again this year.

### **Subsidiaries benefit from resilience courses**

Since 2017, Coop has successfully run around 70 management-level seminars on the subject of resilience. Coop will also be offering the courses at subsidiaries Transgourmet and Coop Mineralöl AG and at the Bell Food Group from now on. A trial took place in June 2018 with managers at the subsidiaries. Over a two-day seminar, participants learned the seven pillars of resilience and methods of emotional regulation. Coop plans to stage around 30 seminars for executives at Transgourmet, Bell Food Group and Coop Mineralöl AG in 2020 and 2021.



# Corporate governance

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# Corporate governance

Corporate governance is based on the principle of management's transparency and openness towards employees and the general public. In the following chapter, Coop provides an insight into its company structure.

The Coop Group Cooperative is committed to openness and transparency in the operational management of the Group and it acts to ensure good corporate governance in the interests of its members, customers, employees and other stakeholders. Its governance largely follows the guidelines of SIX Swiss Exchange regarding information on corporate governance. These apply to joint-stock companies and companies that have issued participation certificates or non-voting dividend rights certificates, which does not apply to Coop as a cooperative society. The only company in the Coop Group that has issued SIX-listed equities is Bell Food Group AG. For specific information on this company's corporate governance, see its annual report and website, [www.bellfoodgroup.com](http://www.bellfoodgroup.com).

## Group structure

The Coop Group Cooperative is based in Basel. At the end of 2019 the cooperative had over 2.5 million members. Any resident of Switzerland or the Principality of Liechtenstein can become a member. The Coop Group Cooperative holds stakes in a number of companies in Switzerland and abroad. Pages 110–113 of the Annual Report (Scope of consolidation) provide information on the group structure. There are no cross-holdings within the Coop Group. The Coop Group Cooperative is responsible for the general direction of business of the Coop Group. The executive bodies of the Coop Group Cooperative are the Regional Councils, Delegate Assembly, Board of Directors, Executive Committee and auditors.

### Organization





## Regional Councils

The Coop Group Cooperative comprises six regions (Suisse Romande, Bern, Nordwestschweiz, Zentralschweiz-Zürich, Ostschweiz incl. Principality of Liechtenstein, and Ticino). These regions do not constitute separate legal entities, but are part of the Coop Group's cooperative-based organizational structure. In each region, cooperative members elect a Regional Council consisting of 60 to 120 members (Ticino: maximum of 30). The Regional Councils maintain contact with members and the public. Each Regional Council appoints a Committee of twelve (Ticino: six) from among its members. Each Committee is self-constituting and submits a proposal to the Board of Directors for the attention of the Delegate Assembly for one of its members to be appointed to the Board of Directors; if elected, the member becomes President of both the Regional Council (RC) and its Committee (RCC). The other members of the Regional Council Committee are the delegates. They represent the members of the corresponding region at the Delegate Assembly of the Coop Group Cooperative. The current composition of the Delegate Assembly is shown in the section "Delegate Assembly".

The term of office of the Regional Councils and the Regional Council Committees is four years. The current term of office is from 2017 to 2021. According to the Articles of Association, a member's term in office is limited to 20 years, and members must retire at the end of the year in which they turn 65. Starting from the 2021 to 2025 term of office, the age restriction will be raised to age 70.

## Delegate Assembly

The Delegate Assembly is endowed with the legal powers vested in the Annual General Meeting and the duties assigned to it in the Articles of Association. In particular, it is responsible for laying down the Articles of Association, electing and dismissing the Board of Directors and the statutory auditors, approving the Annual Report, discharging the Board of Directors and dissolving the cooperative society. In addition, the Board of Directors can submit other business to it for a decision.

Further information on the Regional Councils and the Delegate Assembly can be found in the Articles of Association and the Election Regulations of the Coop Group Cooperative. Both documents can be accessed online.

➔ [www.coop.ch/organe](http://www.coop.ch/organe)

As at 31 December 2019, the Delegate Assembly consisted of the following delegates:

| Suisse Romande region  | Bern region             | Nordwestschweiz region | Zentralschweiz-Zürich region | Ostschweiz region (incl. Liechtenstein) | Ticino region      |
|------------------------|-------------------------|------------------------|------------------------------|---|--------------------|
| Vincent Albasini       | Sabine Boschung         | Alexandra Abbt-Mock    | Silvia Banfi Frost           | Suzanne Blaser                          | Lucia Gianoli      |
| Patrick Csikos         | Patrick Bruni           | Sibylle Bader Biland   | Stefan Baumann               | Fridolin Eberle                         | Carlo Frigerio     |
| Yvan Délèze            | Chantal Gagnebin        | Evelyn Borer           | Beatrice Bertschinger        | Markus Eugster                          | Fiorenzo Robbiani  |
| Olivier Grangier       | Sandra Ghisoni Schenk   | André Dalla Vecchia    | Kilian D'Alberto             | Christa Flückiger                       | Gabriella Rossetti |
| Doris Grobéty          | Fränzi Grunder          | Sandra Nicole Engeler  | Anna Maria Forlano           | Michael Fuhrer                          | Raffaele Sartori   |
| Nicole Hosseini        | Jürg Kradolfer          | Adrian Fankhauser      | Alexander Gossauer           | Kurt Gansner                            |                    |
| Nadine von Büren-Maier | Corinne Lehmann         | Susanne Jäger          | Ronald Hauser                | Roberto Godenzi                         |                    |
| Zohra Ottoz            | Sibylle Miescher        | Peter Jossi            | Evelyn Hofer                 | Hedwig Kohler                           |                    |
| Benoît Santschi        | Felix Truffer           | Pascal Konrad          | Cornelia Luchsinger          | Richard Kübler                          |                    |
| Catherine Stern        | Annette Wisler Albrecht | Daniel Mürger          | Alex Rutz                    | Leonardo Longaretti                     |                    |
| Marc Vauthey           | Zippora Wüthrich        | Heidi Straumann        | Beda Schlumpf                | Gabi Senn                               |                    |

## Capital structure

The capital structure of the Coop Group can be seen in the consolidated balance sheet (page 89) and the corresponding notes (pages 92–97). The equity of the Coop Group Cooperative consists exclusively of self-generated funds. The members have no stake in the equity.

## Board of Directors

### Members of the Board of Directors

According to the Articles of Association, the Board of Directors of the Coop Group Cooperative comprises a maximum of six members nominated by the regions as well as a maximum of five further members, including a representative from the French-speaking part of Switzerland and an employee representative. The members of the Board of Directors are proposed by the Board of Directors and elected by the Delegate Assembly. The Board of Directors currently includes four further members, i.e. it has a total of ten members. With the exception of the employee representative, the members of the Board of Directors may not be employed by Coop or by any enterprise controlled by Coop (strict division of powers).

As at 31 December 2019, the Board of Directors of the Coop Group Cooperative comprised the following members:

| Name                         | Year of birth | Current function                                       | First year of office | Elected until |
|------------------------------|---------------|--|----------------------|---------------|
| Hansueli Loosli <sup>2</sup> | 1955          | Chairman   | 2011                 | 2021          |
| Peter Eisenhut               | 1955          | Member, representative of Ostschweiz/FL Region         | 2009                 | 2021          |
| Michela Ferrari-Testa        | 1963          | Member, representative of Ticino Region                | 2006                 | 2021          |
| Susanne Giger                | 1970          | Member, representative of Zentralschweiz-Zürich Region | 2018                 | 2021          |
| Petra Jörg Perrin            | 1964          | Member, representative of Bern Region                  | 2017                 | 2021          |
| Hans-Jürg Käser              | 1956          | Member, employee representative                        | 2009                 | 2021          |
| Irene Kaufmann <sup>1</sup>  | 1955          | Vice-Chairwoman  | 2001                 | 2021          |
| Roman Kuhn                   | 1955          | Member, representative of Nordwestschweiz Region       | 2010                 | 2021          |
| Doris Leuthard <sup>2</sup>  | 1963          | Member   | 2019                 | 2021          |
| Bernard Rüeger               | 1958          | Member, representative of Suisse Romande Region        | 2009                 | 2021          |

<sup>1</sup> Chairwoman of the Audit Committee

<sup>2</sup> Member of the Audit Committee

### Education/training, professional activities and vested interests

(Reference date 31.12.2019)

The Board of Directors of the Coop Group Cooperative is also the Board of Directors of the Coop Cooperative and Coop Immobilien AG.



#### Hansueli Loosli

Swiss

#### Education:

Swiss diploma in accounting and controlling, KV Zurich

#### Professional experience:

1982–1985 Controller, Dep. Director of Movenpick Produktions AG, Adliswil; 1985–1992 Waro AG, Volketswil, latterly as Managing Director; 1992–1996 Purchasing Director Non-Food at Coop Switzerland, Wangen; 1992–1997 Managing Director of Coop Zurich, Zurich; 1997–2000 Chairman of the Executive Committee and of the Group Executive Board of Coop Switzerland, Basel; January 2001–August 2011 Chairman of the Executive Committee of the Coop Cooperative, Basel; since September 2011, Chairman of the Board of Directors of the Coop Group Cooperative, Basel

#### Further directorships:

Bell Food Group AG, Basel (Chairman); Coop Mineraloel AG, Allschwil (Chairman); Swisscom AG, Ittigen (Chairman); Transgourmet Holding AG, Basel (Chairman)

#### Other functions and offices:

Advisory Board, Deichmann SE



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**Peter Eisenhut**

Swiss

**Education:**

Lic. oec. HSG, University of St. Gallen

**Professional experience:**

1981–1991 Principal teacher of economic studies, Cantonal School, Heerbrugg; 1987–1998 Lecturer in economics, University of St. Gallen; 1990–1993 Member of Executive Committee, St. Gallen Center for Futures Research; 1993–1996 Independent economic advisor; 1997–2007 Chief Economist, IHK (Chamber of Industry & Commerce) St. Gallen-Appenzell; since 2008, Managing Partner, Ecolpol AG, St. Gallen

**Further directorships:**

Rofima Holding AG, Horn; Santis-Schwebbahn AG, Schwägalp

**Other functions and offices:**

Supporters' Association and Executive Board, Swiss Research Institute of Small Businesses and Entrepreneurship, University of St. Gallen; Zukunft.li Foundation (Chairman); Board member, Winterhilfe Appenzell-Ausser-rhoden



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**Michela Ferrari-Testa**

Swiss

**Education:**

lic. iur. University of Zurich, lawyer and notary

**Professional experience:**

since 1990, own law and notary practice in Capriasca

**Further directorships:**

avanex Versicherungen AG, Dübendorf; Helsana AG, Dübendorf; Helsana Unfall AG, Dübendorf; Helsana Versicherungen AG, Dübendorf; Helsana Zusatzversicherungen AG, Dübendorf; Progrès Versicherungen AG, Dübendorf; sansan Versicherungen AG, Dübendorf; Schweizerische Mobiliar Genossenschaft, Bern

**Other functions and offices:**

Board member, Fondation Sana



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**Susanne Giger**

Swiss

**Education:**

Lic. oec. HSG, University of St. Gallen

**Professional experience:**

1995–1998 Project Manager B+R Event AG, Glattbrugg; 1998–2000 Head of Sponsorship and Events Zürich insurance company, Zurich; 2001–2007 Business Editor Schweizer Fernsehen und Schweizer Radio DRS, Zurich and Bern; 2008 author of books and freelance journalist; 2009–2017 Business Editor and presenter, Schweizer Radio und Fernsehen SRF, Bern and Zurich;

since 2018 entrepreneur (Susanne Giger GmbH), Uetikon am See

**Further directorships:**

Board member, Kartause Ittingen, Warth-Weiningen, Board member, Zewo, Zurich

**Other functions and offices:**

member of the Board of HSG Alumni Women's Chapter  
Advisor, Lassalle-Institut



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**Petra Jörg Perrin**

Swiss

**Education:**

Dr. rer. oec. University of Bern

**Professional experience:**

since 1989 editor, author and lecturer as well as project manager;  
since 2006 Managing Director and since 2015 CEO at Rochester-Bern  
Executive Programs

**Other functions and offices:**

Titular Professor and visiting lecturer at the University of Bern



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**Hans-Jürg Käser**

Swiss

**Education:**

Apprenticeship as an electrician

**Professional experience:**

1980–1991 Head of Outgoing Goods, Coop Switzerland;  
since 1999, Head of Transport Aids Pool at Coop, Basel

**Other functions and offices:**

Coop Section of Unia; Association of Salaried Employees of Coop (Chairman)



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**Irene Kaufmann**

Swiss

**Education:**

Dr. oec. publ. University of Zurich

**Professional experience:**

1980–2002 Auditing and consultancy mandates for private-sector enterprises on behalf of Dr. Nabholz Treuhand AG, Zurich; 1985–2008 Nabholz Beratung, Zurich: project management consultant to public administrations and companies, focusing on finance and organization; 2000–2009 Vice-Chairwoman of the Board of Directors, Coop Cooperative, Basel; 2009–2011 Chairwoman of the Board of Directors, Coop Cooperative, Basel; since 2011 Vice-Chairwoman of the Board of Directors, Coop Group Cooperative, Basel

**Further directorships:**

Bell Food Group AG, Basel; Coop Mineraloel AG, Allschwil; Coop Aid for Mountain Regions Cooperative, Basel (Chairwoman); Dipl. Ing. Fust AG, Oberbüren; HWZ Hochschule für Wirtschaft Zürich AG, Zurich; Schweizerische Mobiliar Genossenschaft, Bern; Schweizerische Mobiliar Holding AG, Bern; Transgourmet Holding AG, Basel

**Other functions and offices:**

Foundation Board, CPV/CAP Coop Pension Fund (Chairwoman); Member of Foundation Board, ETH Zurich Foundation; Foundation Board, Juventus Schools, Zurich (Chairwoman)



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**Roman Kuhn**

Swiss

**Education:**

Executive MBA, University of Zurich

**Professional experience:**

1980–1986 General Manager, Neumühle Alb. Kuhn & Cie in Wohlen; 1988–1995 UBS in Zurich and Brugg; 1995–2000 Head of Private Banking Brugg at Aargauische Kantonalbank; 2000–2018, Head of Institutional Banking and Member of Senior Management, Aargauische Kantonalbank, Aarau

**Further directorships:**

Circus Monti AG, Wohlen; thecompacts GmbH, Aarau

**Other functions and offices:**

Chairman, Förderverein Schloss Hallwyl (Friends of Hallwyl Castle); Verein Melodyaarau (Chairman)



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**Doris Leuthard**

Swiss

**Education:**

lic. iur. University of Zurich, lawyer

**Professional experience:**

1991–2006 lawyer and partner at Fricker Lawyers, Wohlen. Also member of various Boards of Directors (including Neue Aargauer Bank AG, Elektrizitäts-Gesellschaft Laufenburg AG, Baugenossenschaft Merenschwand) and political activity as schools inspector for Muri District (1993–2000), member of the Grand Council of the Canton of Aargau (1997–2000), member of the National Council (1999–2006) and as Chairwoman of the Christian Democratic Party of Switzerland (2004–2006). 2006–2018 Federal Councillor, initially as head of the Federal Department of Economic Affairs (FDEA) then, from November 2010, head of the Federal Department of Environment, Transport, Energy and Communications (DETEC), 2010 and 2017 President of the Swiss Confederation

**Further directorships:**

Bell Food Group AG, Basel; Transgourmet Holding AG, Basel

**Other functions and offices:**

Ulrico Hoepli-Stiftung (Chairwoman), Stiftung Swiss Digital Initiative (Chairwoman), Steering Committee Europa Forum (Co-Chairwoman), Foundation Board ETH Zürich Foundation



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**Bernard Rüeger**

Swiss

**Education:**

MBA, Lausanne

**Professional experience:**

since 1986 in various positions and 1992–2012 Managing Director, Rüeger SA, Crissier; 2013–2019, Chairman, Rüeger Holding SA, Paudex

**Further directorships:**

Alpsens Technologies SA, Crissier (Chairman); CSS Holding AG, Lucerne; Lyncée Tec SA, Ecublens; Precitherm SA, Paudex; Socorex Isba SA, Ecublens

**Other functions and offices:**

Economiesuisse (Vice-Chairman); Board member, Fondation de Beaulieu

## Election and term of office of the Board of Directors

### Principles of the electoral procedure

The members of the Board of Directors are elected by the Delegate Assembly. The term of office for all members is four years. Re-election is possible. In accordance with the Articles of Association, a member's term in office is limited to 20 years, and members must retire by the time of the first ordinary Delegate Assembly in the year in which they celebrate their 65th birthday.

### First-time election and remaining term of office

The start of the term of office for members of the Board of Directors elected for the first time is set out in the section "Members of the Board of Directors". The current term of office began in spring 2017 and ends in spring 2021.

## Internal organization

### Allocation of tasks within the Board of Directors

The Board of Directors is self-constituting, appointing a Chairman and a Vice-Chairman from among its members. The members assume equal responsibility for exercising the functions of the Board of Directors.

### Audit Committee

As support, the Board of Directors has appointed an Audit Committee from among its own members. The Audit Committee advises the Board of Directors on questions concerning the financial statements and reporting, on the activities of the internal and external auditors, the internal control system (ICS) and risk management. Compliance is also a matter for the internal control system and risk management. The Committee comprises Irene Kaufmann (Chairwoman), Hansueli Loosli and Doris Leuthard.

The Audit Committee meets at least three times a year. A meeting generally lasts half a day. As a rule, the Chairman of the Executive Committee (CEO), the Head of the Finance Business Unit and the Head of Internal Auditing take part in the meetings in an advisory capacity. Depending on the agenda of the meeting, the external auditors may be asked to attend. The members of the Board of Directors are kept informed on the work of the Audit Committee at regular intervals. Internal Auditing reports to the Chairwoman of the Audit Committee. The Audit Committee met four times in 2019.

### Working method of the Board of Directors

The Board of Directors meets as often as business requires, but at least four times a year. As a rule, the Chairman of the Executive Committee (CEO) and the Vice-Chairman of the Executive Committee take part (for all items on the agenda) in the meetings of the Board of Directors in an advisory capacity, as do the other members of the Executive Committee if required. The Board is quorate if a majority of its members are present. A valid decision requires a majority of the votes cast. In the event of a tie, the Chairman of the Board of Directors has the casting vote.

In 2019, the Board of Directors convened for seven meetings lasting from one to two days. Furthermore, the Board of Directors spent four days visiting locations of subsidiaries in Switzerland and abroad. No external consultants were engaged.

## Regulation of responsibilities

The Board of Directors is responsible for the general direction (strategic leadership) of the business of the Coop Group Cooperative and the Coop Group and oversees operational management of the Group. The duties and powers vested in it under Art. 29 of the Articles of Association correspond to the regulations laid down for joint-stock companies (Swiss Code of Obligations 716a), which are stricter than Swiss law on cooperatives. The organizational regulations enacted by the Board of Directors provide for a strict division of responsibilities between the Board of Directors and the Executive Committee in all fundamental matters such as finance, corporate strategy, human resources and organization. The Executive Committee has drawn up regulations that define in detail the operational responsibilities of the individual management levels.

## Instruments of information and control over the Executive Committee

### Management information system

The Chairman of the Board of Directors and the CEO meet once or twice a month to discuss fundamental issues regarding the Coop Group. The Chairman of the Board of Directors regularly attends the meetings of the Executive Committee. At each regular meeting of the Board of Directors, the CEO informs the Board members in detail about the company's performance, key projects and events as well as measures that have been implemented. Every month the Board of Directors receives a written report containing key figures on current business performance and important information on all business segments. In addition, reports and results are submitted in writing to the Board of Directors every four months and presented and discussed at the Board meetings.

### Planning and goal-setting process/balanced scorecard

Coop has a comprehensive and continuous planning and goal-setting process in place, which also features regular reporting to the Board of Directors, including balanced scorecard reports.

### Risk management

The Coop Group operates a standardized risk management system. Every three years (most recently in 2018), the Executive Committee and the Board of Directors identify and analyse the main risks and main risk scenarios and determine the appropriate measures. The progress made in implementing the individual measures is reviewed each year. Major risks are defined as those that can have a negative impact on the EBIT of the Coop Group to the extent of over 15 million francs within three years.

### Internal control system

During the well-established annual quality evaluation of the internal control system at business process level, operational risks and risks associated with financial reporting and compliance are assessed. The effectiveness of the checks carried out to cover these risks is also assessed. General IT checks are included in the above assessments.

The quality of the Group-wide checks is examined by members of the Executive Committee every two years. As scheduled, an assessment of the Group-wide checks was carried out in 2019. The results of the internal control system evaluations are summarized in a comprehensive report issued each year.

### Internal Auditing

Internal Auditing – as an independent and impartial body – is mandated by the Board of Directors and the Audit Committee to check compliance with guidelines and regulations, the appropriateness and effectiveness of the internal control system and other aspects. It audits, or advises on, the development of new business processes or changes to existing ones, and supports the Executive Committee in the achievement of its goals by presenting proposals for improving business processes. Internal Auditing practises a risk-oriented approach to auditing. Observations from audits are communicated in writing to the Chairwoman of the Audit Committee, the Chairman of the Board of Directors and the Chairman of the Executive Committee. The implementation of measures is monitored promptly. Internal Auditing coordinates its auditing activities and maintains close contact with the statutory auditors for the purpose of sharing information. It is a member of the Institute of Internal Auditing Switzerland (IIAS).

### Compliance

Coop's corporate profile takes shape with the newly introduced Coop Group Code of Conduct. The Code of Conduct, which is binding on the company's employees, describes the rules when dealing with each other, as well as with our customers and business partners. It focuses on a respectful, non-discriminatory, sincere and honest approach. This includes compliance with statutory requirements and internal guidelines. Violations of this Code of Conduct should initially be reported to line managers. In cases where this is not possible, the person reporting the violation can contact a reporting office. All information is treated as strictly confidential.

## Executive Committee

### Members of the Executive Committee

For the operational management of the Group, the Board of Directors appoints an Executive Committee (EC), which acts on its own responsibility as the executive body; its duties and powers are laid down in the organizational regulations by the Board of Directors. The Executive Committee is headed by a Chairman (CEO), who is entitled to issue directives to the other EC members.

As at 31 December 2019, the Executive Committee of the Coop Group Cooperative comprised the following members:

| Name              | Year of birth | Current function                          | Member since |
|-------------------|---------------|---|--------------|
| Joos Sutter       | 1964          | Chairman of the Executive Committee (CEO) | 2010         |
| Reto Conrad       | 1966          | Member                                    | 2012         |
| Christian Coppey  | 1965          | Member                                    | 2017         |
| Daniel Hintermann | 1970          | Member                                    | 2017         |
| Daniel Stucker    | 1964          | Member                                    | 2011         |
| Adrian Werren     | 1969          | Member                                    | 2016         |
| Philipp Wyss      | 1966          | Vice-Chairman of the Executive Committee  | 2009         |

### Education/training, professional activities and vested interests

(Reference date 31.12.2019)

The Executive Committee of the Coop Group Cooperative is also the Executive Committee of the Coop Cooperative and Coop Immobilien AG.



#### Joos Sutter

Swiss

#### Education:

Lic. oec. HSG, University of St. Gallen; Swiss diploma in auditing, "Kammerschule" of the Schweizerische Treuhandkammer (Swiss Institute of Certified Accountants and Tax Consultants), Zurich

#### Professional experience:

1991–1996 Auditor at PricewaterhouseCoopers, Zurich; 1996–1999 Head of Finance/Personnel at Import Parfümerien AG, Zurich; 1999–2005 various positions such as Head of Finance/Service and Head of Sales at Interdiscount, Jegenstorf; 2005–2009 Head of Interdiscount Division; 2010–2011 Member of the Executive Committee of Coop Group Cooperative and Head of the Trading Business Unit of Coop Cooperative, Basel; since September 2011 Chairman of the Executive Committee of Coop Group Cooperative (CEO) and Head of Retail Business Unit of Coop Cooperative, Basel

#### Directorships:

AgeCore SA, Geneva (Chairman); Transgourmet Holding AG, Basel; Two Spice AG, Zurich

#### Other functions and offices:

President of IG DHS (Swiss retailers' organization)





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**Reto Conrad**

Swiss

**Education:**

Lic. oec. HSG, University of St. Gallen; Swiss diploma in auditing, "Kammerschule" of the Schweizerische Treuhandkammer (Swiss Institute of Certified Accountants and Tax Consultants), Basel

**Professional experience:**

1990–1992 Controller at UBS, Basel; 1992–2001 various auditing positions at PricewaterhouseCoopers in Basel and San Francisco; 2001–2005 CFO and member of the Bachem Group Corporate Executive Committee, Bubendorf; 2006–2012 CFO and member of Corporate Executive Board of Emmi Group, Lucerne; since 2012, Member of the Executive Committee of Coop Group Cooperative, Basel; 2012–2016 Head of Finance/Services Business Unit of Coop Cooperative, Basel; since May 2016, Head of IT/Production/Services Business Unit of the Coop Group Cooperative, Basel

**Directorships:**

Coop-ITS-Travel AG, Freienbach (Chairman); Coop Mineraloel AG, Allschwil; Panflor AG, Zurich; Siroop Trading AG, Basel; Société coopérative Centre de Formation du Léman, Jongny (Chairman); Update Fitness AG, Uzwil (Chairman)

**Other functions and offices:**

Board member, Coop Meeting Centre MuttENZ (Chairman); Board member, CPV/CAP Coop Pension Fund, Basel



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**Christian Coppey**

Swiss

**Education:**

diploma in architecture, ETH Zurich, Advanced Master in Urban Planning ENPC Paris

**Professional experience:**

1992–1995 Assistant Prof. D. Schnebli, ETH Zurich; 1993–2005 Project Manager Coppey & Coppey Architectes, Martigny; 2003–2006 Head of Corporate Real Estate Western Switzerland Credit Suisse, Lausanne; 2006–2016 Head of Real Estate & Shopping Management Maus Frères SA, Geneva;

since 2017 Member of the Executive Committee of Coop Group Cooperative and Head of Property Business Unit of Coop Cooperative, Basel

**Directorships:**

Pearlwater Mineralquellen AG, Termen (Chairman); Robix AG, Baden (Chairman)



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**Daniel Hintermann**

Swiss

**Education:**

Lic. rer. pol. University of Bern; Swiss diploma logistics management

**Professional experience:**

1997–2001 Consultant and Project Manager, Abegglen Management Consultants AG, Volketswil; 2001–2005 Head of Service Interdiscount, Jegenstorf; 2005–2010 Head of Logistics, IT and Service Interdiscount; 2010–2016 Head of Coop Nordwestschweiz logistics region, Schafisheim; since 2017 Member of the Executive Committee of Coop Group Cooperative and Head of Logistics Business Unit of Coop Cooperative, Basel

**Directorships:**

Cargo Sous Terrain AG, Basel; Railcare AG, Harkinggen (Chairman)



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**Daniel Stucker**

Swiss

**Education:**

Dipl. Ing. in business informatics, Biel Engineering College; Executive MBA, University of Zurich

**Professional experience:**

1985–1986 Software engineer PTT, Bern; 1989–1992 Management consultant and Branch Manager Bern AF Consulting, Bern; 1992–1994 Head of Service-Center RESO, Solothurn; 1994–1999 Head of IT and Organization at UEFA, Union of European Football Associations, Nyon; 1999–2007 Head of IT/Logistics, then Head of Finance/Services, later Head of Purchasing at Interdiscount, Jegenstorf; 2007–2011 Head of Division Import Parfumerie/Christ Watches & Jewellery, Winterthur; since 2011, Member of Executive Committee of Coop Group Cooperative and Head of Trading Business Unit of Coop Cooperative, Basel

**Directorships:**

Coop Vitality AG, Bern (Chairman); Coop Vitality Health Care GmbH, Niederbipp (CEO); Coop Vitality Management AG, Bern (Chairman); Dipl. Ing. Fust AG, Oberbüren (Chairman); Elektronik Distribution AG, Basel (Chairman); Eurogroup Far East Ltd., Hong Kong; Nettoshop AG, St. Gallen (Chairman); RS Vertriebs AG, St. Gallen (Chairman); Service 7000 AG, Netstal; Siroop AG, Zurich; Siroop Trading AG, Basel (Chairman); The Body Shop Switzerland AG, Uster (Chairman)



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**Adrian Werren**

Swiss

**Education:**

Lic. rer. pol. University of Basel

**Professional experience:**

1995–1996 Auditor, Coop Switzerland, Basel; 1997–2000 Project Manager Coop Switzerland, Basel; 2001–2008 Team Leader Controlling, Coop, Basel; 2009–2010 Head of Controlling, Coop, Basel; 2011–2016 Head of Controlling, Coop and Head of Business Management/Controlling, Transgourmet (co-responsible);

since 2016 Member of Executive Committee of Coop Group Cooperative and Head of Finance Business Unit of the Coop Cooperative, Basel

**Directorships:**

Coop Vitality AG, Bern; Coop Vitality Health Care GmbH, Niederbipp; Coop Vitality Management AG, Bern; Dipl. Ing. Fust AG, Oberbüren; Marché Restaurants Schweiz AG, Dietlikon; nettoShop AG, St. Gallen; RS Vertriebs AG, St. Gallen; Railcare AG, Härkingen; Retail Marketing Switzerland AG, Basel (Chairman); The Body Shop Switzerland AG, Uster; Transgourmet Central and Eastern Europe AG, Basel; Transgourmet Holding AG, Basel; Transgourmet Österreich GmbH, Traun; Transgourmet Switzerland AG, Basel



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**Philipp Wyss**

Swiss

**Education:**

Commercial apprenticeship and butcher apprenticeship

**Professional experience:**

1990–1992 Sales Manager, Sempione Gehrig AG, Klus; 1993–1997 Senior Product Manager, Federation of Migros Cooperatives, Zurich; 1997–2003 Category Manager for Meat, Fish, Fresh Convenience at Coop, Basel; 2004–2008 Head of Fresh Produce Category Management at Coop, Basel; 2008–2009 Coop Sales Head of Zentralschweiz-Zürich Region; since 2009, Member of Executive Committee of Coop Group Cooperative, Basel; 2009–2011 Head of Retail Business Unit and Head of Zentralschweiz-Zürich Sales Region of Coop Cooperative, Basel;

since 2012, Head of Marketing/Purchasing Business Unit and deputy CEO of Coop Cooperative, Basel

**Directorships:**

AgeCore SA, Geneva; Betty Bossi AG, Zurich (Chairman); Casa del Vino SA, Zurich; Eurogroup Far East Ltd., Hong Kong (Chairman); Hilcona AG, FL-Schaan; Marché Restaurants Schweiz AG, Dietlikon (Chairman); Peter Riegger Holding AG, Zug; Transgourmet Holding AG, Basel; Two Spice AG, Zurich; Zanini Vinattieri SA, Mendrisio

**Other functions and offices:**

GfM Schweizerische Gesellschaft für Marketing (Officer); member of the Bio Foundation board; Board member, Biore Foundation

## Management agreements

There are no management agreements with third parties.

## Compensation

### Content and method of determining compensation and shareholding programmes

Compensation of the members of the Board of Directors and Executive Committee of the Coop Group Cooperative is prepared by the Chairman and the Vice-Chairwoman of the Board of Directors and set by the Board of Directors.

Compensation of the activities of the Board of Directors of the Coop Group Cooperative consists of a fixed salary dependent on the function involved (chairmanship, vice-chairmanship, regional council chairmanship, membership). In addition, a variable amount is paid in the form of fees for attending meetings. The Chairman and the Vice-Chairwoman of the Board of Directors and the third member of the Audit Committee are exceptions in that they receive fixed compensation (annual lump sum).

Compensation of the members of the Executive Committee of the Coop Group Cooperative consists of a contractually agreed fixed gross salary and a variable performance-related sum (profit-sharing) paid in cash. This sum may not exceed 20% of gross salary and is determined by the degree of budget fulfilment.

Compensation for the activities of the Board of Directors of the Coop Group Cooperative, the Coop Cooperative and Coop Immobilien AG in 2019 amounted to 1.3 million francs (previous year: 1.3 million francs). The gross salaries of the Executive Committee totalled 4.2 million francs for seven full-time equivalents in 2019 (previous year: 4.1 million francs for seven full-time equivalents). The Coop Group Cooperative and the Coop Cooperative, respectively, are entitled to any fees paid to the Chairman and the Vice-Chairwoman of the Board of Directors and to members of the Executive Committee for activities performed as members of the Boards of Directors of subsidiaries.

The Chairman and the Vice-Chairwoman of the Board of Directors and the members of the Executive Committee do not enjoy special pension rights.

## Rights of participation

### Voting rights

Members of the Coop Group Cooperative are represented by the delegates of their respective region. Voting rights in the Delegate Assembly reflect the number of Coop members in the corresponding regions.

### Statutory quorums

Resolutions and elections in the Delegate Assembly require an absolute majority of the valid votes cast for them to take effect.

### Convening the Delegate Assembly

The Board of Directors convenes the Delegate Assembly at least 20 days in advance, giving details of the matters to be discussed and the proposals of the Board of Directors. An extraordinary Delegate Assembly may be convened if so requested by at least one third of delegates.

### Adding an item to the agenda

Delegates can ask for a matter to be added to the agenda of the Assembly. The request must be submitted to the Board of Directors at least 45 days before an Ordinary Delegate Assembly is due to be held.

## Changes of control and defensive measures

The Coop Group Cooperative has not issued any participation certificates. There are no statutory restrictions or regulations.

## Auditors

### Duration of mandate and term of office of lead auditor

As the auditors are appointed for one year, the Delegate Assembly elects the auditors each year. KPMG has been the auditor of the Coop Group Cooperative and of the consolidated financial statements of the Coop Group since 2019. Lead auditor Jürg Meisterhans has been in office since 2019.

### Auditing fee

The auditors billed fees totalling 3.5 million francs for fulfilment of their statutory mandate for the 2019 financial year.

### Other fees

For performing additional services over and above the statutory mandate, the auditors billed a total of 0.6 million francs during the 2019 financial year.

### Information instruments pertaining to an external audit

The Audit Committee is mandated by the Board of Directors to monitor the qualification, impartiality and performance of the external auditors and to inform the Board of Directors of the results of its assessment. It also provides the Board of Directors and the Delegate Assembly with a recommendation regarding the election or re-election of the external auditors.

The lead auditor took part in three meetings of the Audit Committee in 2019. Planning of the audit, the observations of the external auditors and the ensuing procedure adopted were discussed at these meetings. In addition, the lead auditor reports to all members of the Board of Directors once a year. The external auditors and Internal Auditing additionally discuss the methods and further development of the internal control system.

## Information policy

The Coop Group Cooperative keeps its members informed through the weekly Coop Member Press and the Coop websites. In addition, members can view the Coop Annual Report on the company's website or download it from the website.

→ [report.coop.ch](https://report.coop.ch)

In spring and autumn, the delegates attend Delegate Assemblies at which information about ongoing business developments is provided and current topics are discussed in depth. Along with the invitation to the Spring Delegate Assembly they also receive a copy of the Annual Report of the Coop Group. The financial statements of the Coop Group Cooperative are an integral component of this annual report. In addition, they receive a written report every four months informing them of Coop's current business performance.

The key sales figures for the previous year are announced at the beginning of each year, and the annual results conference of the Coop Group takes place in February. Regular media releases keep the public informed on other important developments within the Coop Group.

→ [www.coop.ch/medien](https://www.coop.ch/medien)

## Coop Group management

### Coop Cooperative

As at 1 April 2020

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#### Executive Committee (EC)

Joos Sutter, Chief Executive Officer  
Reto Conrad, Head of IT/Production/Services Business Unit  
Christian Coppey, Head of Property Business Unit  
Daniel Hintermann, Head of Logistics Business Unit  
Daniel Stucker, Head of Trading Business Unit  
Adrian Werren, Head of Finance Business Unit  
Philipp Wyss, Head of Marketing/Purchasing Business Unit

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#### CEO Business Unit

Joos Sutter, Chief Executive Officer  
Frank Bertisch, Head of Internal Auditing  
Luc Pillard, Head of Human Resources  
Alfred Hubler, Head of General Secretariat  
Jörg Ledermann, Head of Communication/Quality/Sustainability

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#### Retail Business Unit

Joos Sutter, Head of Retail Business Unit  
Stefano Alberucci, Head of BE Sales Region  
Ivo Dietsche, Head of OT Sales Region  
Philippe Huwyler, Head of Coop@home  
Sissigno Murgia, Head of SR Sales Region  
Peter Schmid, Head of NWZZ Sales Region  
Roberto Villoria, Head of Total Store national

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#### Suisse Romande Sales Region (SR)

Sissigno Murgia, Head of SR Sales Region  
Stefan Silvestri, Head of Business Management/Controlling  
Jean-Claude Chapuisat, Head of Human Resources  
Thierry Boudol, Head of Sales VD/FR  
Claudio Marra, Head of Sales GE  
Bertrand Pasteur, Head of Sales VD/GE  
Jean-Luc Peulet, Head of Sales VS/VD  
Laurent Voelin, Head of Sales NE/JU/BE  
Frederik Heller, Head of Sales VD/FR/NE

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#### Bern Sales Region (BE)

Stefano Alberucci, Head of BE Sales Region  
Peter Jacobian, Head of Sales Bern/Burgdorf  
Philippe Ziörjen, Head of Sales Seeland/FR  
Oliver Hasler, Head of Sales Emmental/Thun  
Marcel Maurer, Head of Sales Berner Oberland/Wallis  
Willy Kuhn, Head of Sales SO/Oberaargau  
Bruno Piller, Head of Human Resources  
André Wenger, Head of Business Management/Controlling  
Roland Frefel, Head of CCM

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#### Nordwestschweiz-Zentralschweiz-Zürich Sales Region (NWZZ)

Peter Schmid, Head of NWZZ Sales Region  
Dominique Vela, Head of Business Management/Controlling  
André Aerne, Head of Sales Lake Zurich North  
Urs Barmettler, Head of Sales ZG/SZ  
Christian Rüttimann, Head of Sales AG West/Olten  
Marc Ellena, Head of Sales Lake Zurich South  
Martin Fürst, Head of Sales AG Ost  
Sandro Janko, Head of Sales BL and surrounding area  
Herbert Müller, Head of Sales LU  
Isabelle Moesch, Head of Human Resources  
Jean-Claude Prosdocimo, Head of Sales Zürich Nord  
Besim Ramadani, Head of Sales Zurich City  
Christine Keller, Head of Sales BS and surrounding area

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#### Ostschweiz-Ticino (OT) Sales Region

Ivo Dietsche, Head of OT Sales Region  
Johannes Hummel, Head of Business Management/Controlling  
Patrick Wiler, Head of Human Resources  
Mario Colatrella (until 30.06.2020), Head of Sales  
Dario a Marca (as of 01.01.2020), Head of Sales TI  
Rolf Gurtner, Head of Sales SG Ost/AI/AR/FL/GL  
Shenasi Haziri, Head of Sales SG West/TG  
Sven Herzog, Head of Sales Winterthur/SH  
Annatina Mehli (as of 01.03.2020), Head of Sales GR

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#### Trading Business Unit

Daniel Stucker, Head of Trading Business Unit  
Martin Meier, Head of Business Management/Controlling  
Claudia Aeschlimann, Head of Human Resources  
Antonella Catellani, Head of Total Store/Expansion

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#### Coop City

Christian Staub, Head of Coop City  
Rita Zicola, Head of Sales Region Centre  
Claudia Schreen, Head of Sales Region East  
Daniel Tona, Head of Sales Region West

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#### Coop Building & Hobby

Andreas Siegmann, Head of Building & Hobby  
Walter Rüegg, Head of CM/Purchasing Building & Hobby  
Marco Bertoli, CM Gardening/Plants  
Marc Rheia, CM Leisure/Sport/Decorating  
Gabriele Vassena, CM DIY/Electrical  
Dario Oemeroglu, CM Building/Interior Fittings  
Lukas Frey, CM Garden Hard Goods

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#### Interdiscount/Microspot.ch

Pierre Wenger, Head of Interdiscount/Microspot.ch Division  
Vito Armetta, Head of Sales  
Martin Koncilja, Head of Marketing  
Peter Späni, Head of CM/Purchasing  
Ingo Arnold, Head of CM Non Food  
Georg Weinhofer, Head of Marketplace/Logistics/Services  
Marc Zesiger, Head of IT

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#### Livique/Lumimart

Oliver Roth, Head of Livique/Lumimart Division

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#### Import Parfumerie

Michael Susta, Head of Import Parfumerie Division

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#### Christ Watches & Jewellery

Vacant

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#### Coop Vitality AG

Daniel Stucker, Chairman of the Board of Directors  
Virginie Emmanuelle Pache Jeschka, Head of Coop Vitality AG

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#### Dipl. Ing. Fust AG

Daniel Stucker, Chairman of the Board of Directors  
Thomas Giger, Head of Dipl. Ing. Fust AG  
Marc Haselbach, Head of Retail Sales  
Silvio Cioffi, Head of Novacasa General Contractor Division  
Giovanni De Mieri, Head of Multimedia Division  
Peter Fankhauser, Head of Finance & Services  
Susanne Benz, Head of Electronics Division  
Manfred Spiller, Head of Kitchen/Bathroom Division

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#### RS Vertriebs AG

Daniel Stucker, Chairman of the Board of Directors  
Peter Rothenbühler, Head of RS Vertriebs AG

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#### The Body Shop Switzerland AG

Daniel Stucker, Chairman of the Board of Directors  
Adrian Känel, Head of The Body Shop Switzerland AG

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#### Marketing/Purchasing Business Unit

Philipp Wyss, Head of Marketing/Purchasing Business Unit

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#### Catering

Kaspar Wittwer, Head of Coop Catering

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#### CM/Purchasing Fresh Food 1

Silvio Baselgia, Head of CM/Purchasing Fresh Food 1  
Andreas Allenspach, CM/Purchasing Fruit & Vegetables/  
Cut Flowers  
Marc Helfenstein, CM/Purchasing Fresh Convenience  
Oliver Krüsi, CM/Purchasing Bread/Baked Goods

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#### CM/Purchasing Fresh Food 2

Marc Muntwyler, Head of CM/Purchasing Fresh Food 2  
Yves Grüninger, CM/Purchasing Dairy Produce/Eggs  
Fabian Schneider, CM/Purchasing Meat  
Matthias Hofer, CM/Purchasing Frozen Products/Fish

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#### CM/Purchasing Basic Foods/Cleaning

Andrea Kramer, Head of CM/Purchasing Basic Foods/Cleaning  
Daniel Böni, CM/Purchasing Confectionery/Savoury Snacks  
Olivier Compagnon, CM/Purchasing Detergents/Cleaning Products/  
Hygiene  
Philipp Nyffenegger, CM/Purchasing Breakfast/Baking Ingredients  
Pascal Seiler, CM/Purchasing Long-life Convenience/Garnishes

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#### CM/Purchasing Beverages/Specialist Stores

Simon Grieder, Head of CM/Purchasing Beverages/Specialist  
Stores  
Sylvia Berger, CM/Purchasing Wines/Sparkling Wines  
Tobias Schuler, CM/Purchasing Pet Supplies  
Laura Schmidt, CM/Purchasing Soft Drinks/Beer/Spirits  
Daniel Vonach, CM/Purchasing Specialist Stores/Newsstands

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#### CM/Purchasing Near Food/Non Food

Pia Bracher, Head of CM/Purchasing Near Food/Non Food  
Karena Breitenbach, CM/Purchasing Cosmetics/Vitashop  
Pascal Probst, CM/Purchasing Stationery/Travel/Home Textiles/  
Festive  
Christian Jochberg, CM/Purchasing Electrical/Kitchen/Dining  
Roy Mor, CM/Purchasing Clothing/Jewellery  
Patrick Steiner, CM/Purchasing Baby/Children's Clothing/Toys/F&F

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#### CM/Purchasing Services

Andreas Olloz, Head of CM/Purchasing Services  
Rico Bossi, Head of SBO/SCM Sales Outlets  
Mauro Manacchini, Food Project Manager

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#### Marketing/Digital Services

Thomas Schwetje, Head of Marketing/Digital Services  
Philipp Schenker, Head of Marketing/Market Research

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#### Betty Bossi AG

Philipp Wyss, Chairman of the Board of Directors  
Lars Feldmann, Managing Director

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#### Marché Restaurants Schweiz AG

Philipp Wyss, Chairman of the Board of Directors  
Raoul König, Managing Director

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#### Alifresca AG

Philipp Wyss, Chairman of the Board of Directors  
Vladimir Cob, Managing Director  
Mauro Manacchini, Project Manager

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#### Eurogroup Far East Ltd.

Philipp Wyss, Chairman of the Board of Directors  
Peter Hauser, Managing Director

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#### Logistics Business Unit

Daniel Hintermann, Head of Logistics Business Unit and  
Head of BE Logistics Region  
Christoph Eigenmann, Head of OT Logistics Region  
Sébastien Jacquet, Head of SR Logistics Region  
Domenico Repetto, Head of NWZZ Logistics Region  
Beat Zaugg, Head of National Logistics

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#### Railcare AG

Daniel Hintermann, Chairman of the Board of Directors  
Philipp Wegmüller, Chairman of the Executive Committee

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#### Finance Business Unit

Adrian Werren, Head of Finance Business Unit, Head of  
Financial Services  
Hansjörg Klossner, Head of Accounting  
Yves Kräutli, Head of Controlling  
Martin Meier, Head of Shared Service Centre BW

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#### Property Business Unit

Christian Coppey, Head of Property Business Unit  
Claudio Casal, Head of SR Property Region  
Stefano Donzelli, Head of Business Management/Controlling  
Victor Manuel Martinez, Head of BE Property Region  
Klaus Sedlmeyer, Head of NWZZ Property Region  
Philippe Sublet, Head of National Shopping Centres  
Fritz Ulmann, Head of OT Property Region

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#### IT/Production/Services Business Unit

Reto Conrad, Head of IT/Production/Services Business Unit  
August Harder, Head of IT  
Martin von Bertrab, Head of BâleHotels  
Stephan Rupprecht, Head of Projects  
Romeo Sciaranetti, Head of Swissmill  
Andreas Hasler, Head of Chocolats Halba/Sunray  
Christian Koch, Head of Steinfels Swiss  
Gerhard Marty, Head of Reismühle Brunnen/Nutrex

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#### Update Fitness AG

Reto Conrad, Chairman of the Board of Directors  
Michael Ammann, Managing Director

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#### Coop-ITS-Travel AG

Reto Conrad, Chairman of the Board of Directors  
Andreas Restle, Managing Director

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#### Coop Meeting Centre

Reto Conrad, Chairman of the Foundation Board  
Martin von Bertrab, Delegate to the Foundation Board

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#### Société coopérative Centre de Séminaires "du Léman"

Reto Conrad, Chairman of the Board of Directors  
Martin von Bertrab, Delegate to the Board of Directors

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#### Tropenhaus Frutigen

Marcel Baillods, Managing Director

## Other subsidiaries

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### Coop Mineraloel AG

Hansueli Loosli, Chairman of the Board of Directors  
Roger Oser, Chief Executive Officer  
Dominik Köppel, Head of Sales  
Andreas Parpart, Head of Marketing & Purchasing  
Jörg Biermann, Head of Supplies & Retail  
Marc Salathe, Head of Finance & IT

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### Transgourmet Holding AG

Hansueli Loosli, Chairman of the Board of Directors

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### Transgourmet Central and Eastern Europe

John Matthew, Chief Executive Officer Eastern Europe,  
Finance; Administration  
Frank Seipelt, Chief Executive Officer Germany  
Manfred Hofer, Managing Director Purchasing, Manufacturing  
Companies, Digital

### Transgourmet Poland

Alexander Orlowski, Chief Executive Officer and Managing Director  
Cash & Carry  
Piotr Kolodziejczak, Managing Director Finance/Controlling  
Piotr Sklodowski, Managing Director Purchasing/Marketing  
Christian Albery, Managing Director Food Service

### Selgros Romania

Robert Hellwagner, Chief Executive Officer  
Herwig Arvay, Managing Director Finance/IT  
Robert Hellwagner, Managing Director Purchasing/  
Marketing & Sales

### Selgros Russia

Michael Zipfel, Chief Executive Officer  
Jens Frerichs, Managing Director Purchasing  
Maximilian von Blanquet, Managing Director Finance  
Sergej Kuropatov, Managing Director Sales

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### Transgourmet France

Eric Decroix, Chief Executive Officer  
Caroline Besselièvre, Head of HR  
Yves Cebron, Commercial Manager and Head of Product Range  
Edith Hertz, Deputy Chief Executive Officer

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### Transgourmet Österreich

Manfred Hayböck, Chief Executive Officer and Managing  
Director Finance  
Thomas Panholzer, Chief Executive Officer and Sales Manager  
Manuel Hofer, Managing Director Purchasing/Goods  
Jürgen Krizmanich, Managing Director Locations  
Michael Steinmair, Managing Director Logistics

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### Transgourmet Switzerland

Philipp Dautzenberg, Chief Executive Officer  
Patrick Lobsiger, Head of Marketing and Purchasing  
Stefan Tschumi, Head of Human Resources  
Andrea Pellizzari, Head of Finance/Controlling/Construction/  
Property  
Michael Kocher, Head of IT (as of Q1 2019)  
Ralph Zigerlig, Head of Sales for Switzerland

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### Bell Food Group AG

Hansueli Loosli, Chairman of the Board of Directors  
Lorenz Wyss, Chairman of the Group Executive Board, CEO  
Volker Baltes, Member of the Group Executive Board  
Xavier Buro, Member of the Group Executive Board, CFO  
Marco Tschanz, Member of the Group Executive Board

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### Corporate Services

Davide Elia, Head of Corporate Marketing/Communication  
Michael Gloor, Head of Internal Auditing/Compliance  
Bernhard Lengacher, Head of HR Bell Food Group  
Etienne Petitjean, Head of General Secretariat  
Marco Tschanz, Head of IT Bell Food Group

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### Convenience business area

Volker Baltes, Head of Convenience business area  
Thomas Bodenmann, Head of Hügli Division  
Martin Henck, Head of Hilcona Division  
André von Steiger, Head of Eisberg Division

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### Bell Switzerland

Lorenz Wyss, Head of Bell Switzerland Division  
Philipp Allemann, Head of Production/Purchasing  
Johannes Meister, Head of HR Bell Switzerland  
Marko Pirc, Head of Finance/Controlling Bell Switzerland  
Christoph Schatzmann, Head of Quality Management/  
Sustainability  
Christine Schlatter, Head of Sales/Marketing

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### Bell International

Marco Tschanz, Head of Bell International Division  
Daniel Böhny, Head of Bell Western/Eastern Europe Division  
Johannes Huber, Head of Hubers/Süttag Division  
Christian Schröder, Head of Bell Germany Division

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### Finance/Services Division

Xavier Buro, Finance/Services Division



# Coop Group in figures

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All values rounded up/down individually.

## Key figures

### Key figures at a glance

#### Total sales

**30 669** CHF million

#### Net sales Group

**29 633** CHF million

of which

**20 159** CHF million Switzerland

**9 474** CHF million abroad

#### Net sales segments

**17 986** CHF million Retail

**14 148** CHF million Wholesale/Production

#### Net sales online trading

**913** CHF million Retail

**1 691** CHF million Wholesale/  
Production

#### Employees at 31.12

**47 455** Retail

**42 852** Wholesale/Production

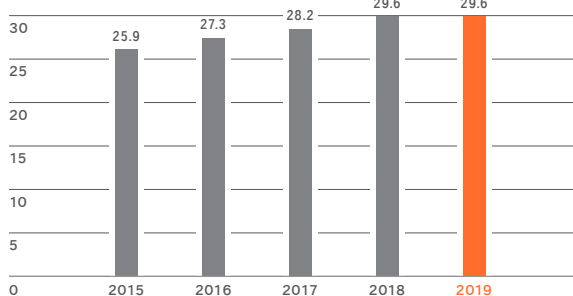
#### Trainees at 31.12

**2 459** Retail

**996** Wholesale/Production

#### Net sales

in CHF billion



#### Earnings

**2 046** CHF million EBITDA

6.9% of net sales

**782** CHF million EBIT

2.6% of net sales

#### Profit

**531** CHF million

1.8% of net sales

#### Equity

**10 265** CHF million

50.2% Equity ratio

#### Cash flow from operating activities

**1 877** CHF million

#### Investments in tangible fixed assets

**888** CHF million Switzerland

**360** CHF million abroad

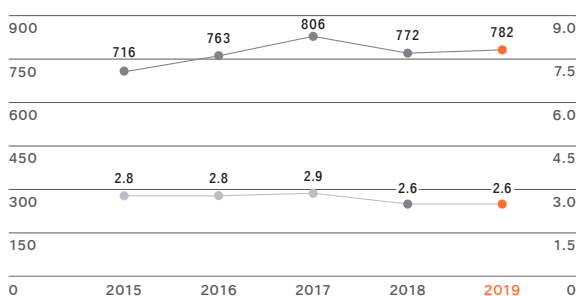
#### Sales outlets/markets

**2 333** Retail

**145** Wholesale/Production

#### Operating result (EBIT)

— in CHF million — as a % of net sales



## Development of the Coop Group

| in CHF million or as indicated   | 2015                 | 2016      | 2017      | 2018      | 2019      |
|--|----------------------|-----------|-----------|-----------|-----------|
| <b>Total sales</b>   | 26 932               | 28 322    | 29 207    | 30 662    | 30 669    |
| <b>Retail</b>  | 17 253               | 17 162    | 17 405    | 17 743    | 17 986    |
| <b>Wholesale/Production</b>  | 10 611               | 12 248    | 13 006    | 14 170    | 14 148    |
| <b>Consolidation</b>   | -1 969               | -2 151    | -2 259    | -2 348    | -2 502    |
| <b>Net sales from goods and services</b>                                     | 25 895               | 27 259    | 28 152    | 29 565    | 29 633    |
| of which net sales Switzerland   | 19 252               | 19 251    | 19 476    | 19 931    | 20 159    |
| as a % of net sales  | 74.3                 | 70.6      | 69.2      | 67.4      | 68.0      |
| of which net sales abroad  | 6 643                | 8 008     | 8 676     | 9 634     | 9 474     |
| as a % of net sales  | 25.7                 | 29.4      | 30.8      | 32.6      | 32.0      |
| <b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b> | 1 933                | 2 044     | 1 994     | 2 103     | 2 046     |
| as a % of net sales (EBITDA margin)  | 7.5                  | 7.5       | 7.1       | 7.1       | 6.9       |
| <b>Operating result (EBIT)</b>   | 716                  | 763       | 806       | 772       | 782       |
| as a % of net sales (EBIT margin)  | 2.8                  | 2.8       | 2.9       | 2.6       | 2.6       |
| <b>Profit</b>  | 416                  | 475       | 485       | 473       | 531       |
| as a % of net sales (profit margin)  | 1.6                  | 1.7       | 1.7       | 1.6       | 1.8       |
| <b>Cash flow from operating activities</b>                                   | 1 653                | 1 582     | 1 453     | 1 701     | 1 877     |
| as a % of net sales (cash flow margin)                                       | 6.4                  | 5.8       | 5.2       | 5.8       | 6.3       |
| <b>Cash flow from investing activities</b>                                   | -1 477               | -1 939    | -1 473    | -1 792    | -1 391    |
| as a % of net sales  | 5.7                  | 7.1       | 5.2       | 6.1       | 4.7       |
| <b>Cash flow from financing activities</b>                                   | -301                 | 238       | -238      | 325       | -536      |
| <b>Free cash flow<sup>1</sup></b>  | 234                  | 61        | 99        | 218       | 533       |
| <b>Total assets</b>  | 17 654               | 18 663    | 19 482    | 20 364    | 20 456    |
| <b>Equity incl. minority interests</b>                                       | 8 401                | 8 928     | 9 339     | 9 754     | 10 265    |
| <b>Equity ratio incl. minority interests in %</b>                            | Target value: > 40.0 | 47.6      | 47.8      | 47.9      | 50.2      |
| <b>Financial liabilities</b>   | 4 700                | 5 043     | 5 096     | 5 781     | 5 348     |
| <b>Net financial liabilities</b>   | 3 614                | 4 061     | 4 368     | 4 832     | 4 427     |
| <b>Debt coverage ratio</b>   | Target value: < 3.0  | 1.9       | 2.0       | 2.2       | 2.2       |
| <b>Interest coverage ratio<sup>2</sup></b>                                   | Target value: > 8.0  | 25.4      | 33.8      | 40.2      | 42.7      |
| <b>FTE (incl. trainees) at 31.12</b>   | 69 039               | 73 451    | 74 638    | 77 448    | 78 264    |
| <b>Employees (incl. trainees) at 31.12</b>                                   | 79 954               | 85 001    | 86 424    | 89 579    | 90 307    |
| <b>Trainees at 31.12</b>   | 3 410                | 3 505     | 3 486     | 3 449     | 3 455     |
| <b>Retail number of sales outlets/markets at 31.12</b>                       | 2 198                | 2 254     | 2 296     | 2 313     | 2 333     |
| <b>Retail sales area in m<sup>2</sup> at 31.12</b>                           | 1 814 469            | 1 852 653 | 1 869 362 | 1 882 500 | 1 891 825 |
| <b>Wholesale/Production number of sales outlets/markets at 31.12</b>         | 214                  | 226       | 142       | 145       | 145       |
| <b>Wholesale/Production sales area in m<sup>2</sup> at 31.12</b>             | 938 768              | 1 004 472 | 1 007 100 | 1 008 731 | 1 004 633 |
| <b>Number of members</b>   | 2 536 800            | 2 542 848 | 2 582 309 | 2 547 851 | 2 536 702 |

Prior-year figures restated

<sup>1</sup> Free cash flow definition: Cash flow from operating activities minus net investments in tangible fixed and intangible assets

<sup>2</sup> Interest coverage ratio definition: EBITDA/Interest and other financial expenses

## Net sales

| in CHF million  | 2019           | 2018          |               |               |
|---|----------------|---------------|---------------|---------------|
| Coop Supermarkets   | 10 452         | 10 408        |               |               |
| Coop@home   | 159            | 151           |               |               |
| Interdiscount   | 1 048          | 1 014         |               |               |
| Coop City   | 764            | 769           |               |               |
| Coop Building & Hobby                                       | 630            | 629           |               |               |
| Livique/Lumimart  | 201            | 197           |               |               |
| Import Parfumerie   | 147            | 146           |               |               |
| Christ Watches & Jewellery                                  | 78             | 81            |               |               |
| Dipl. Ing. Fust Ltd.  | 1 051          | 1 031         |               |               |
| Coop Vitality AG  | 213            | 202           |               |               |
| The Body Shop Switzerland Ltd.                              | 27             | 29            |               |               |
| Coop Mineraloel AG  | 2 478          | 2 476         |               |               |
| Betty Bossi AG  | 81             | 75            |               |               |
| Marché Restaurants Schweiz AG                               | 113            | 111           |               |               |
| Coop Restaurants  | 245            | 245           |               |               |
| Other companies and effects from segment consolidation      | 298            | 179           |               |               |
| Specialist formats  | 7 534          | 7 335         |               |               |
| <b>Retail</b>   | <b>17 986</b>  | <b>17 743</b> |               |               |
|   |                |               |               |               |
|   | in EUR million | 2019          | 2018          |               |
| Transgourmet France   | 1 233          | 1 190         | 1 372         | 1 375         |
| Transgourmet Central and Eastern Europe                     | 5 410          | 5 302         | 6 019         | 6 124         |
| Transgourmet Switzerland                                    |                |               | 1 713         | 1 598         |
| Transgourmet Österreich                                     | 566            | 529           | 630           | 611           |
| Other companies and effects from consolidation Transgourmet |                |               | 2             | 2             |
| Transgourmet Group  |                |               | 9 737         | 9 710         |
| Bell Food Group   |                |               | 4 013         | 4 059         |
| Coop Cooperative Production                                 |                |               | 815           | 802           |
| Other companies and effects from segment consolidation      |                |               | -417          | -401          |
| <b>Wholesale/Production</b>                                 |                |               | <b>14 148</b> | <b>14 170</b> |
|   |                |               |               |               |
| Consolidation Coop Group                                    |                |               | -2 502        | -2 348        |
|   |                |               |               |               |
| <b>Net sales</b>  |                |               | <b>29 633</b> | <b>29 565</b> |
|   |                |               |               |               |
| Other operating income                                      |                |               | 1 036         | 1 097         |
| <b>Total sales</b>  |                |               | <b>30 669</b> | <b>30 662</b> |
|   |                |               |               |               |
| of which net sales online trading                           |                |               | 2 605         | 2 329         |
| Online trading in home electronics                          |                |               | 602           | 512           |
| – Microspot.ch  |                |               | 279           | 242           |
| – Nettoshop.ch  |                |               | 91            | 88            |
| – Other   |                |               | 231           | 181           |
| Coop@home   |                |               | 159           | 151           |
| Other online trading Retail                                 |                |               | 153           | 122           |
| Online trading Retail                                       |                |               | 913           | 785           |
| Online trading Wholesale/Production                         |                |               | 1 691         | 1 544         |
|   |                |               |               |               |
| of which net sales Switzerland                              |                |               | 20 159        | 19 931        |
| of which net sales abroad                                   |                |               | 9 474         | 9 634         |

Prior-year figures restated

## Sales outlets/markets

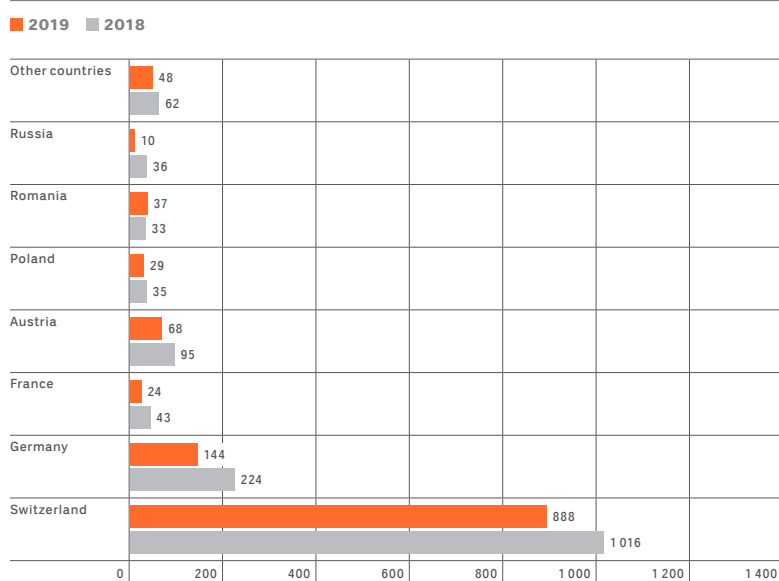
|   | 2019         | Number at 31.12<br>2018 | Sales area m <sup>2</sup> at 31.12<br>2019 | Sales area m <sup>2</sup> at 31.12<br>2018 |
|---|--------------|-------------------------|--|--|
| Coop Supermarkets                       | 931          | 918                     | 998 966                                    | 988 896                                    |
| Interdiscount                           | 179          | 186                     | 56 418                                     | 62 467                                     |
| Coop City                               | 31           | 30                      | 130 600                                    | 126 031                                    |
| Coop Building & Hobby                   | 73           | 74                      | 307 197                                    | 309 920                                    |
| Livique/Lumimart                        | 44           | 46                      | 118 466                                    | 123 965                                    |
| Import Parfumerie                       | 115          | 118                     | 9 593                                      | 9 864                                      |
| Christ Watches & Jewellery              | 64           | 65                      | 5 254                                      | 5 395                                      |
| Dipl. Ing. Fust Ltd.                    | 159          | 155                     | 87 893                                     | 87 988                                     |
| Coop Vitality AG                        | 84           | 78                      | 10 100                                     | 9 623                                      |
| The Body Shop Switzerland Ltd.          | 45           | 45                      | 2 610                                      | 2 659                                      |
| Coop Mineraloel AG                      | 322          | 318                     | 37 897                                     | 37 329                                     |
| Marché Restaurants Schweiz AG           | 35           | 33                      | 15 673                                     | 15 481                                     |
| Coop Restaurants                        | 198          | 201                     | 60 963                                     | 59 510                                     |
| BäleHotels                              | 4            | 4                       | 0  | 0  |
| update Fitness AG                       | 48           | 40                      | 50 195                                     | 43 372                                     |
| Tropenhäuser                            | 1            | 2                       |  |  |
| Specialist formats                      | 1 402        | 1 395                   | 892 859                                    | 893 604                                    |
| <b>Retail</b>                           | <b>2 333</b> | <b>2 313</b>            | <b>1 891 825</b>                           | <b>1 882 500</b>                           |
| Transgourmet Central and Eastern Europe | 101          | 102                     | 821 592                                    | 829 831                                    |
| Transgourmet Switzerland                | 31           | 30                      | 127 560                                    | 123 419                                    |
| Transgourmet Österreich                 | 13           | 13                      | 55 481                                     | 55 481                                     |
| Transgourmet Group                      | 145          | 145                     | 1 004 633                                  | 1 008 731                                  |
| <b>Wholesale/Production</b>             | <b>145</b>   | <b>145</b>              | <b>1 004 633</b>                           | <b>1 008 731</b>                           |
| <b>Coop Group</b>                       | <b>2 478</b> | <b>2 458</b>            | <b>2 896 458</b>                           | <b>2 891 231</b>                           |

Prior-year figures restated

## Investments (cash flow)

| in CHF million                                  | 2015         | 2016         | 2017         | 2018         | 2019         |
|---|--------------|--------------|--------------|--------------|--------------|
| Switzerland                                     | 1 202        | 992          | 920          | 1 016        | 888          |
| Germany   | 94           | 160          | 161          | 224          | 144          |
| France  | 34           | 27           | 27           | 43           | 24           |
| Austria   |              | 191          | 58           | 95           | 68           |
| Poland  | 74           | 36           | 32           | 35           | 29           |
| Romania   | 17           | 40           | 23           | 33           | 37           |
| Russia  | 13           | 47           | 38           | 36           | 10           |
| Other countries                                 | 20           | 20           | 22           | 62           | 48           |
| <b>Abroad</b>                                   | <b>253</b>   | <b>517</b>   | <b>361</b>   | <b>527</b>   | <b>360</b>   |
| <b>Investments in tangible fixed assets</b>     | <b>1 455</b> | <b>1 509</b> | <b>1 281</b> | <b>1 544</b> | <b>1 248</b> |
| Disposals of tangible fixed assets              | 105          | 107          | 59           | 198          | 41           |
| <b>Net investments in tangible fixed assets</b> | <b>1 350</b> | <b>1 402</b> | <b>1 222</b> | <b>1 346</b> | <b>1 206</b> |
| Other net investments                           | 127          | 537          | 251          | 446          | 184          |
| <b>Net investments</b>                          | <b>1 477</b> | <b>1 939</b> | <b>1 473</b> | <b>1 792</b> | <b>1 391</b> |

## Investments in tangible fixed assets by country in CHF million



## Statement of added value

| in CHF million                                    | 2019         | 2018         | Index %      |
|---|--------------|--------------|--------------|
| Net sales from goods and services                 | 29 633       | 29 565       | 100.2        |
| Other services rendered                           | 1 078        | 1 139        | 94.6         |
| Merchandise expenses and other upstream services  | 22 418       | 22 475       | 99.7         |
| Gross added value                                 | 8 292        | 8 230        | 100.8        |
| Depreciation and amortization/other               | 1 275        | 1 315        | 96.9         |
| <b>Company added value</b>                        | <b>7 017</b> | <b>6 914</b> | <b>101.5</b> |
| <b>Employees</b>                                  |              |              |              |
| Wages and salaries                                | 3 884        | 3 821        | 101.7        |
| Social security contributions/other contributions | 1 259        | 1 232        | 102.2        |
| Public sector                                     | 1 196        | 1 213        | 98.6         |
| Investors   | 41           | 49           | 83.3         |
| Minority interests                                | 105          | 126          | 83.7         |
| Retained profits (self-financing)                 | 531          | 473          | 112.4        |
| <b>Distribution of added value</b>                | <b>7 017</b> | <b>6 914</b> | <b>101.5</b> |

Prior-year figures restated

The Coop Group's statement of added value shows the added value created by the Group in a given year and how it is used. The Coop Group aims to create added value on a sustained basis, thereby enabling it to safeguard the Group companies and jobs.

At 73.3% (previous year: 73.1%), the largest proportion of the newly created value goes to the Coop Group's employees. The Coop Group employed 78 264 FTE (previous year: 77 448).

The public sector receives 17.0% (previous year: 17.5%) from taxes, customs duties and charges.

The 0.6% (previous year: 0.7%) going to investors comprises interest paid. Due to low interest rates, this remains at a relatively low level.

Adequate profits are retained for self-financing purposes and used to safeguard the Group's continued existence as a going concern, jobs and its ability to provide competitive goods and services for customers.

## Employees

### FTE

|   | 2019          | 2018          |
|---|---------------|---------------|
| Coop Supermarkets                       | 18 945        | 18 833        |
| Coop@home                               | 158           | 151           |
| Interdiscount                           | 1 679         | 1 658         |
| Coop City                               | 2 028         | 2 016         |
| Coop Building & Hobby                   | 1 603         | 1 601         |
| Livique/Lumimart                        | 561           | 561           |
| Import Parfumerie                       | 502           | 503           |
| Christ Watches & Jewellery              | 281           | 296           |
| Dipl. Ing. Fust Ltd.                    | 2 173         | 2 129         |
| Coop Vitality AG                        | 686           | 649           |
| The Body Shop Switzerland Ltd.          | 152           | 166           |
| Coop Mineraloel AG                      | 116           | 107           |
| Betty Bossi AG                          | 99            | 102           |
| Marché Restaurants Schweiz AG           | 616           | 627           |
| Coop Restaurants                        | 1 568         | 1 581         |
| Other companies                         | 1 000         | 999           |
| Logistics/Corporate services            | 5 547         | 5 517         |
| <b>Retail</b>                           | <b>37 714</b> | <b>37 497</b> |
| Transgourmet France                     | 2 992         | 3 101         |
| Transgourmet Central and Eastern Europe | 21 329        | 20 713        |
| Transgourmet Switzerland                | 2 016         | 1 775         |
| Transgourmet Österreich                 | 1 616         | 1 658         |
| Transgourmet Group                      | 27 953        | 27 246        |
| Bell Switzerland                        | 4 771         | 4 848         |
| Bell abroad                             | 6 022         | 6 007         |
| Bell Food Group                         | 10 793        | 10 855        |
| Coop Cooperative Production             | 1 792         | 1 838         |
| Other companies                         | 12            | 12            |
| <b>Wholesale/Production</b>             | <b>40 550</b> | <b>39 952</b> |
| <b>FTE (incl. trainees) at 31.12</b>    | <b>78 264</b> | <b>77 448</b> |



## Employees

|  | 2019          | 2018          |
|--|---------------|---------------|
| Coop Supermarkets                          | 24 893        | 24 782        |
| Coop@home                                  | 161           | 155           |
| Interdiscount                              | 1 753         | 1 792         |
| Coop City                                  | 2 519         | 2 518         |
| Coop Building & Hobby                      | 2 013         | 2 003         |
| Livique/Lumimart                           | 644           | 640           |
| Import Parfumerie                          | 657           | 672           |
| Christ Watches & Jewellery                 | 386           | 401           |
| Dipl. Ing. Fust Ltd.                       | 2 248         | 2 208         |
| Coop Vitality AG                           | 949           | 893           |
| The Body Shop Switzerland Ltd.             | 210           | 220           |
| Coop Mineraloel AG                         | 119           | 110           |
| Betty Bossi AG                             | 120           | 127           |
| Marché Restaurants Schweiz AG              | 922           | 898           |
| Coop Restaurants                           | 2 049         | 2 050         |
| Other companies                            | 1 797         | 1 754         |
| Logistics/Corporate services               | 6 015         | 5 972         |
| <b>Retail</b>                              | <b>47 455</b> | <b>47 195</b> |
| Transgourmet France                        | 3 058         | 3 115         |
| Transgourmet Central and Eastern Europe    | 22 501        | 22 145        |
| Transgourmet Switzerland                   | 2 205         | 1 963         |
| Transgourmet Österreich                    | 1 727         | 1 764         |
| <b>Transgourmet Group</b>                  | <b>29 491</b> | <b>28 987</b> |
| Bell Switzerland                           | 5 175         | 5 241         |
| Bell abroad                                | 6 302         | 6 224         |
| <b>Bell Food Group</b>                     | <b>11 477</b> | <b>11 465</b> |
| Coop Cooperative Production                | 1 872         | 1 920         |
| Other companies                            | 12            | 12            |
| <b>Wholesale/Production</b>                | <b>42 852</b> | <b>42 384</b> |
| <b>Employees (incl. trainees) at 31.12</b> | <b>90 307</b> | <b>89 579</b> |

## Trainees

|   | 2019         | 2018         |
|---|--------------|--------------|
| Coop Supermarkets                       | 1 295        | 1 359        |
| Interdiscount                           | 325          | 345          |
| Coop City                               | 157          | 155          |
| Coop Building & Hobby                   | 121          | 117          |
| Livique/Lumimart                        | 35           | 35           |
| Import Parfumerie                       | 45           | 42           |
| Christ Watches & Jewellery              | 23           | 29           |
| Dipl. Ing. Fust Ltd.                    | 87           | 92           |
| Coop Vitality AG                        | 135          | 132          |
| The Body Shop Switzerland Ltd.          | 1            | 1            |
| Coop Mineraloel AG                      | 4            | 4            |
| Betty Bossi AG                          | 1            | 1            |
| Marché Restaurants Schweiz AG           | 15           | 10           |
| Coop Restaurants                        | 15           | 22           |
| Other companies                         | 32           | 40           |
| Logistics/Corporate services            | 168          | 165          |
| <b>Retail</b>                           | <b>2 459</b> | <b>2 549</b> |
| Transgourmet France                     | 89           | 87           |
| Transgourmet Central and Eastern Europe | 565          | 467          |
| Transgourmet Switzerland                | 83           | 84           |
| Transgourmet Österreich                 | 73           | 80           |
| <b>Transgourmet Group</b>               | <b>810</b>   | <b>718</b>   |
| Bell Switzerland                        | 81           | 80           |
| Bell abroad                             | 74           | 75           |
| <b>Bell Food Group</b>                  | <b>155</b>   | <b>155</b>   |
| Coop Cooperative Production             | 31           | 27           |
| <b>Wholesale/Production</b>             | <b>996</b>   | <b>900</b>   |
| <b>Trainees at 31.12</b>                | <b>3 455</b> | <b>3 449</b> |

Prior-year figures restated

## Employee diversity

| as %  | 2019 | Retail<br>2018 | Wholesale/Production<br>2019 | 2018 | 2019 | Coop Group<br>2018 |
|---|------|----------------|------------------------------|------|------|--------------------|
| <b>Type of employment</b>   |      |                |                              |      |      |                    |
| Full-time employees   | 56.5 | 56.7           | 81.0                         | 81.8 | 68.1 | 68.6               |
| Part-time employees   | 43.5 | 43.3           | 19.0                         | 18.2 | 31.9 | 31.4               |
| <b>Percentage of women</b>  | 62.3 | 62.3           | 42.1                         | 42.6 | 52.7 | 53.0               |
| who are full-time employees   | 43.9 | 44.0           | 37.3                         | 38.0 | 40.1 | 40.6               |
| who are part-time employees   | 86.2 | 86.1           | 62.6                         | 63.3 | 79.5 | 79.9               |
| in management positions   | 42.1 | 41.4           | 26.3                         | 25.6 | 35.8 | 35.3               |
| on Board of Directors and Executive Committee of Coop Group Cooperative |      |                |                              |      | 29.4 | 29.4               |
| <b>Percentage of employees over 50 years of age</b>                     | 25.7 | 26.6           | 27.1                         | 26.6 | 26.4 | 26.6               |
| <b>Trainees</b>   |      |                |                              |      |      |                    |
| Sales   | 85.9 | 86.2           | 28.4                         | 26.9 | 69.3 | 70.7               |
| Commercial  | 5.0  | 5.1            | 38.8                         | 42.1 | 14.8 | 14.7               |
| Trades/Other  | 9.1  | 8.7            | 32.8                         | 31.0 | 15.9 | 14.6               |
| <b>Country of work</b>  |      |                |                              |      |      |                    |
| Switzerland   | 99.6 | 99.7           | 21.6                         | 21.5 | 62.6 | 62.7               |
| Germany   |      |                | 31.3                         | 31.4 | 14.9 | 14.9               |
| Poland  |      |                | 11.5                         | 11.3 | 5.5  | 5.3                |
| Romania   |      |                | 10.9                         | 11.1 | 5.2  | 5.2                |
| France  |      |                | 8.1                          | 8.3  | 3.8  | 3.9                |
| Austria   |      |                | 7.3                          | 6.9  | 3.5  | 3.3                |
| other   | 0.4  | 0.3            | 9.3                          | 9.5  | 4.5  | 4.7                |
| <b>Nationality<sup>1</sup></b>  |      |                |                              |      |      |                    |
| Switzerland   | 67.3 | 67.8           | 43.9                         | 44.2 | 63.6 | 64.3               |
| Abroad  | 32.7 | 32.2           | 56.1                         | 55.8 | 36.4 | 35.7               |

Prior-year figures restated

<sup>1</sup> only from areas based in Switzerland

## Sustainability

### Sustainable products

|  | 2015  | 2016  | 2017  | 2018  | 2019  |
|--|-------|-------|-------|-------|-------|
| <b>Sales from sustainable products</b>     |       |       |       |       |       |
| in CHF million                             |       |       |       |       |       |
| Sales from sustainable products Coop Group | 3 543 | 3 855 | 4 256 | 4 671 | 4 711 |
| of which organic                           | 1 174 | 1 255 | 1 389 | 1 653 | 1 793 |
| of which Fairtrade <sup>1</sup>            | 373   | 462   | 514   | 755   | 760   |

Prior-year figures restated

<sup>1</sup> until 2017 excluding UTZ and Rainforest Alliance

#### Packaging

in tonnes

|   |     |     |     |     |        |
|---|-----|-----|-----|-----|--------|
| Packaging reduction and optimization, Retail                  | 85  | 230 | 145 | 336 | 273    |
| Packaging reduction and optimization, Wholesale/Production    | 145 | 334 | 287 | 605 | 277    |
| Packaging reduction and optimization, Supermarkets since 2012 |     |     |     |     | 24 000 |

### Environmental and climate protection

|                                   | 2015      | 2016      | 2017      | 2018      | 2019      |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Energy consumption</b>         |           |           |           |           |           |
| in megawatt-hours                 |           |           |           |           |           |
| Retail                            | 1 127 499 | 1 134 156 | 1 167 296 | 1 115 086 | 1 125 824 |
| Wholesale/Production <sup>1</sup> | 1 441 986 | 1 527 834 | 1 602 460 | 1 593 851 | 1 610 206 |
| Total energy consumption          | 2 569 485 | 2 661 990 | 2 769 756 | 2 708 937 | 2 736 030 |

Prior-year figures restated

<sup>1</sup> until 2018 excluding Hügli Group

#### Renewable energy sources

as a %

|  |      |      |      |      |      |
|--|------|------|------|------|------|
| Retail                                 | 66.8 | 68.0 | 68.5 | 71.5 | 70.5 |
| Wholesale/Production <sup>1</sup>      | 37.0 | 36.3 | 39.6 | 40.1 | 37.4 |
| Percentage of renewable energy sources | 50.1 | 49.8 | 51.8 | 53.7 | 51.6 |

Prior-year figures restated

#### Carbon dioxide emissions (CO<sub>2</sub>)

in tonnes

|   |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| Retail  | 107 135 | 103 849 | 105 751 | 97 983  | 97 393  |
| Wholesale/Production <sup>1</sup>                 | 350 062 | 367 049 | 309 806 | 322 224 | 363 463 |
| Total carbon dioxide emissions (CO <sub>2</sub> ) | 457 197 | 470 898 | 415 557 | 420 207 | 460 855 |

Prior-year figures restated

<sup>1</sup> until 2018 excluding Hügli Group

2015 2016 2017 2018 2019

### Water consumption

in thousands of cubic metres

|                                   |              |              |              |              |              |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Retail                            | 1 060        | 1 282        | 1 300        | 1 378        | 1 313        |
| Wholesale/Production <sup>1</sup> | 5 632        | 5 902        | 6 115        | 6 756        | 6 069        |
| <b>Total water consumption</b>    | <b>6 692</b> | <b>7 184</b> | <b>7 415</b> | <b>8 134</b> | <b>7 382</b> |

<sup>1</sup> until 2018 excluding Hügli Group

### Waste

Recycling rate

as %

|                                   |      |      |      |      |      |
|-----------------------------------|------|------|------|------|------|
| Retail                            | 80.0 | 80.2 | 80.7 | 80.5 | 81.2 |
| Wholesale/Production <sup>1</sup> | 70.1 | 73.4 | 76.9 | 78.6 | 79.7 |

### Waste production

in tonnes

|                                   |                |                |                |                |                |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Retail                            | 129 896        | 134 145        | 139 445        | 136 665        | 132 710        |
| Wholesale/Production <sup>1</sup> | 65 409         | 84 085         | 109 551        | 124 073        | 139 143        |
| <b>Total waste production</b>     | <b>195 305</b> | <b>218 230</b> | <b>248 996</b> | <b>260 738</b> | <b>271 853</b> |

<sup>1</sup> until 2018 excluding Hügli Group

## Social commitment

2015 2016 2017 2018 2019

### Social commitment

in CHF thousands

|  |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|
| Coop Sustainability Fund                     | 17 000        | 18 655        | 17 511        | 17 146        | 16 850        |
| Coop Aid for Mountain Regions                | 860           | 827           | 700           | 606           | 597           |
| Additional contributions for social projects | 6 496         | 6 053         | 5 782         | 6 952         | 7 176         |
| <b>Total social commitment</b>               | <b>24 356</b> | <b>25 535</b> | <b>23 993</b> | <b>24 704</b> | <b>24 623</b> |

## Report on the financial year

### Income statement

#### Net sales from goods and services

The Coop Group's net sales figure comprises net sales from the Retail and the Wholesale/Production segments. In 2019, it rose by 0.2% to a total of CHF 29 633 million (previous year: CHF 29 565 million). Total sales for the Coop Group amounted to CHF 30 669 million (previous year: CHF 30 662 million). Through its online shops, the Group generated net sales of CHF 2 605 million (previous year: CHF 2 329 million). This equates to a rise of 11.8%, to which both segments contributed.

#### Operating result (EBIT)

Personnel expenses amounted to CHF 5 102 million and other operating expenses to CHF 3 205 million. Earnings before interest, tax, depreciation and amortization (EBITDA) came to CHF 2 046 million (previous year: CHF 2 103 million) with the EBITDA margin slightly lower year on year at 6.9%. Depreciation and amortization of CHF 1 264 million comprises depreciation of land and buildings and installations of CHF 567 million, depreciation of other tangible fixed assets of CHF 464 million, amortization of goodwill of CHF 102 million and amortization of other intangible assets of CHF 131 million. The operating result (EBIT) was up on the prior-year figure of CHF 772 million to CHF 782 million and the EBIT margin remained unchanged at 2.6%.

#### Profit for the financial year

The loss from foreign currencies and the financial result amounts to CHF 47 million (previous year: loss of CHF 40 million). Net of a non-operating loss of CHF 6 million, income taxes of CHF 93 million (previous year: CHF 140 million) and minority interests of CHF 105 million (previous year: CHF 126 million), profit was up by CHF 59 million year on year to CHF 531 million.

### Segment report

#### Retail

Coop grew retail sales by 1.4%, generating net sales of CHF 17 986 million. The Coop supermarkets increased footfall by 2.5% and achieved net sales of CHF 10 452 million, exceeding the prior-year figure by 0.4%.

The specialist formats lifted net sales by 2.7% to CHF 7 534 million. The consumer electronics business generated net sales of CHF 2 099 million, an increase of 2.6%. They thus consolidated their leading position in the consumer electronics market.

Livique/Lumimart once again gained market share and increased net sales by 2.0% to CHF 201 million. Coop Building & Hobby remains the leader in the DIY market. At CHF 630 million, net sales were virtually unchanged compared with the previous year.

Following two major refurbishment projects, net sales at Coop City department stores declined by 0.6% to stand at CHF 764 million. Market share was gained in a difficult market environment.

Coop Mineraloel AG remains the market leader. Net sales were on a par with the previous year at CHF 2 478 million. The Pronto shops advanced by 1.9%.

Coop Vitality AG posted another very encouraging performance, lifting net sales by 5.8% to CHF 213 million.

Net retail sales in online business rose by 16.3% to CHF 913 million. Microspot.ch and Coop@home made a substantial contribution to this result. Online supermarket Coop@home posted growth of 5.4% and thus gained market share; net sales amounted to CHF 159 million.

The Retail segment's operating result (EBIT) increased by CHF 79 million to CHF 540 million (previous year: CHF 462 million). The number of sales outlets in the segment (including restaurants) rose by 20 to 2 333. The Coop Group employed 47 455 people in retailing (previous year: 47 195).

## Wholesale/Production

In the Wholesale/Production segment, net sales totalled CHF 14 148 million (previous year: CHF 14 170 million). In local currency terms this represented an increase of 2.5%.

The Transgourmet Group, which operates in the cash & carry and wholesale supplies sector in Germany, Poland, Romania, Russia, France, Austria and Switzerland, generated net sales of CHF 9 737 million (previous year: CHF 9 710 million). It advanced by 3.7% in local currencies and further expanded its position as the second-largest company in the European cash & carry and wholesale supplies segment. Transgourmet operated a total of 145 cash & carry markets (previous year: 145) and employed 29 491 people (previous year: 28 987).

Net sales at the manufacturing companies totalled CHF 4 835 million (previous year: CHF 4 867 million). In local currency terms this represented an increase of 0.5%.

The Bell Food Group is one of Europe's leading meat and convenience food processors. With its brands Bell, Hilcona, Eisberg and Hügli, the group covers a whole variety of customer requirements. Its customers include retail, food service and the food industry. At CHF 4 013 million, net sales were 1.1% down on the previous year (CHF 4 059 million). The Bell Food Group employed 11 477 people (previous year: 11 465).

The Wholesale/Production segment's operating result (EBIT) fell by CHF 69 million to CHF 242 million (previous year: CHF 311 million).

## Financial position and cash flows

### Balance sheet

The Coop Group's total assets increased by CHF 92 million year on year. On the assets side, where there was a rise in prepaid expenses and inventories, current assets climbed by CHF 30 million to CHF 6 429 million. Non-current assets rose by CHF 61 million to CHF 14 027 million. Set against the depreciation and amortization expense here are higher investments and additions originating from the acquisitions. Liabilities decreased by CHF 419 million year on year to CHF 10 191 million. Short-term liabilities declined by CHF 133 million to CHF 4 776 million and long-term liabilities by CHF 287 million to CHF 5 415 million. Within long-term liabilities, the Coop Group financed itself through bonds and deposits. Equity including minority interests rose to CHF 10 265 million. The equity ratio climbed to 50.2% as at 31 December 2019 and was therefore well above the strategic target of 40%.

### Cash flow statement

The cash inflow from operating activities increased by CHF 176 million year on year to CHF 1 877 million. The cash outflow from investing activities was CHF 401 million lower than in the previous year at CHF 1 391 million. This was due to both reduced expenditure on acquisitions and lower net investments in tangible fixed assets. A net amount of CHF 1 344 million was invested in tangible and intangible fixed assets and a further CHF 45 million in acquisitions. In the case of financial assets/securities, a net amount of CHF 2 million was invested. This resulted in free cash flow of CHF 533 million. The cash outflow from financing activities amounted to CHF 536 million. The Coop Group Cooperative made a bond repayment of CHF 250 million. Short and long-term financial liabilities showed a net decrease of CHF 209 million. Moreover, there was a CHF 12 million inflow of funds from the sale of shares in F&B – Food and Beverage Services GmbH and dividends of CHF 89 million were paid to minority interests.

## Annual consolidated financial statements

### Consolidated income statement

| in CHF million   | Notes    | 2019         | 2018         |
|--|----------|--------------|--------------|
| Net sales from goods and services  | 1        | 29 633       | 29 565       |
| Other operating income   | 2        | 1 036        | 1 097        |
| Merchandise expenses   |          | 20 316       | 20 350       |
| Personnel expenses   | 3        | 5 102        | 5 011        |
| Other operating expenses   | 4        | 3 205        | 3 198        |
| <b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b> |          | <b>2 046</b> | <b>2 103</b> |
| Depreciation on tangible fixed assets  | 5        | 1 031        | 1 009        |
| Amortization on intangible assets  | 5        | 233          | 322          |
| <b>Operating result (EBIT)</b>   | <b>1</b> | <b>782</b>   | <b>772</b>   |
| Result of associated organizations   |          | 0            | 2            |
| Result from foreign currencies   |          | -17          | -17          |
| Financial result   | 6        | -30          | -22          |
| <b>Ordinary result</b>   |          | <b>736</b>   | <b>735</b>   |
| Non-operating result   | 7        | -6           | 4            |
| <b>Result before income taxes (EBT)</b>                                      |          | <b>730</b>   | <b>739</b>   |
| Income taxes   | 8        | 93           | 140          |
| <b>Result after income taxes</b>   |          | <b>637</b>   | <b>599</b>   |
| Minority interests   |          | 105          | 126          |
| <b>Profit</b>  |          | <b>531</b>   | <b>473</b>   |

Prior-year figures restated



## Consolidated balance sheet

| in CHF million                          | Notes | 31.12.2019    | 31.12.2018    |
|---|-------|---------------|---------------|
| Cash and cash equivalents               | 9     | 917           | 945           |
| Securities                              |       | 4             | 4             |
| Receivables from goods and services     | 10    | 1 273         | 1 282         |
| Other short-term receivables            | 11    | 285           | 297           |
| Prepayments and accrued income          |       | 565           | 535           |
| Inventories                             | 12    | 3 384         | 3 336         |
| <b>Current assets</b>                   |       | <b>6 429</b>  | <b>6 398</b>  |
| Tangible fixed assets                   | 13    | 12 803        | 12 675        |
| Financial assets                        | 14    | 150           | 158           |
| Intangible assets                       | 15    | 1 074         | 1 132         |
| <b>Non-current assets</b>               |       | <b>14 027</b> | <b>13 966</b> |
| <b>Assets</b>                           |       | <b>20 456</b> | <b>20 364</b> |
| Payables from goods and services        |       | 1 793         | 1 864         |
| Short-term financial liabilities        | 16    | 924           | 1 126         |
| Other short-term liabilities            | 17    | 378           | 356           |
| Short-term provisions                   | 18    | 261           | 255           |
| Accrued liabilities and deferred income |       | 1 420         | 1 306         |
| Short-term liabilities                  |       | 4 776         | 4 908         |
| Long-term financial liabilities         | 16    | 4 425         | 4 655         |
| Long-term provisions                    | 18    | 990           | 1 047         |
| Long-term liabilities                   |       | 5 415         | 5 702         |
| <b>Liabilities</b>                      |       | <b>10 191</b> | <b>10 610</b> |
| Retained earnings                       |       | 9 337         | 8 916         |
| Capital reserves                        |       | -233          | -241          |
| Profit                                  |       | 531           | 473           |
| Equity excluding minority interests     |       | 9 635         | 9 148         |
| Minority interests                      |       | 630           | 606           |
| Equity incl. minority interests         |       | 10 265        | 9 754         |
| <b>Liabilities and equity</b>           |       | <b>20 456</b> | <b>20 364</b> |

## Consolidated cash flow statement

| in CHF million   | 2019          | 2018          |
|--|---------------|---------------|
| Result after income taxes  | 637           | 599           |
| Depreciation and amortization  | 1 168         | 1 286         |
| Impairment loss  | 120           | 73            |
| Reversal of impairment   | -17           | -25           |
| Gains (-)/losses on disposal of fixed assets   | -13           | -91           |
| Other non-cash expenses/income   | 54            | 48            |
| Result of associated organizations   | 0             | -2            |
| Dividends received from associated organizations   | 1             | 0             |
| Increase (-)/decrease in receivables from goods and services                                   | 37            | 0             |
| Increase (-)/decrease in other receivables, prepayments and accrued income                     | -12           | 24            |
| Increase (-)/decrease in inventories   | -79           | -44           |
| Increase/decrease (-) in payables from goods and services                                      | -95           | -88           |
| Increase/decrease (-) in other short-term liabilities, accrued liabilities and deferred income | 101           | -22           |
| Increase/decrease (-) in short-term provisions   | 6             | -50           |
| Increase/decrease (-) in long-term provisions  | -31           | -8            |
| <b>Cash flow from operating activities</b>   | <b>1 877</b>  | <b>1 701</b>  |
| Investments in tangible fixed assets   | -1 248        | -1 544        |
| Disposals of tangible fixed assets   | 41            | 198           |
| Investments in financial assets/securities   | -14           | -76           |
| Disposals of financial assets/securities   | 12            | 63            |
| Payment for the acquisition of consolidated organizations                                      | -45           | -296          |
| Investments in intangible assets   | -137          | -139          |
| Disposals of intangible assets   | 0             | 1             |
| <b>Cash flow from investing activities</b>   | <b>-1 391</b> | <b>-1 792</b> |
| Inflows from bonds issuance  | 0             | 650           |
| Outflows for bonds repayments  | -250          | -175          |
| Capital increase/reduction   | 6             | 198           |
| Dividends to minority shareholders   | -89           | -88           |
| Acquisition/disposal minority interests  | 6             | -389          |
| Increase/decrease (-) in short-term financial liabilities                                      | -333          | 76            |
| Increase/decrease (-) in long-term financial liabilities                                       | 124           | 53            |
| <b>Cash flow from financing activities</b>   | <b>-536</b>   | <b>325</b>    |
| <b>Cash flow</b>   | <b>-50</b>    | <b>234</b>    |
| Cash and cash equivalents at beginning of the reporting period                                 | 945           | 722           |
| Cash flow  | -50           | 234           |
| Effect of exchange rate changes on cash and cash equivalents                                   | 23            | -11           |
| <b>Cash and cash equivalents at end of the reporting period</b>                                | <b>917</b>    | <b>945</b>    |

## Statement of changes in equity

| in CHF million                          | Retained profits | Accumulated currency differences | Capital reserves | Profit     | Equity excl. minority interests | Minority interests | Equity incl. minority interests |
|---|------------------|----------------------------------|------------------|------------|---------------------------------|--------------------|---------------------------------|
| <b>Equity at 1.1.2019</b>               | <b>9 448</b>     | <b>-532</b>                      | <b>-241</b>      | <b>473</b> | <b>9 148</b>                    | <b>606</b>         | <b>9 754</b>                    |
| Capital increase/reduction              |                  |                                  |                  |            |                                 | 6                  | 6                               |
| Changes to the scope of consolidation   |                  |                                  |                  |            |                                 | 8                  | 8                               |
| Acquisition/disposal minority interests |                  |                                  | 8                |            | 8                               | -2                 | 6                               |
| Appropriation of prior-year profit      | 473              |                                  |                  | -473       |                                 |                    |                                 |
| Profit                                  |                  |                                  |                  | 531        | 531                             | 105                | 637                             |
| Dividends                               |                  |                                  |                  |            |                                 | -89                | -89                             |
| Effect of exchange rate changes         |                  | -52                              |                  |            | -52                             | -4                 | -56                             |
| <b>Equity at 31.12.2019</b>             | <b>9 921</b>     | <b>-584</b>                      | <b>-233</b>      | <b>531</b> | <b>9 635</b>                    | <b>630</b>         | <b>10 265</b>                   |
| <b>Equity at 1.1.2018</b>               | <b>8 963</b>     | <b>-391</b>                      | <b>-145</b>      | <b>485</b> | <b>8 912</b>                    | <b>427</b>         | <b>9 339</b>                    |
| Capital increase/reduction              |                  |                                  | -6               |            | -6                              | 204                | 198                             |
| Changes to the scope of consolidation   |                  |                                  |                  |            |                                 | 85                 | 85                              |
| Acquisition/disposal minority interests |                  |                                  | -90              |            | -90                             | -139               | -229                            |
| Appropriation of prior-year profit      | 485              |                                  |                  | -485       |                                 |                    |                                 |
| Profit                                  |                  |                                  |                  | 473        | 473                             | 126                | 599                             |
| Dividends                               |                  |                                  |                  |            |                                 | -88                | -88                             |
| Effect of exchange rate changes         |                  | -141                             |                  |            | -141                            | -8                 | -148                            |
| <b>Equity at 31.12.2018</b>             | <b>9 448</b>     | <b>-532</b>                      | <b>-241</b>      | <b>473</b> | <b>9 148</b>                    | <b>606</b>         | <b>9 754</b>                    |

An increase or reduction in the ownership interest in fully consolidated organizations is regarded as a transaction with owners. The difference between the transaction price and the corresponding minority interest is eliminated against equity and presented as capital reserves. In 2019, 49% of the shares in F&B - Food & Beverage Services GmbH were sold to the Oetker Group. In 2018, following the acquisition of a majority stake in the Hügli Group, the shareholding was gradually increased. In addition, the outstanding shares were acquired in Service 7000 AG.

## Notes to the annual consolidated financial statements

### Consolidation and accounting principles

#### Basis of accounting

The annual consolidated financial statements are based on the annual financial statements of the Group companies prepared as at 31 December 2019 in accordance with uniform policies and present a true and fair view of the financial position, results of operations and cash flows. The consolidated financial statements of the Coop Group comply with all Swiss GAAP ARR (Accounting and Reporting Recommendations) and Swiss legal provisions.

Assets are measured at purchase or production cost. Liabilities are carried at their historical value. The income statement is presented using the total cost (nature of expense) method. The valuation principles were applied unchanged compared with the previous year.

The annual consolidated financial statements of the Coop Group are presented in Swiss francs (CHF). Unless otherwise indicated, all amounts are stated in millions of Swiss francs.

#### Cash flow statement

The cash flow statement is prepared on the basis of the fund comprising cash and cash equivalents. Cash flow from operating activities is calculated using the indirect method.

#### Scope of consolidation

The annual consolidated financial statements of the Coop Group comprise the Coop Group Cooperative and its equity investments. The Coop Group Cooperative equity investments are listed in the notes under Scope of consolidation (significant companies).

Fully consolidated organizations are organizations where the Coop Group directly or indirectly holds more than 50% of the voting rights.

Associated organizations are entities over which the Coop Group is able to exercise significant influence. This is usually the case if it holds between 20% and 50% of the voting rights.

Equity investments where it holds less than 20% are not consolidated and are presented in financial assets at cost less any necessary write-downs.

#### Consolidation method

##### *Fully consolidated organizations*

Assets, liabilities, income and expenses are consolidated in full. Capital consolidation uses the purchase method, whereby an organization's equity at the date of acquisition or initial consolidation is eliminated against the carrying amount of the investment at the parent. Newly acquired organizations are revalued at their current value applying uniform Group policies and included in the annual consolidated financial statements from the date on which control takes effect. If the cost of acquisition is higher than the revalued net assets acquired, the remaining excess is recognized as goodwill and amortized on a straight-line basis.

Purchase price adjustments contingent on future events are forecasted. If the final purchase price differs from the estimate, goodwill is adjusted accordingly.

A negative goodwill (badwill) is credited to the income statement in the period of acquisition. Organizations sold are included up until the date on which control is lost, which is usually the date of sale. Minority interests in consolidated equity and in profit or loss are presented separately in the balance sheet and income statement. An increase or reduction in the ownership interest in fully consolidated organizations is regarded as a transaction with owners. Gains and losses on such transactions are therefore eliminated directly against equity.

Intercompany transactions and relationships, i.e. income, expenses, receivables and liabilities between consolidated organizations, are offset and eliminated. If significant, intercompany profits on transactions within the Group are eliminated.

##### *Associated organizations*

If economically significant, associated organizations are included in the annual consolidated financial statements using the equity method. The financial statements of these organizations prepared in accordance with the true and fair view principle are used to determine the share of equity.

### Currency conversion

Local assets and liabilities are converted into Swiss francs at the exchange rate at the balance sheet date. The local income statements and the cash flow statements are converted at the average rate. Any differences arising from the use of these two different conversion rates are taken directly to equity. When foreign subsidiaries or associated organizations are sold, the proportionate accumulated currency differences are transferred from equity to the income statement.

### Foreign currency exchange rates into CHF

|     |     | Average rates |       | Closing rates |            |
|-----|-----|---------------|-------|---------------|------------|
|     |     | 2019          | 2018  | 31.12.2019    | 31.12.2018 |
| 1   | EUR | 1.113         | 1.155 | 1.085         | 1.127      |
| 1   | GBP | 1.268         | 1.306 | 1.276         | 1.260      |
| 1   | HKD | 0.127         | 0.125 | 0.124         | 0.126      |
| 100 | HUF | 0.342         | 0.362 | 0.328         | 0.351      |
| 1   | PLN | 0.259         | 0.271 | 0.255         | 0.262      |
| 1   | RON | 0.234         | 0.248 | 0.227         | 0.242      |
| 1   | RUB | 0.015         | 0.016 | 0.016         | 0.014      |
| 1   | USD | 0.994         | 0.978 | 0.966         | 0.984      |

### Net sales from goods and services

Net sales from goods and services result from the sale of goods and the provision of services in the course of ordinary activities during the reporting period. Net sales from the sale of goods to customers are generated in the supermarkets, the various specialist formats, the wholesale stores and the supplies business or originate from goods produced at Coop's own manufacturing companies. Net sales from services originate from the provision of transport services, from hotel business and from fitness centre membership subscriptions, for example. Sales are recognized at fair value. Sales and value-added taxes as well as sales reductions such as discounts, rebates and other allowances are deducted from the net sales reported. Sales are recognized when the significant risks and rewards incidental to ownership of the products sold as well as control have transferred to the customer and it is reasonably certain that the resulting receivables will be collectible in cases where the transaction is not a cash sale. Net sales from the provision of services are recognized in the accounting period in which the service was rendered. In the event of agency transactions, only the value of the service rendered by the entity itself is reported.

### Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal value. They comprise cash on hand, postal and bank account balances, short-term deposits, cheques, vouchers and Reka cheques. These items are convertible into cash at any time and subject to an insignificant risk of changes in value.

### Securities

Securities are marketable instruments that can be easily realized. They are carried in the balance sheet at market value. Unlisted securities are carried in the balance sheet at cost less any necessary write-downs.

### Receivables from goods and services and other short-term receivables

Receivables are carried in the balance sheet at nominal value. Valuation allowances for losses that are identifiable and have occurred are deducted and charged to the income statement.

### Inventories

Inventories are stated at the lower of cost or net realizable value. Cost comprises the net purchase price and incidental charges. Purchased inventories are measured at the average cost price (moving average price) and internally produced inventories at production cost. Inventories are stated at net realizable value if this is lower than cost. Discounts are treated as reductions in the purchase price. Specific valuation allowances are recognized for goods that are no longer serviceable or difficult to sell.

## Financial assets

Financial assets include the associated organizations recognized using the equity method. Long-term loans and securities held for the purpose of long-term investment are also presented as financial assets. Securities and loans are stated at cost less any necessary write-downs.

Assets from employer contribution reserves are recognized as financial assets.

## Tangible fixed assets

Tangible fixed assets, which also include properties not used for operating purposes, are stated at cost less any necessary depreciation. Cost comprises the purchase price plus the directly attributable costs of bringing the assets to usable condition. Investments in existing tangible fixed assets are recognized in the cost of an asset if they increase its value in use over the long term or extend its useful life. Depreciation is applied on a straight-line basis over the useful life of the asset.

The depreciation period of tangible fixed assets is usually within the following ranges:

|                                       |                 |
|---------------------------------------|-----------------|
| <b>Land and buildings</b>             |                 |
| Plots of land                         | no depreciation |
| Buildings                             | 40–67           |
| <b>Installations</b>                  |                 |
|                                       | 15–30           |
| <b>Furniture, machinery and IT</b>    |                 |
| Furniture/tools                       | 5–10            |
| Sales outlet fittings/market fittings | 10–15           |
| Machinery                             | 3–15            |
| Production systems                    | 20–30           |
| IT                                    | 3–8             |
| <b>Vehicles</b>                       |                 |
|                                       | 3–10            |

The depreciation period for buildings ranges from 40 years in the case of properties used for operational purposes and subject to increased use to 67 years in the case of mixed-used properties. Installations are usually depreciated over a period of 15 to 20 years. At production facilities, specific production installations are depreciated over a longer useful life of up to 30 years.

Experience shows that fittings in the retail sales outlets have a shorter useful life than fittings in the wholesale markets.

Machinery usually has a useful life of up to 15 years, with production systems possibly forming a separate asset category and having a useful life of 20 to 30 years. Heavy commercial vehicles have a depreciation period of up to ten years.

Assets under construction include the cumulative project costs eligible for capitalization. Project costs that are not eligible for capitalization are charged to the income statement when incurred. Impairment charges are recognized on assets under construction if there is evidence of impairment. In the event of additions in the scope of consolidation, non-current assets are remeasured on the basis of the cumulative cost of and accumulated depreciation or amortization charges on the acquired assets at the acquisition date. Non-current assets are remeasured by adjusting the accumulated depreciation or amortization so that the acquired assets are measured on a net basis at their actual value at the acquisition date. They are presented gross in the statements of changes in fixed assets. In addition, the depreciation or amortization period is reviewed, and if necessary adjusted, bearing in mind the remaining useful life.

## Leases

Payments under operating leases are charged to the income statement on a straight-line basis over the lease term. Assets acquired on the basis of leases and for which the risks and rewards pass to the Coop Group at inception of the lease are classified as finance leases. For the relevant assets, therefore, the fair value or, if lower, the net present value of the future, non-cancellable lease payments is recognized as an asset and as a finance lease liability. Assets under finance leases are amortized over the shorter of their estimated useful life and the lease term.

### Intangible assets

This item includes IT software, trademarks, licences, patents and goodwill from acquisitions. Intangible assets are recognized if they are clearly identifiable, the costs can be reliably determined and they yield measurable economic benefits for the entity over several years. They are amortized on a straight-line basis over their useful life.

Goodwill from acquisitions is calculated as the difference between the purchase price paid to acquire an entity and the value of the net assets. The net assets correspond to the total of the individual assets of the acquired entity less the liabilities and contingent liabilities under Swiss GAAP ARR at the acquisition date. Any goodwill that arises is generally capitalized and amortized on a straight-line basis. The amortization period is determined based on the expected useful life of the assumed market and synergy potential that gave rise to the goodwill.

The depreciation period of intangible assets is usually within the following ranges:

|                         |          |
|-------------------------|----------|
| Goodwill                | up to 20 |
| Trademarks              | up to 20 |
| Patents/licences        | 5        |
| Other intangible assets | 3–8      |

### Impairment

In the Coop Group, non-current assets are tested for impairment annually if there are indications of a decline in value. The recoverable amount is calculated using the capital asset pricing model and taking into account updated assumptions and expected cash flows from the multi-year plan. If the carrying amount exceeds the recoverable amount, it is adjusted in profit or loss by way of an impairment charge.

### Liabilities

Short-term liabilities include all liabilities due within one year, accrued liabilities and deferred income, and short-term provisions. Long-term liabilities comprise obligations with a maturity of more than one year.

One of the ways in which Coop raises financing is the Depositenkasse, which provides investors with interest-bearing deposit accounts. After the statutory six month blocking period on new deposits, CHF 20 000 can be withdrawn from the available balance on the deposit account each month. Amounts in excess of this limit require three months' notice. The breakdown of deposit accounts into short and long-term financial liabilities is based on empirical values for past outflows (substance over form). Short-term and long-term liabilities are carried in the balance sheet at their nominal amounts.

### Provisions

Provisions are recognized if a past event gives rise to a probable legal or constructive obligation, the amount and/or timing of which is uncertain, but can be estimated. Provisions are measured on the basis of an estimate of the probable outflow. Provisions are discounted if the effect is material.

### Income taxes

Current income taxes are recognized on an accrual basis based on the results of operations actually generated and presented in the reporting period.

Deferred income taxes are recognized for all temporary taxable or tax-deductible differences between the tax base and Swiss GAAP ARR carrying amounts using the balance sheet liability method. The deferred income taxes to be recognized annually are calculated at the future tax rate applicable to the taxable entity in question at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if they relate to the same taxable entity and are levied by the same taxation authority.

### **Derivative financial instruments**

The Coop Group uses derivative financial instruments to hedge currency risk. Both derivative financial instruments for the purposes of hedging balance sheet items and those not held for hedging purposes are recognized at current values. The change in the current values since the last measurement is recognized in profit or loss for the period. Instruments used to hedge contractual future cash flows are not recognized in the balance sheet, but disclosed in the notes to the financial statements.

Derivative financial instruments outstanding at the balance sheet date are disclosed in the notes to the annual consolidated financial statements.

### **Pension benefit obligations**

Pension benefit obligations are all obligations arising from pension plans and pension institutions that provide retirement, death and disability benefits.

Coop Group employees receive pension benefits, or old-age pensions, which are in line with the legal regulations and provisions applicable in each of the countries. Pension plans and pension institutions are usually funded from employer and employee contributions. The contributions made by Coop Group companies are included in personnel expense under social security contributions.

In Switzerland, employees are members of a legally independent pension institution or a collective foundation of banks or insurance companies. The terms provide for benefits that usually go well beyond the statutory minimum under Swiss law. In addition, within the pension institution, most employees can choose whether to join a plan with higher or lower savings contributions.

Annually, it is assessed whether a pension institution gives rise to an economic benefit or an economic obligation from the organization's perspective.

The pension institutions' annual financial statements prepared in accordance with Swiss GAAP FER 26 and giving a true and fair view of the existing surplus or deficit are taken as the basis for the assessment.

An economic benefit is only recognized if it is permitted and intended to use the surplus to reduce employer contributions. Any freely available employer contribution reserves are recognized as assets. An economic obligation is recognized if the requirements for recognizing a provision are met.

The Group companies abroad do not have legally independent pension institutions with separated assets. Here, obligations arising from pension plans are recognized directly in the balance sheet.

### **Related party transactions**

Associated organizations, pension funds and natural persons such as members of the Executive Committee or Board of Directors are considered to be related parties.

Significant financial statement items with associated organizations and other related party transactions are disclosed in the notes to the annual consolidated financial statements.

### **Off-balance sheet transactions**

Contingent liabilities such as guarantees, guarantee obligations, pledges and other obligations not required to be recognized in the balance sheet are measured at each balance sheet date and disclosed at nominal value. Other obligations not required to be recognized in the balance sheet include all long-term obligations entered into which cannot be terminated within one year. If contingent liabilities and other obligations not required to be recognized in the balance sheet lead to an outflow of funds without any usable inflow of funds and this outflow of funds is probable and can be estimated, a provision is recognized.



### **Restatement of prior-year figures**

Under Swiss GAAP FER 17.17, the cost of inventories also includes incidental costs such as transportation costs or freight forwarding and unloading costs. Inventories are therefore measured taking into account personnel and transportation costs incurred internally. These costs were previously presented in full as merchandise expenses. They are now presented as personnel expenses and other operating expenses. The consolidated income statement and tables 3 and 4 in the Notes to the annual consolidated financial statements have therefore been adjusted accordingly for the 2018 period. However, the change in the balance as a result of including these expenses in the measurement of inventories continues to be recognized as merchandise expenses.

in CHF million

**1 Net sales from goods and services and operating result (EBIT) by segment**

|                      | 2019                              |                         | 2018                              |                         |
|----------------------|-----------------------------------|-------------------------|-----------------------------------|-------------------------|
|                      | Net sales from goods and services | Operating result (EBIT) | Net sales from goods and services | Operating result (EBIT) |
| Retail               | 17 986                            | 540                     | 17 743                            | 462                     |
| Wholesale/Production | 14 148                            | 242                     | 14 170                            | 311                     |
| Consolidation        | -2 502                            |                         | -2 348                            |                         |
| <b>Coop Group</b>    | <b>29 633</b>                     | <b>782</b>              | <b>29 565</b>                     | <b>772</b>              |

“Wholesale/Production” comprises the Transgourmet Group, the Bell Food Group and the manufacturing companies of the Coop Cooperative. The Consolidation line contains deliveries between the segments.

**Net sales from goods and services by geographic market**

|                   | 2019          | 2018          |
|-------------------|---------------|---------------|
| Switzerland       | 20 159        | 19 931        |
| Abroad            | 9 474         | 9 634         |
| <b>Coop Group</b> | <b>29 633</b> | <b>29 565</b> |

**2 Other operating income**

|   | 2019         | 2018         |
|---|--------------|--------------|
| Operating rental income                         | 189          | 193          |
| Gains on the disposal of operating fixed assets | 5            | 72           |
| Own work capitalized                            | 31           | 27           |
| Other income from services                      | 811          | 805          |
| <b>Total</b>                                    | <b>1 036</b> | <b>1 097</b> |

The item “Other income from services” also includes pools and lottery income, income from parking and advertising, and commissions from phone credits.

**3 Personnel expenses**

|                               | 2019         | 2018         |
|-------------------------------|--------------|--------------|
| Wages/salaries                | 3 884        | 3 821        |
| Social security contributions | 913          | 869          |
| Other personnel expenses      | 305          | 320          |
| <b>Total</b>                  | <b>5 102</b> | <b>5 011</b> |

Social security contributions as a % 23.5 22.7

Prior-year figures restated

**4 Other operating expenses**

|   | 2019         | 2018         |
|---|--------------|--------------|
| Advertising expense                       | 515          | 534          |
| Rental expense                            | 741          | 737          |
| Office and administrative expense         | 292          | 279          |
| Charges and insurance premiums (non-life) | 86           | 91           |
| Operations-related taxes                  | 46           | 45           |
| Maintenance and replacement costs         | 464          | 461          |
| Energy and supplies                       | 438          | 450          |
| Transport costs                           | 416          | 406          |
| Miscellaneous expenses                    | 206          | 195          |
| <b>Total</b>                              | <b>3 205</b> | <b>3 198</b> |

Prior-year figures restated

The “Operations-related taxes” item comprises capital and property transfer taxes, duties on the issue of securities and other fiscal levies. The “Miscellaneous expenses” item comprises uncovered damage/losses, losses on receivables, unscheduled closure costs and miscellaneous operating costs.

in CHF million

| 5 Depreciation and amortization                            | 2019         | 2018         |
|--|--------------|--------------|
| Goodwill, planned amortization                             | 100          | 196          |
| Goodwill, extraordinary amortization                       | 2            | 21           |
| Other intangible assets, planned amortization              | 109          | 105          |
| Other intangible assets, extraordinary amortization        | 22           | 0            |
| Amortization on intangible assets                          | 233          | 322          |
| Tangible fixed assets, planned depreciation                | 959          | 983          |
| Tangible fixed assets, extraordinary depreciation          | 89           | 51           |
| Reversals of depreciation charges on tangible fixed assets | -17          | -25          |
| Depreciation on tangible fixed assets                      | 1 031        | 1 009        |
| <b>Total</b>   | <b>1 264</b> | <b>1 331</b> |

Extraordinary depreciation of tangible fixed assets, extraordinary amortization of intangible assets and reversals of depreciation charges on real estate are recognized based on reassessments of earnings or changes in market prices.

| 6 Financial result                            | 2019       | 2018       |
|---|------------|------------|
| Dividends and revaluation gains on securities | 0          | 0          |
| Other financial income                        | 11         | 27         |
| Financial income                              | 11         | 27         |
| Revaluation losses on securities              | 0          | 0          |
| Interest and other financial expenses         | 41         | 49         |
| Value adjustments to financial assets         | 0          | 0          |
| Financial expenses                            | 41         | 49         |
| <b>Total</b>                                  | <b>-30</b> | <b>-22</b> |

| 7 Non-operating result  | 2019      | 2018     |
|---|-----------|----------|
| Rental income   | 0         | 1        |
| Gains on the disposal of non-operating fixed assets                                 | 13        | 6        |
| Non-operating income  | 13        | 7        |
| Non-operating property expenses ( incl. depreciation on non-operating fixed assets) | 10        | 3        |
| Other non-operating expenses  | 9         | 0        |
| Non-operating expenses  | 19        | 3        |
| <b>Total</b>  | <b>-6</b> | <b>4</b> |

The non-operating result comprises income and expenses arising from events or transactions which clearly differ from the ordinary operations of the Coop Group. These items mainly include non-operating expenses and income on properties not used for operating purposes.

in CHF million

| 8 Income taxes           | 2019      | 2018       |
|--------------------------|-----------|------------|
| Current income taxes     | 130       | 145        |
| Change in deferred taxes | -37       | -5         |
| <b>Total</b>             | <b>93</b> | <b>140</b> |

|   | 2019             |                              | 2018             |                              |
|---|------------------|------------------------------|------------------|------------------------------|
|   | Tax rate<br>as % | Tax amount<br>in CHF million | Tax rate<br>as % | Tax amount<br>in CHF million |
| Average applicable tax rate/expected income taxes                           | 15.9             | 116                          | 19.4             | 143                          |
| Losses in the current year for which no deferred tax assets were recognized |                  | 65                           |                  | 15                           |
| Use of unrecognized loss carryforwards                                      |                  | -4                           |                  | -30                          |
| Average applicable income tax rate after loss carryforwards                 | 24.3             | 177                          | 17.4             | 129                          |
| Other effects   |                  | -84                          |                  | 11                           |
| <b>Effective income tax rate/Effective income taxes</b>                     | <b>12.8</b>      | <b>93</b>                    | <b>18.9</b>      | <b>140</b>                   |

Expected income taxes are calculated based on the assumption that the non-operating result will be taxed the same as the ordinary result. Over half of the other effects in 2019 are the result of changes in tax rates for deferred taxes. The additional effects are due mainly to non-taxable income and expenses and prior-period income taxes.

A deferred income tax asset of CHF 223 million (31.12.2018: CHF 179 million) on tax losses carried forward not yet used was not recognized.

| 9 Cash and cash equivalents                    | 31.12.2019 | 31.12.2018 |
|--|------------|------------|
| Cash on hand, postal and bank account balances | 871        | 910        |
| Cheques/vouchers                               | 29         | 23         |
| Term deposits                                  | 17         | 11         |
| <b>Total</b>                                   | <b>917</b> | <b>945</b> |

| 10 Receivables from goods and services | 31.12.2019   | 31.12.2018   |
|--|--------------|--------------|
| Receivables from goods and services    | 1 324        | 1 333        |
| Value adjustment                       | -51          | -51          |
| <b>Total</b>                           | <b>1 273</b> | <b>1 282</b> |

| 11 Other short-term receivables | 31.12.2019 | 31.12.2018 |
|---------------------------------|------------|------------|
| Other receivables               | 276        | 290        |
| Prepayments to suppliers        | 10         | 9          |
| Value adjustment                | -2         | -2         |
| <b>Total</b>                    | <b>285</b> | <b>297</b> |

| 12 Inventories                     | 31.12.2019   | 31.12.2018   |
|------------------------------------|--------------|--------------|
| Merchandise                        | 2 793        | 2 746        |
| Finished goods (production)        | 233          | 215          |
| Unfinished goods, work in progress | 186          | 177          |
| Raw materials                      | 176          | 187          |
| Supplies and packaging materials   | 87           | 82           |
| Prepayments to suppliers           | 50           | 68           |
| Value adjustment                   | -141         | -139         |
| <b>Total</b>                       | <b>3 384</b> | <b>3 336</b> |



in CHF million

**14 Financial assets**

|  | Employer<br>contribution<br>reserve | Associated<br>organizations | Other<br>financial<br>assets | Total      |
|--|-------------------------------------|-----------------------------|------------------------------|------------|
| <b>Financial assets 2019</b>               |                                     |                             |                              |            |
| Net carrying amount 1.1.2019               | 11                                  | 90                          | 58                           | 158        |
| Changes to the scope of consolidation      |                                     |                             | 1                            | 1          |
| Investments/Purchase price adjustments     | 0                                   | -10                         | 13                           | 3          |
| Disposals                                  | 0                                   |                             | -12                          | -12        |
| Write-ups (+)/Value adjustments (-)        |                                     | -1                          | 0                            | -1         |
| Effect of exchange rate changes            |                                     | 0                           | 0                            | 0          |
| <b>Net carrying amount 31.12.2019</b>      | <b>10</b>                           | <b>79</b>                   | <b>61</b>                    | <b>150</b> |
| of which goodwill associated organizations |                                     | 8                           |                              | 8          |

**Financial assets 2018**

|  |           |           |           |            |
|--|-----------|-----------|-----------|------------|
| Net carrying amount 1.1.2018               | 11        | 80        | 29        | 120        |
| Changes to the scope of consolidation      |           |           | 0         | 0          |
| Investments/Purchase price adjustments     |           | 44        | 39        | 83         |
| Disposals                                  | 0         | -36       | -10       | -46        |
| Write-ups (+)/Value adjustments (-)        | 0         | 2         | 0         | 2          |
| Effect of exchange rate changes            |           | -1        | 0         | -1         |
| <b>Net carrying amount 31.12.2018</b>      | <b>11</b> | <b>90</b> | <b>58</b> | <b>158</b> |
| of which goodwill associated organizations |           | 18        |           | 18         |

**Other financial assets**

|   | 31.12.2019 | 31.12.2018 |
|---|------------|------------|
| Loans                                       | 57         | 55         |
| Miscellaneous financial assets              | 10         | 10         |
| Value adjustments to other financial assets | -7         | -7         |
| <b>Total</b>                                | <b>61</b>  | <b>58</b>  |

in CHF million

| 15 Intangible assets                          | Goodwill     | Trademarks/<br>Patents/<br>Licences | Software   | Other<br>intangible<br>assets | Assets<br>under<br>development | Total        |
|---|--------------|-------------------------------------|------------|-------------------------------|--------------------------------|--------------|
| <b>Intangible assets 2019</b>                 |              |                                     |            |                               |                                |              |
| Cost 1.1.2019                                 | 3 842        | 646                                 | 594        | 49                            | 138                            | 5 270        |
| Changes to the scope of consolidation         | 29           | 9                                   | 2          | 1                             |                                | 41           |
| Investments/Purchase price adjustments        | 2            | 0                                   | 51         | 5                             | 84                             | 142          |
| Disposals                                     |              | -1                                  | -49        | -1                            | 0                              | -51          |
| Effect of exchange rate changes               | -10          | -1                                  | -4         | -1                            | 0                              | -17          |
| Reclassifications                             |              | 0                                   | 12         | 11                            | -23                            | 0            |
| <b>Cost 31.12.2019</b>                        | <b>3 862</b> | <b>653</b>                          | <b>607</b> | <b>65</b>                     | <b>199</b>                     | <b>5 386</b> |
| <b>Accumulated amortization at 1.1.2019</b>   |              |                                     |            |                               |                                |              |
| Accumulated amortization at 1.1.2019          | 3 256        | 387                                 | 426        | 39                            | 30                             | 4 138        |
| Changes to the scope of consolidation         |              | 0                                   | 1          | 0                             |                                | 2            |
| Planned amortization                          | 100          | 32                                  | 71         | 6                             |                                | 209          |
| Extraordinary amortization                    | 2            | 21                                  | 1          |                               |                                | 24           |
| Disposals                                     |              | -1                                  | -48        | -1                            |                                | -50          |
| Effect of exchange rate changes               | -5           | -1                                  | -4         | -1                            |                                | -11          |
| Reclassifications                             |              | 0                                   | -3         | 3                             |                                | 0            |
| <b>Accumulated amortization at 31.12.2019</b> | <b>3 352</b> | <b>438</b>                          | <b>444</b> | <b>47</b>                     | <b>30</b>                      | <b>4 312</b> |
| <b>Net carrying amount 31.12.2019</b>         | <b>510</b>   | <b>215</b>                          | <b>162</b> | <b>17</b>                     | <b>169</b>                     | <b>1 074</b> |
| <b>Intangible assets 2018</b>                 |              |                                     |            |                               |                                |              |
| Cost 1.1.2018                                 | 3 715        | 638                                 | 514        | 45                            | 101                            | 5 014        |
| Changes to the scope of consolidation         | 149          | 5                                   | 38         | 1                             | 1                              | 195          |
| Investments/Purchase price adjustments        |              | 2                                   | 80         | 4                             | 53                             | 139          |
| Disposals                                     |              | 0                                   | -48        | -2                            | 0                              | -50          |
| Effect of exchange rate changes               | -20          | -1                                  | -4         | -1                            | 0                              | -26          |
| Reclassifications                             | -2           | 3                                   | 15         | 1                             | -16                            | 0            |
| <b>Cost 31.12.2018</b>                        | <b>3 842</b> | <b>646</b>                          | <b>594</b> | <b>49</b>                     | <b>138</b>                     | <b>5 270</b> |
| <b>Accumulated amortization at 1.1.2018</b>   |              |                                     |            |                               |                                |              |
| Accumulated amortization at 1.1.2018          | 3 082        | 349                                 | 376        | 36                            | 30                             | 3 873        |
| Changes to the scope of consolidation         | -34          | 0                                   | 36         | 1                             |                                | 4            |
| Planned amortization                          | 196          | 36                                  | 66         | 3                             |                                | 301          |
| Extraordinary amortization                    | 21           |                                     |            |                               |                                | 21           |
| Disposals                                     |              | 0                                   | -48        | -1                            |                                | -49          |
| Effect of exchange rate changes               | -7           | -1                                  | -4         | 0                             |                                | -12          |
| Reclassifications                             | -1           | 2                                   | 0          | 0                             |                                | 0            |
| <b>Accumulated amortization at 31.12.2018</b> | <b>3 256</b> | <b>387</b>                          | <b>426</b> | <b>39</b>                     | <b>30</b>                      | <b>4 138</b> |
| <b>Net carrying amount 31.12.2018</b>         | <b>586</b>   | <b>259</b>                          | <b>168</b> | <b>10</b>                     | <b>108</b>                     | <b>1 132</b> |

in CHF million

| 16 Financial liabilities                  | Interest rate as<br>% (weighted) | 31.12.2019   | 31.12.2018   |
|---|----------------------------------|--------------|--------------|
| Bank current accounts                     |                                  | 3            | 1            |
| Deposit accounts                          | 0.51                             | 1 770        | 1 754        |
| Medium-term notes                         | 0.70                             | 310          | 238          |
| Bonds                                     |                                  | 2 805        | 3 055        |
| Bank loans                                | 0.44                             | 90           | 431          |
| Mortgages                                 | 3.68                             | 39           | 67           |
| Finance leases                            |                                  | 0            | 1            |
| Other financial liabilities               |                                  | 332          | 233          |
| <b>Total</b>                              |                                  | <b>5 348</b> | <b>5 781</b> |
| of which short-term financial liabilities |                                  | 924          | 1 126        |
| of which long-term financial liabilities  |                                  | 4 425        | 4 655        |
| of which liabilities to pension funds     | 0.20                             | 216          | 200          |

Liabilities arising from deposit accounts are disaggregated based on experience of past cash outflows. Of the CHF 1 770 million in total (31.12.2018: CHF 1 754 million), CHF 214 million (31.12.2018: CHF 227 million) were recognized as short-term and CHF 1 556 million (31.12.2018: CHF 1 527 million) as long-term liabilities.

| Bonds                  | Currency | Term          | Interest rate as<br>% (weighted) | 31.12.2019   | 31.12.2018   |
|------------------------|----------|---------------|----------------------------------|--------------|--------------|
| Coop Group Cooperative | CHF      | Jul 2012–2019 | 1.250                            |              | 250          |
| Coop Group Cooperative | CHF      | Jul 2015–2020 | 0.250                            | 300          | 300          |
| Coop Group Cooperative | CHF      | Jun 2014–2021 | 0.875                            | 200          | 200          |
| Bell Food Group Ltd.   | CHF      | May 2013–2022 | 1.750                            | 175          | 175          |
| Coop Group Cooperative | CHF      | Sep 2016–2022 | 0.250                            | 200          | 200          |
| Coop Group Cooperative | CHF      | Sep 2014–2023 | 1.000                            | 200          | 200          |
| Coop Group Cooperative | CHF      | Jul 2015–2024 | 0.880                            | 200          | 200          |
| Bell Food Group Ltd.   | CHF      | Feb 2018–2024 | 0.375                            | 200          | 200          |
| Bell Food Group Ltd.   | CHF      | Mar 2016–2025 | 0.625                            | 300          | 300          |
| Coop Group Cooperative | CHF      | Jun 2018–2025 | 0.750                            | 300          | 300          |
| Coop Group Cooperative | CHF      | May 2016–2026 | 0.500                            | 380          | 380          |
| Coop Group Cooperative | CHF      | Sep 2017–2027 | 0.500                            | 200          | 200          |
| Bell Food Group Ltd.   | CHF      | Jan 2018–2028 | 0.750                            | 150          | 150          |
| <b>Total</b>           |          |               |                                  | <b>2 805</b> | <b>3 055</b> |

| 17 Other short-term liabilities | 31.12.2019 | 31.12.2018 |
|---------------------------------|------------|------------|
| Vouchers in circulation         | 76         | 74         |
| Prepayments from customers      | 143        | 145        |
| Other taxes                     | 99         | 86         |
| Other short-term liabilities    | 60         | 51         |
| <b>Total</b>                    | <b>378</b> | <b>356</b> |



in CHF million

| 18 Provisions                             | Pension benefits | Restructurings | Supercard  | Deferred taxes | Other provisions | Total        |
|---|------------------|----------------|------------|----------------|------------------|--------------|
| <b>Provisions 2019</b>                    |                  |                |            |                |                  |              |
| Carrying amounts 1.1.2019                 | 113              | 13             | 164        | 783            | 230              | 1 303        |
| Changes to the scope of consolidation     |                  |                |            | 0              | 0                | 1            |
| Creation of provisions                    | 26               | 2              | 212        |                | 56               | 296          |
| Use of provisions                         | -20              | -5             | -201       |                | -33              | -260         |
| Reversal of provisions no longer required | -3               | -2             | -4         |                | -23              | -32          |
| Change in deferred taxes                  |                  |                |            | -37            |                  | -37          |
| Effect of exchange rate changes           | -2               | 0              |            | -16            | -1               | -19          |
| <b>Carrying amounts 31.12.2019</b>        | <b>115</b>       | <b>7</b>       | <b>171</b> | <b>731</b>     | <b>228</b>       | <b>1 252</b> |
| of which short-term provisions            | 21               | 5              | 171        |                | 65               | 261          |
| of which long-term provisions             | 94               | 2              |            | 731            | 163              | 990          |
| <b>Provisions 2018</b>                    |                  |                |            |                |                  |              |
| Carrying amounts 1.1.2018                 | 111              | 33             | 180        | 798            | 238              | 1 360        |
| Changes to the scope of consolidation     | 1                |                |            | 5              | 5                | 10           |
| Creation of provisions                    | 26               | 4              | 206        |                | 50               | 286          |
| Use of provisions                         | -19              | -17            | -219       |                | -48              | -303         |
| Reversal of provisions no longer required | -4               | -7             | -3         |                | -13              | -27          |
| Change in deferred taxes                  |                  |                |            | -5             |                  | -5           |
| Effect of exchange rate changes           | -2               | 0              |            | -15            | -2               | -18          |
| <b>Carrying amounts 31.12.2018</b>        | <b>113</b>       | <b>13</b>      | <b>164</b> | <b>783</b>     | <b>230</b>       | <b>1 303</b> |
| of which short-term provisions            | 20               | 9              | 164        |                | 62               | 255          |
| of which long-term provisions             | 93               | 4              |            | 783            | 168              | 1 047        |

Other provisions mainly include provisions for personnel in the amount of CHF 110 million (31.12.2018: CHF 102 million) and sales outlets in the amount of CHF 19 million (31.12.2018: CHF 25 million).

in CHF million

## 19 Pension funds

| Employer contribution reserve 2019 | Nominal value | Waiver of use | Balance sheet value |
|------------------------------------|---------------|---------------|---------------------|
| Carrying amounts 1.1.2019          | 11            |               | 11                  |
| Use (Personnel expenses)           | 0             |               | 0                   |
| Carrying amounts 31.12.2019        | 10            |               | 10                  |

## Employer contribution reserve 2018

|                             |    |  |    |
|-----------------------------|----|--|----|
| Carrying amounts 1.1.2018   | 11 |  | 11 |
| Use (Personnel expenses)    | 0  |  | 0  |
| Carrying amounts 31.12.2018 | 11 |  | 11 |

| Economic benefit/economic obligation  | Non-committed funds/deficit |            | Economic share of the Coop Group |             |
|---------------------------------------|-----------------------------|------------|----------------------------------|-------------|
|                                       | 31.12.2019                  | 31.12.2018 | 31.12.2019                       | 31.12.2018  |
| Pension fund with non-committed funds | 93                          | 8          | 0                                | 0           |
| Pension plans without own assets      | 0                           | 0          | -115                             | -113        |
| <b>Total</b>                          | <b>93</b>                   | <b>8</b>   | <b>-115</b>                      | <b>-113</b> |

| Pension benefit expenses                         | Change in balance sheet item 2019             |                              | Contributions concerning the business period 2019 | Pension benefit expenses within personnel expenses 2019 | Change in balance sheet item 2018             |                              | Contributions concerning the business period 2018 | Pension benefit expenses within personnel expenses 2018 |
|--|---|------------------------------|---|---|---|------------------------------|---|---|
|  | without effect on profit or loss <sup>1</sup> | recognized in profit or loss |   |   | without effect on profit or loss <sup>1</sup> | recognized in profit or loss |   |   |
| Pension fund without non-committed funds/deficit |   |                              | 26  | 26  |   |                              | 252   | 252   |
| Pension fund with non-committed funds            |   |                              | 268   | 268   |   |                              | 8   | 8   |
| Pension plans without own assets                 | -21   | 23                           | 0   | 23  | -20   | 22                           |   | 22  |
| Pension fund reinsured                           |   |                              | 4   | 4   |   |                              | 11  | 11  |
| <b>Total</b>                                     | <b>-21</b>                                    | <b>23</b>                    | <b>298</b>  | <b>321</b>  | <b>-20</b>                                    | <b>22</b>                    | <b>271</b>  | <b>293</b>  |

<sup>1</sup> Payments, foreign currency conversion, changes to the scope of consolidation

As at 31 December 2019, the CPV/CAP shows a funding ratio of 116.1% (prior year: 108.4%). In terms of Swiss GAAP FER 16 there is a surplus, as the target for the fluctuation reserve has been reached.

in CHF million

| 20 Off-balance-sheet transactions                          | 31.12.2019 | 31.12.2018 |
|--|------------|------------|
| Guarantees, guarantee obligations                          | 9          | 10         |
| Other quantifiable commitments with a contingent character | 10         | 10         |
| Other non-recognizable commitments                         | 72         | 65         |
| Carrying amount of pledged assets                          | 63         | 127        |

Obligations to minority interest shareholders from put options on the shares they hold in consolidated Group organizations are presented in "Other non-recognizable commitments". The same applies to obligations with regard to the acquisition of shares in associated organizations. There are additional contingent liabilities under existing contracts which cannot be estimated reliably due to the low probability of occurrence and the lack of clarity regarding the amount of a potential outflow of funds. These relate mostly to leased properties.

| 21 Obligations under off-balance sheet operating leases | 31.12.2019 | 31.12.2018 |
|---|------------|------------|
| Due within one year                                     | 740        | 766        |
| Due in 1 to 5 years                                     | 2 492      | 2 562      |
| Due in more than 5 years                                | 3 224      | 3 366      |

Unrecognized operating lease obligations result mainly from long-term rental and ground lease agreements.

## 22 Open derivative financial instruments

| Derivative financial instruments 2019 |         | Contract values | Recognized in balance sheet |             | Not recognized in balance sheet |             |
|---------------------------------------|---------|-----------------|-----------------------------|-------------|---------------------------------|-------------|
| Underlying asset                      | Purpose |                 | Assets                      | Liabilities | Assets                          | Liabilities |
| Foreign exchange                      | Hedging | 1 531           | 10                          | 4           | 0                               | 4           |

| Derivative financial instruments 2018 |         | Contract values | Recognized in balance sheet |             | Not recognized in balance sheet |             |
|---------------------------------------|---------|-----------------|-----------------------------|-------------|---------------------------------|-------------|
| Underlying asset                      | Purpose |                 | Assets                      | Liabilities | Assets                          | Liabilities |
| Foreign exchange                      | Hedging | 1 791           | 16                          | 2           | 0                               | 1           |

## 23 Related-party transactions

| Transactions with associated organizations | 2019       | 2018       |
|--|------------|------------|
| Net sales from goods and services          | 13         | 19         |
| Other operating income                     | 1          | 1          |
| Financial income                           | 1          | 0          |
| Merchandise expenses                       | 9          | 8          |
| Office and administrative expense          | 2          | 2          |
| Rental expense                             | 3          | 3          |
|  | 31.12.2019 | 31.12.2018 |
| Receivables from goods and services        | 1          | 1          |
| Other short-term receivables               | 3          | 0          |
| Loans                                      | 39         | 37         |
| Payables from goods and services           | 7          | 7          |
| Short-term financial liabilities           | 2          | 0          |

In addition there are liabilities to pension funds in Switzerland which are presented as financial liabilities. Above and beyond this, there are no other significant transactions with other related parties.

## 24 Significant changes to the scope of consolidation

### 2019

| Company                               |                      | Change                                    | Date    | 31.12.2019<br>as % | 31.12.2018<br>as % |
|---------------------------------------|----------------------|---|---------|--------------------|--------------------|
| Centre Commercial Moncor S.A.         | CH-Villars-sur-Glâne | Merged into Coop Cooperative              | 01/2019 | 100.0              | 100.0              |
| Braschler's Comestibles Import AG     | CH-Zurich            | Merged into Transgourmet Switzerland Ltd. | 01/2019 | 100.0              | 100.0              |
| F&B - Food and Beverage Services GmbH | DE-Riedstadt         | Interest reduced                          | 01/2019 | 51.0               | 100.0              |
| Team Beverage AG                      | DE-Bremen            | Interest reduced                          | 01/2019 | 35.7               | 70.0               |
| siroop trading Ltd.                   | CH-Basel             | Dormant                                   | 01/2019 | 100.0              | 100.0              |
| Interfrais Frisch-Service AG          | CH-Schlieren         | Acquired                                  | 04/2019 | 100.0              |                    |
| Sanalogic Solutions GmbH              | DE-Riedstadt         | Formation and asset deal                  | 05/2019 | 100.0              |                    |
| Gastro Profi GmbH                     | AT-Alkoven           | Acquired                                  | 06/2019 | 100.0              |                    |
| GEVA Beteiligungsgesellschaft mbH     | DE-Frechen           | Acquired                                  | 09/2019 | 51.0               |                    |

### 2018

| Company                                      |                 | Change   | Date    | 31.12.2018<br>as % | 31.12.2017<br>as % |
|--|-----------------|--|---------|--------------------|--------------------|
| Hügli Group                                  | CH-Steinach     | Acquired   | 01/2018 | 66.3               |                    |
| Der Milchbauer Grosshandels-gesellschaft mbH | DE-St. Gangloff | Merged into EGV Lebensmittel für Grossverbraucher AG | 01/2018 | 100.0              | 100.0              |
| Cher-Mignon SA                               | CH-Chermignon   | Merged into Bell Schweiz AG                          | 01/2018 | 100.0              | 100.0              |
| Peter Riegger Holding AG                     | CH-Zug          | Merged into Weinkeller Riegger AG                    | 01/2018 | 100.0              | 100.0              |
| update Beteiligungen AG                      | CH-Uzwil        | Merged into update Fitness AG                        | 01/2018 | 51.0               | 51.0               |
| Niggemann Food Frischemarkt GmbH             | DE-Bochum       | Acquired   | 02/2018 | 100.0              |                    |
| Two Spice AG                                 | CH-Hergiswil    | Acquired   | 03/2018 | 32.8               |                    |
| Braschler's Comestibles Import AG            | CH-Zurich       | Acquired   | 04/2018 | 100.0              |                    |
| Sylvain & CO SA                              | CH-Champvent    | Acquired   | 05/2018 | 66.3               |                    |
| Service 7000 AG                              | CH-Netstal      | Interest increased                                   | 05/2018 | 100.0              | 75.0               |
| siroop Ltd.                                  | CH-Zurich       | Interest increased and merged into Coop Cooperative  | 05/2018 | 100.0              | 50.0               |
| Bell Food Group Ltd.                         | CH-Basel        | Capital increased                                    | 06/2018 | 66.3               | 66.3               |
| Palink UAB                                   | LT-Vilnius      | Sold   | 09/2018 |                    | 20.0               |

The interests listed are calculated on the basis of the shares held by the Coop Group.

in CHF million

**25 Most significant components at acquisition of organizations**

| 2019   | Gastro Profi GmbH | Sanalogic Solutions GmbH | GEVA Group | Interfräis Frisch-Service AG | Other entities |
|--|-------------------|--------------------------|------------|------------------------------|----------------|
| Cash and cash equivalents                            |                   |                          | 5          | 5                            | 0              |
| Receivables, prepayments and accrued income          | 2                 |                          | 52         | 13                           | 0              |
| Inventories  | 3                 |                          |            | 2                            | 0              |
| Tangible fixed assets                                | 1                 |                          | 3          | 4                            | 0              |
| Financial assets                                     |                   |                          | 1          |                              | 0              |
| Intangible assets (excl. goodwill)                   | 0                 | 3                        |            | 3                            | 3              |
| Liabilities, accrued liabilities and deferred income | 3                 |                          | 50         | 14                           | 0              |
| Financial liabilities                                | 2                 |                          |            |                              | 0              |
| Provisions   | 0                 |                          | 0          | 0                            | 0              |

| 2018   | siroop Ltd. | Hügli Group | Sylvain & CO SA | Niggemann Food | Other entities |
|--|-------------|-------------|-----------------|----------------|----------------|
| Cash and cash equivalents                            | 3           | 11          | 6               | 1              | 1              |
| Receivables, prepayments and accrued income          | 3           | 61          | 9               | 7              | 6              |
| Inventories  | 3           | 72          | 1               | 3              | 20             |
| Tangible fixed assets                                | 1           | 160         | 9               | 4              | 8              |
| Financial assets                                     |             | 0           |                 | 0              |                |
| Intangible assets (excl. goodwill)                   | 1           | 2           | 0               | 5              |                |
| Liabilities, accrued liabilities and deferred income | 12          | 45          | 6               | 8              | 3              |
| Financial liabilities                                |             | 84          | 5               | 1              | 0              |
| Provisions   | 1           | 7           | 1               | 1              | 1              |

26 Scope of consolidation

|  |                          | Interest held <sup>1</sup> |                    | Method of inclusion |
|--|--------------------------|----------------------------|--------------------|---------------------|
|  |                          | 31.12.2019<br>as %         | 31.12.2018<br>as % |                     |
| <b>Coop Group</b>                            |                          |                            |                    |                     |
| Coop Group Cooperative                       | CH-Basel                 | 100.0                      | 100.0              | □                   |
| Alifresca Ltd.                               | CH-Basel                 | 100.0                      | 100.0              | □                   |
| Alifresca Italy S.R.L.                       | IT-Villafranca di Verona | 100.0                      | 100.0              | □                   |
| Alifresca Spain S.L.                         | ES-Valencia              | 100.0                      | 100.0              | □                   |
| Autobahn-Raststätte Basel-Nord AG            | CH-Basel                 | 38.3                       | 38.3               | ●                   |
| CapCo AG                                     | FL-Vaduz                 | 100.0                      | 100.0              | □                   |
| Centre de formation "du Léman"               | CH-Jongny                | 100.0                      | 100.0              | □                   |
| Chocolats Halba S.A. de C.V.                 | HN-San Pedro Sula        | 75.0                       | 75.0               | □                   |
| Coop-ITS-Travel AG                           | CH-Freienbach            | 50.0                       | 50.0               | ●                   |
| Coop Mineraloel AG                           | CH-Allschwil             | 51.0                       | 51.0               | □                   |
| Coop Tagungszentrum                          | CH-Muttenz               | 100.0                      | 100.0              | □                   |
| Coop Vitality AG                             | CH-Bern                  | 51.0                       | 51.0               | □                   |
| Coop Vitality Management AG                  | CH-Bern                  | 51.0                       | 51.0               | □                   |
| Elektronik Distribution AG                   | CH-Basel                 | 100.0                      | 100.0              | □                   |
| Eurogroup Europe AG                          | CH-Wangen                | 100.0                      | 100.0              | □                   |
| Eurogroup Far East Ltd.                      | CN-Hong Kong             | 100.0                      | 100.0              | □                   |
| Marché Restaurants Schweiz AG                | CH-Dietlikon             | 100.0                      | 100.0              | □                   |
| Panflor AG                                   | CH-Zurich                | 100.0                      | 100.0              | □                   |
| railCare AG                                  | CH-Härkingen             | 100.0                      | 100.0              | □                   |
| Raststätte Glarnerland AG                    | CH-Niederurnen           | 21.3                       | 21.3               | □                   |
| Raststätte Heidiland AG                      | CH-Maienfeld             | 51.5                       | 51.5               | □                   |
| Relais du St-Bernard Martigny SA             | CH-Martigny              | 68.0                       | 68.0               | ●                   |
| Retail Marketing Switzerland AG              | CH-Basel                 | 100.0                      | 100.0              | □                   |
| SC Swiss commercial GmbH                     | DE-Konstanz              | 100.0                      | 100.0              | □                   |
| Stazioni Autostradali Bellinzona SA          | CH-Bellinzona            | 68.4                       | 68.4               | ●                   |
| Steinfels Swiss GmbH                         | DE-Konstanz              | 100.0                      | 100.0              | □                   |
| Tanklager Rothenburg AG                      | CH-Rothenburg            | 17.0                       | 17.0               | ●                   |
| Two Spice AG                                 | CH-Zurich                | 32.8                       | 32.8               | ●                   |
| update Fitness AG                            | CH-Uzwil                 | 51.0                       | 51.0               | □                   |
| update akademie GmbH                         | CH-Uzwil                 | 25.5                       | 25.5               | ●                   |
| Coop Cooperative                             | CH-Basel                 | 100.0                      | 100.0              | □                   |
| Betty Bossi AG                               | CH-Zurich                | 100.0                      | 100.0              | □                   |
| Coop Immobilien AG                           | CH-Bern                  | 100.0                      | 100.0              | □                   |
| Dipl. Ing. Fust Ltd.                         | CH-Oberbüren             | 100.0                      | 100.0              | □                   |
| Parking des Remparts SA                      | CH-La Tour-de-Peilz      | 33.3                       | 33.3               | ●                   |
| Pearlwater Mineralquellen AG                 | CH-Termen                | 100.0                      | 100.0              | □                   |
| RS Vertriebs AG                              | CH-St. Gallen            | 100.0                      | 100.0              | □                   |
| Service 7000 AG                              | CH-Netstal               | 100.0                      | 100.0              | □                   |
| The Body Shop Switzerland Ltd.               | CH-Uster                 | 100.0                      | 100.0              | □                   |
| <b>Transgourmet Group</b>                    |                          |                            |                    |                     |
| Transgourmet Holding AG                      | CH-Basel                 | 100.0                      | 100.0              | □                   |
| gastronovi GmbH                              | DE-Bremen                | 51.0                       | 51.0               | □                   |
| Interfrais Frisch-Service AG                 | CH-Schlieren             | 100.0                      |                    | □                   |
| Transgourmet Central and Eastern Europe AG   | CH-Basel                 | 100.0                      | 100.0              | □                   |
| Transgourmet Central and Eastern Europe GmbH | DE-Riedstadt             | 100.0                      | 100.0              | □                   |
| Ahoii GmbH                                   | DE-Hamburg               | 8.9                        | 17.6               | ●                   |
| Brand Views GmbH                             | DE-Hamburg               | 22.3                       | 43.8               | ●                   |
| EGV Lebensmittel für Grossverbraucher AG     | DE-Unna                  | 100.0                      | 100.0              | □                   |

|   |                      | Interest held <sup>1</sup> |                    | Method of inclusion |
|---|----------------------|----------------------------|--------------------|---------------------|
|   |                      | 31.12.2019<br>as %         | 31.12.2018<br>as % |                     |
| F&B - Food and Beverage Services GmbH   | DE-Riedstadt         | 51.0                       | 100.0              | □                   |
| FrischeParadies GmbH & Co. KG   | DE-Frankfurt         | 100.0                      | 100.0              | □                   |
| FRISCHEPARADIES ESPAÑA S.L.U.   | ES-Palma de Mallorca | 100.0                      | 100.0              | □                   |
| Fruchthof Handel-GmbH   | AT-Innsbruck         | 100.0                      | 100.0              | □                   |
| gastivo portal GmbH   | DE-Bremen            | 35.7                       | 70.0               | □                   |
| Gastro Tracking GmbH  | DE-Nuremberg         | 17.9                       | 35.0               | ●                   |
| Geo-Marketing GmbH  | DE-Cologne           | 25.0                       | 25.0               | ●                   |
| GEVA Beteiligungsgesellschaft mbH   | DE-Frechen           | 51.0                       |                    | □                   |
| GEVA Gesellschaft für Einkauf, Verkaufsförderung und Absatz von Gütern mbH          | DE-Frechen           | 26.0                       |                    | □                   |
| GEVA Gesellschaft für Einkauf, Verkaufsförderung und Absatz von Gütern mbH & Co. KG | DE-Frechen           | 26.0                       |                    | □                   |
| Hamburger Feinfrost GmbH  | DE-Hamburg           | 100.0                      | 100.0              | □                   |
| MVF Markenvertriebs- und Förderungsgesellschaft mbH                                 | DE-Frechen           | 26.0                       |                    | □                   |
| NEV Nordwest GmbH   | DE-Bremen            | 35.7                       | 70.0               | □                   |
| Niggemann Food Frischemarkt GmbH  | DE-Bochum            | 100.0                      | 100.0              | □                   |
| OOO Basa  | RU-Moscow            | 100.0                      | 100.0              | □                   |
| OOO Mikotrans   | RU-Moscow            | 100.0                      | 100.0              | □                   |
| OOO Selgros   | RU-Moscow            | 100.0                      | 100.0              | □                   |
| OOO Selgros Immobilien  | RU-Moscow            | 100.0                      | 100.0              | □                   |
| OOO Torgovy Dom Global Foods  | RU-Moscow            | 100.0                      | 100.0              | □                   |
| proGetränkePartner GmbH   | DE-Eggenfelden       | 17.9                       | 35.0               | ●                   |
| Richard Sump GmbH   | DE-Hamburg           | 75.0                       | 75.0               | □                   |
| Sanalogic Solutions GmbH  | DE-Riedstadt         | 100.0                      |                    | □                   |
| SELGROS CASH & CARRY S.R.L.   | RO-Brasov            | 100.0                      | 100.0              | □                   |
| Sump & Stammer GmbH International Food Supply                                       | DE-Hamburg           | 75.0                       | 75.0               | □                   |
| Team Beverage AG  | DE-Bremen            | 35.7                       | 70.0               | □                   |
| Team Beverage Category Management und Vermarktung GmbH                              | DE-Bremen            | 35.7                       | 70.0               | □                   |
| Team Beverage Convenience GmbH  | DE-Rostock           | 35.7                       | 70.0               | □                   |
| Team Beverage Dienstleistungen GmbH   | DE-Rostock           | 35.7                       | 70.0               | □                   |
| Team Beverage Einzelhandel GmbH   | DE-Bremen            | 35.7                       | 70.0               | □                   |
| Team Beverage Einzelhandel Süd GmbH   | DE-Eggenfelden       | 35.7                       | 70.0               | □                   |
| Team Beverage Großhandel GmbH   | DE-Bremen            | 35.7                       | 70.0               | □                   |
| Team Beverage Marken und Systeme GmbH   | DE-Bremen            | 35.7                       | 70.0               | □                   |
| Team Business IT GmbH   | DE-Stralsund         | 35.7                       | 70.0               | □                   |
| transCoop GmbH  | DE-Riedstadt         | 100.0                      | 100.0              | □                   |
| Transgourmet Beteiligungs GmbH  | AT-Wiener Neudorf    | 100.0                      | 100.0              | □                   |
| Transgourmet Deutschland GmbH & Co. OHG   | DE-Riedstadt         | 100.0                      | 100.0              | □                   |
| Transgourmet Immobilien GmbH & Co. KG   | DE-Pullach           | 100.0                      | 100.0              | □                   |
| Transgourmet Foodservice Immobilien GmbH  | DE-Riedstadt         | 100.0                      | 100.0              | □                   |
| Transgourmet Polska Sp. z o.o.  | PL-Poznan            | 100.0                      | 100.0              | □                   |
| Transgourmet France SAS   | FR-Valenton          | 100.0                      | 100.0              | □                   |
| ALDIS ASP 6 SARL  | FR-Valenton          | 100.0                      | 100.0              | □                   |
| All Fresh Logistique SAS  | FR-Rungis            | 100.0                      | 100.0              | □                   |
| BSP SAS   | FR-Valenton          | 100.0                      | 100.0              | □                   |
| COFIDA SAS  | FR-Rungis            | 100.0                      | 100.0              | □                   |
| HOLDI CRENO SA  | FR-Châteaurenard     | 30.8                       | 30.8               | ●                   |
| Locagroup SAS   | FR-Rungis            | 100.0                      | 100.0              | □                   |
| Mantes Primeurs SAS   | FR-Mantes-la-jolie   | 100.0                      | 100.0              | □                   |
| SCI Mittelfeld-Knoderer   | FR-Valenton          | 100.0                      | 100.0              | □                   |
| Sodiexval SAS   | FR-Rungis            | 100.0                      | 100.0              | □                   |
| SPEIR SAS   | FR-Rungis            | 100.0                      | 100.0              | □                   |

|  |                            | Interest held <sup>1</sup> |                    | Method of inclusion |
|--|----------------------------|----------------------------|--------------------|---------------------|
|  |                            | 31.12.2019<br>as %         | 31.12.2018<br>as % |                     |
| Transgourmet Immobilier France SAS     | FR-Valenton                | 100.0                      | 100.0              | □                   |
| Transgourmet Management Gie            | FR-Valenton                | 100.0                      | 100.0              | □                   |
| Transgourmet Opérations SAS            | FR-Valenton                | 100.0                      | 100.0              | □                   |
| Transgourmet Seafood SAS               | FR-Rungis                  | 100.0                      | 100.0              | □                   |
| Transgourmet Services SNC              | FR-Valenton                | 100.0                      | 100.0              | □                   |
| Transgourmet Österreich GmbH           | AT-Traun                   | 100.0                      | 100.0              | □                   |
| Gastro Profi GmbH                      | AT-Alkoven                 | 100.0                      |                    | □                   |
| immodevelop GmbH                       | AT-Innsbruck               | 100.0                      | 100.0              | □                   |
| Top Team Zentraleinkauf GmbH           | AT-Traun                   | 50.0                       | 50.0               | ●                   |
| Transgourmet Switzerland Ltd.          | CH-Basel                   | 100.0                      | 100.0              | □                   |
| Casa del Vino SA                       | CH-Zurich                  | 100.0                      | 100.0              | □                   |
| Domaines & Châteaux Vins Birrhard SA   | CH-Birrhard                | 100.0                      | 100.0              | □                   |
| Grossopanel AG                         | CH-Stans                   | 33.3                       | 33.3               | ●                   |
| Weinkeller Riegger AG                  | CH-Mellingen               | 100.0                      | 100.0              | □                   |
| wine AG Valentin & Von Salis           | CH-Pontresina              | 50.0                       | 50.0               | ●                   |
| Zanini Vinattieri SA                   | CH-Ligornetto              | 100.0                      | 100.0              | □                   |
| <b>Bell Food Group</b>                 |                            |                            |                    |                     |
| Bell Food Group Ltd.                   | CH-Basel                   | 66.3                       | 66.3               | □                   |
| Bell Schweiz AG                        | CH-Basel                   | 66.3                       | 66.3               | □                   |
| Geiser AG                              | CH-Schlieren               | 66.3                       | 66.3               | □                   |
| Bell Deutschland Holding GmbH          | DE-Seevetal                | 66.3                       | 66.3               | □                   |
| Bell Deutschland GmbH & Co. KG         | DE-Seevetal                | 66.3                       | 66.3               | □                   |
| Bell Production Services GmbH & Co. KG | DE-Seevetal                | 66.3                       | 66.3               | □                   |
| Bell Schwarzwälder Schinken GmbH       | DE-Schiltach               | 66.3                       | 66.3               | □                   |
| Bell España Alimentación S.L.U.        | ES-Casarrubios del Monte   | 66.3                       | 66.3               | □                   |
| Abraham Benelux S.A.                   | BE-Librumont-Chevigny      | 66.3                       | 66.3               | □                   |
| Bell Verwaltungs GmbH                  | DE-Seevetal                | 66.3                       | 66.3               | □                   |
| Interfresh Food GmbH                   | DE-Seevetal                | 66.3                       | 66.3               | □                   |
| Bell Benelux Holding N.V.              | BE-Zellik                  | 66.3                       | 66.3               | □                   |
| Bell Benelux N.V.                      | BE-Zellik                  | 66.3                       | 66.3               | □                   |
| Bell Nederland B.V.                    | NL-Houten                  | 66.3                       | 66.3               | □                   |
| Bell Logistics N.V.                    | BE-Zellik                  | 66.3                       | 66.3               | □                   |
| Bell France Holding SAS                | FR-Teilhède                | 66.3                       | 66.3               | □                   |
| Bell France SAS                        | FR-St-André-sur-Vieux-Jonc | 66.3                       | 66.3               | □                   |
| Salaison Polette & Cie SAS             | FR-Teilhède                | 66.3                       | 66.3               | □                   |
| Maison de Savoie SAS                   | FR-Aime                    | 66.3                       | 66.3               | □                   |
| Saloir de Mirabel SARL                 | FR-Riom                    | 66.3                       | 66.3               | □                   |
| Saloir de Virieu SAS                   | FR-Virieu-le-Grand         | 66.3                       | 66.3               | □                   |
| Val de Lyon SAS                        | FR-Valenton                | 66.3                       | 66.3               | □                   |
| H.L. Verwaltungs-GmbH                  | AT-Pfaffstätt              | 66.3                       | 66.3               | □                   |
| Hubers Landhendl GmbH                  | AT-Pfaffstätt              | 66.3                       | 66.3               | □                   |
| Süddeutsche Truthahn AG                | DE-Ampfing                 | 66.3                       | 66.3               | □                   |
| Brütere Schlierbach GmbH               | AT-Pettenbach              | 63.0                       | 63.0               | □                   |
| Frisch Express GmbH                    | AT-Pfaffstätt              | 66.3                       | 66.3               | □                   |
| VTE-Beteiligungs GmbH + Co. KG         | DE-Ampfing                 | 66.3                       | 66.3               | □                   |
| Bell Polska Sp. z o.o.                 | PL-Niepolomice             | 66.3                       | 66.3               | □                   |
| ZIMBO Perbal Húsipari Termelő Kft.     | HU-Perbál                  | 66.2                       | 66.2               | □                   |



|                                     |                            | Interest held <sup>1</sup> |                    | Method of inclusion |
|-------------------------------------|----------------------------|----------------------------|--------------------|---------------------|
|                                     |                            | 31.12.2019<br>as %         | 31.12.2018<br>as % |                     |
| Hilcona AG                          | FL-Schaan                  | 66.3                       | 66.3               | □                   |
| Hilcona Gourmet SA                  | CH-Orbe                    | 66.3                       | 66.3               | □                   |
| Hilcona Feinkost GmbH               | DE-Leinfelden-Echterdingen | 66.3                       | 66.3               | □                   |
| Frostag Food-Centrum AG             | CH-Landquart               | 66.3                       | 66.3               | □                   |
| Eisberg Holding AG                  | CH-Dänikon                 | 66.3                       | 66.3               | □                   |
| Eisberg AG                          | CH-Dällikon                | 66.3                       | 66.3               | □                   |
| Eisberg Österreich GmbH             | AT-Marchtrenk              | 66.3                       | 66.3               | □                   |
| Eisberg Hungary Kft.                | HU-Gyál                    | 66.3                       | 66.3               | □                   |
| Eisberg Spolka z o.o.               | PL-Legnica                 | 66.3                       | 66.3               | □                   |
| Eisberg srl                         | RO-Pantelimon              | 66.3                       | 66.3               | □                   |
| E.S.S.P. España 2000 SL             | ES-Aguilas                 | 66.3                       | 66.3               | □                   |
| Sylvain & CO SA                     | CH-Champvent               | 66.3                       | 66.3               | □                   |
| Dr. A. Stoffel Holding AG           | CH-Steinach                | 66.3                       | 66.3               | □                   |
| Hügli Holding AG                    | CH-Steinach                | 66.3                       | 66.3               | □                   |
| Hügli Nahrungsmittel AG             | CH-Steinach                | 66.3                       | 66.3               | □                   |
| Hügli Nahrungsmittel-Erzeugung GmbH | AT-Hard                    | 66.3                       | 66.3               | □                   |
| Hügli Nahrungsmittel GmbH           | DE-Radolfzell              | 66.3                       | 66.3               | □                   |
| Granovita S.A.                      | ES-La Vall d'Uixó          | 66.3                       | 66.3               | □                   |
| Hügli UK Ltd.                       | GB-Redditch                | 66.3                       | 66.3               | □                   |
| Bresc B.V.                          | NL-Sleeuwijk               | 66.3                       | 59.0               | □                   |
| Ali-Big Industria Alimentare s.r.l. | IT-Brivio                  | 66.3                       | 66.3               | □                   |
| Hügli Food s.r.o.                   | CZ-Zásmuky u Kolína        | 66.3                       | 66.3               | □                   |
| Hügli Food Élelmiszeripari Kft.     | HU-Budapest                | 66.3                       | 66.3               | □                   |
| Hügli Food Polska sp. z o.o.        | PL-Lódz                    | 66.3                       | 66.3               | □                   |
| Hügli Food Slovakia s.r.o.          | SK-Trnava                  | 66.3                       | 66.3               | □                   |
| Centravo Holding AG                 | CH-Zurich                  | 19.7                       | 19.7               | ●                   |
| GVFI International AG               | CH-Basel                   | 16.4                       | 16.4               | ●                   |
| Baltic Vianco OÜ                    | EE-Rõuge Vald              | 22.1                       | 22.1               | ●                   |

□ = Fully consolidated company

● = Company included by using the equity method

<sup>1</sup> The interests listed are calculated on the basis of the shares held by the Coop Group.

## 27 Events after the balance sheet date

The Board of Directors approved the annual consolidated financial statements of the Coop Group on 12 February 2020. They have to be approved by the Delegate Assembly on 2 April 2020.



# Statutory Auditor's Report

To the Delegate Assembly of Coop Group Cooperative, Basle

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Coop Group Cooperative and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2019 and the consolidated income statement, statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 88 to 113) give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority



#### Revenue recognition



#### Valuation of merchandise

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Revenue recognition

### Key Audit Matter

The Group records its revenue at the time when the risks and rewards resulting from the sale of the products have been transferred to the buyer. Revenue includes the revenue from the front (cash register), on the one hand, and the delivery revenue (on account), on the other hand. It is presented net of discount, rebates and other price reductions.

Revenue forms a significant basis for the assessment of the Group's business performance. Consequently, it is at the center of internal objectives and of the development expectations of the public, financial analysts, institutional investors, major creditors and other interested parties regarding the evolution of the business. As a significant caption in the income statement, revenue is therefore of great relevance for the Group.

Consequently, we have focused our audit in this area on the existence of revenue transactions and their recognition in the appropriate period, as well as on the recording of the correct data.

### Our response

In the context of our audit, we have evaluated the appropriateness of the accounting principles in relation with the Group's revenue recognition. Regarding the assessment of the correct revenue recognition, we have performed amongst others the following audit procedures:

- We have analyzed the process regarding revenue recognition and accrual accounting and we have assessed whether the value flows are correctly reflected in the accounts. In this regard, we have identified the key controls concerning revenue recognition and then tested them for effectiveness on a sample basis. We have involved our IT specialists in order to support our audit procedures.
- In order to examine the correctness of the master data (product prices, promotion periods, etc.), we have reconciled them with basic documents on a sample basis.
- Regarding front revenue, we have verified the correct functioning of the cash registers by examining the system parameters. Moreover, we have reconciled on a sample basis the cash register statements with the corresponding incoming payments.
- Furthermore, regarding delivery sales, we have examined the recognition of revenue in the appropriate period by a sample-based comparison of invoices, corresponding orders and delivery notes. In this regard, we have focused in particular on the sales transactions shortly before and after the balance sheet date.

Moreover, we have examined whether the accounting principles regarding revenue recognition were described and disclosed appropriately.

For further information on revenue recognition refer to the following:

- Consolidation and accounting principles



## Valuation of merchandise

### Key Audit Matter

As at 31 December 2019, the Group has inventories of CHF 3.4 billion (previous year: CHF 3.3 billion). Inventories are presented at the lower of acquisition or production cost and net realizable value.

Of the CHF 3.4 billion of inventories, CHF 2.7 billion concern merchandise (previous year: CHF 2.6 billion). Merchandise is valued at the average cost price (moving average price), plus logistic surcharges and less supplier refunds, rebates, discounts, etc.

The determination of the correct valuation of merchandise contains elements of judgment. Furthermore, there is a risk of overvaluation due to goods that are no longer usable, inventories that are difficult to sell, and price pressure. Consequently, the determination of the value adjustment contains certain areas of judgment. The correct valuation of merchandise is thus significant for the overall understanding of the consolidated financial statements.

Consequently, when auditing the valuation of inventories, we focused on the correct valuation of merchandise.

For further information on the valuation of inventories refer to the following:

- Consolidation and accounting principles
- Item 12 of the notes, Inventories

### Our response

In the context of our audit, we have evaluated the appropriateness of the accounting principles in relation with the valuation of the Group's merchandise. We have performed amongst others the following audit procedures:

- We have assessed the appropriateness of the processes regarding the valuation of merchandise. In this regard, we have identified the key controls and then tested them for effectiveness on a sample basis.
- Based on samples and with the support of our IT specialists, we have evaluated the integrity of the general IT controls and tested the efficiency of key IT application controls. In particular, we have performed a verification concerning the order entry process by assessing mandatory fields and significant segregations of duties within the order process. Furthermore, we have verified the correct calculation of prices in the system based on system parameters, supplier invoices, as well as additions and disposals.
- Additionally, we have examined whether the reductions (supplier refunds, rebates, discounts, etc.) and the logistic surcharges were applied correctly by retracing the calculations.
- We have critically assessed the appropriateness of the management processes for the identification of goods that are no longer usable and products that are difficult to sell, as well as the basis and the method used for the valuation of this merchandise.
- We have examined mathematically the calculation of the value adjustments on merchandise.

Moreover, we have examined whether the accounting principles were described and disclosed appropriately.



#### **Other Matter**

The consolidated financial statements of Coop Group Cooperative for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 13 February 2019.

#### **Responsibility of the Board of Directors for the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In accordance with article 906 CO in connection with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Jürg Meisterhans  
Licensed Audit Expert  
Auditor in Charge

Sandra Terzic  
Licensed Audit Expert

Basel, 12 February 2020



