

## Coop's manufacturing companies

### Great success with speciality wood-fired baked goods

Coop's first wood-fired oven was put into operation in Schafisheim at the end of 2017. The first items to be produced were the Coop baked specialities wood-fired "pane pugliese", wood-fired dark "Landweggen" bread and wood-fired white loaf. As early as February 2018, Coop was able to deliver nearly 2 million wood-fired loaves to the sales outlets and Pronto branches. At the end of June 2018, Coop launched the wood-fired seed bread, which also proved popular with customers. Throughout 2018, Coop delivered a total of 4.9 million wood-fired loaves to the sales outlets, 85% of them to Coop supermarkets and nearly 15% to the Pronto stores. Products from the wood-fired oven already account for 7.5% of net sales of large loaves. The artisanal baked specialities are very popular with customers, as evidenced by the steady growth in sales. Coop plans to start operating another wood-fired oven in Castione at the start of 2020.

### Big investments in in-store bakeries and fresh dough

The range of fresh bread available in supermarkets was again greatly expanded in 2018. Coop now runs 40 in-store bakeries and 9 small bakeries, which produce oven-fresh bread and baked goods in the sales outlets. At the end of 2017, Coop began producing ready-to-bake fresh dough bread in sales outlets in the Nordwestschweiz Zentralschweiz-Zürich sales region. By the end of 2018, the fresh dough concept had been rolled out to 16 stores across Switzerland. The fresh dough products are pre-produced at Coop's Schafisheim bakery for the whole of Switzerland. Staff at the sales outlets finish off the fresh dough products in store, providing customers with products that are fresh from the oven and have a wonderful aroma. The employees have been specially trained to do this by the managers of the in-store bakeries, ensuring that the quality and flavour of the bread satisfy the highest expectations. Coop's goal is to supply more than 80 sales outlets with fresh dough in the future.

### Cave begins producing Spumante sparkling wine

Since 2018, Spumante has been produced at the winery in Pratteln. Eight pressure tanks were procured for the manufacture of sparkling wine, each capable of fermenting 25 000 litres. This equates to a total capacity of 200 000 litres. The pressure tanks have cooling technology and can withstand extremely high pressure. In 2018, the new winery already produced nearly 50 000 litres of Spumante. At the end of the year, around 33 000 bottles were filled for the first time. These are marketed as Moscato Spumante in 0.75 litre bottles. Moscato is produced by classic tank fermentation. "Vini Bee" will in future be called Moscato Maestro. Cave plans to independently produce around 300 000 bottles of Moscato Maestro each year.

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Approx. **4.9** million

**wood-fired loaves delivered to sales outlets**

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### Export sales of 60 million francs at Chocolats Halba/Sunray

2018 was a year of substantial gains for Chocolats Halba/Sunray. This growth was chiefly attributable to organic and fair trade products as well as CO<sub>2</sub>-neutral specialities in the markets of the USA, Australia, Canada, France and Germany. Overall, Chocolats Halba/Sunray increased its export sales to 60 million francs. This performance is particularly pleasing given that, during the year under review, the remaining production facilities were relocated from Hinwil and Wallisellen to Pratteln. Back in 2017, Chocolats Halba/Sunray had already moved nearly 50 percent of its production facilities to the new Coop production centre in Pratteln, which is now fully operational. The Hinwil location was renovated in the reporting year and is now in use as a Transgourmet site. Dismantling work at Chocolats Halba at Wallisellen is now complete, and the building has been sold. After more than 60 years of chocolate-making history in Wallisellen, the company is now making a fresh start in Pratteln.

## 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

- Growth in all core segments and expansion of market shares for grain processed in Switzerland for human consumption to over 33%
- 175<sup>th</sup> anniversary of the former Stadtmühle Zürich, now Swissmill
- Double-digit growth in organic products during Coop Naturaplan's 25<sup>th</sup> anniversary year
- Semolina cleaning plants at the durum wheat mill successfully replaced
- More investments made in innovations and process optimization in the specialities segment
- Refurbishment work starts on silo 1924

▼ Factsheet



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

- Sales growth of over 15% in chocolate exports
- Market share gains in Switzerland for sustainable products; project chocolates for Coop very successful
- Expansion of direct sourcing in countries of origin and increased quality, supply and value creation
- Winner of the "Swiss Ethics Awards" for the Ecuador project
- Chocolats Halba/Sunray merger successfully concluded
- Pratteln production and quality centre is operational and running without any restrictions



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

▼ Factsheet



Cosmetics, detergents and cleaning products, hygiene products

- Positive sales trend for cleaning products and cosmetics
- Development and manufacture of a new cosmetics range comprising 22 items for a Swiss perfume retailer
- Development and production of a range of natural cosmetics for the Spanish market
- Strong sales growth and further gains in market shares plus consolidation of market leadership with sustainable products in the Professional segment
- A fully automated filling machine is put into use for refill pouches of cleaning products and cosmetics

▼ Factsheet

Coop bakeries

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

- 4.9 million wood-fired breads delivered to sales outlets; this equates to 7.5% of net sales of large loaves
- Production of 7 fresh dough products starts at the Coop Schafisheim bakery; by the end of 2018, 16 sales outlets are already being supplied with fresh dough.
- Traditional breads among the most popular fresh breads; steady sales growth
- "Yumi" robot successfully commissioned

▼ Factsheet

	<p>Organic and fair trade rice, rice specialities and rice mixes</p>	<ul style="list-style-type: none"> <li>• Export growth: positive trend among large customers in Austria and Germany</li> <li>• Strong growth in organic and fair trade segment, both in Switzerland and for exports</li> </ul>
	<p>Vinegar and vinegar specialities</p>	<ul style="list-style-type: none"> <li>• Sustainable projects in India and Thailand involving structural adaptations; further professionalization of data capture</li> <li>• New organic raw materials partner in Italy and South Tyrol with sustainable projects</li> <li>• Three new Karma rice mixes with pulses for Coop</li> <li>• New vinegar products: Naturaplan orange vinegar and Graubünden Röteli vinegar</li> <li>• New fermenter with capacity of up to 3 million litres of vinegar put into service</li> <li>• Further digitalization of rice production: visual electronic analysis using system by manufacturer Totalsense in quality assurance for rice</li> <li>• Warehouse system switched to Wamas</li> <li>• Nutrex successfully integrated into Reismühle Brunnen</li> </ul>
<p>▼ Factsheet</p>		
	<p>Mineral water and sugar-containing soft drinks</p>	<ul style="list-style-type: none"> <li>• Start of production of a highly mineralized mineral water for Coop Vitality pharmacies in spring 2018</li> <li>• Planning application submitted to Termen municipality for extension to Pearlwater warehouse; the application also covers a final expansion variant for the z'Matt location</li> <li>• New vegan and sugar-free organic flavoured water launched in the summer; positive customer feedback for the drink</li> <li>• Transgourmet Switzerland successfully launches the new mineral water brand Aquina, including soft drinks</li> </ul>
<p>▼ Factsheet</p>		
<p>Cave</p>	<p>White wines, rosé wines, red wines, dessert wines, sparkling wines</p>	<ul style="list-style-type: none"> <li>• 2018 grape harvest: volume for vinification using state-of-the-art fermentation control doubled year on year</li> <li>• Production of "Spumante Maestro" sparkling wine gets underway</li> <li>• Cave supplies Swiss International Air Lines Economy Class with red wine in "PET 187 ml" format</li> <li>• First Wine Trophy successfully run</li> </ul>
<p>▼ Factsheet</p>		
<p>Banana ripening plant</p>	<p>Bananas, exotic fruit such as pineapple and kiwi, dried fruit</p>	<ul style="list-style-type: none"> <li>• New ripening cell put into service with new technology</li> </ul>
<p>▼ Factsheet</p>		