

Logistics, IT and property

Construction of a fully automated logistics centre in Jegenstorf

After two and a half years of construction work, on 24 May Interdiscount and Microspot opened Switzerland's largest and most modern logistics centre for home electronics, located in Jegenstorf. The new, fully automated logistics centre has enabled Interdiscount and Microspot to massively increase their ranges and products. More than 180 Interdiscount branches are supplied each day from the Jegenstorf site. For customers, this means even better availability of goods in the sales outlets. The logistics centre boasts cutting-edge technology: nearly 65 700 containers travel 3.2 kilometres, transporting items around the 22 000 m² building. Thanks to the new logistics centre, more than 110 000 home electronics products are available in the stores and in the online shop. All in-stock items ordered by 8 p.m. are delivered to customers' homes the next day.

New logistics and admin centre for Suisse Romande in Aclens

The old La Chaux-de-Fonds distribution centre and the admin for the Suisse Romande sales region, which was previously located in Renens, are being combined at the Aclens site. Work to expand the empties collection centre for the Suisse Romande logistics region began here at the end of October 2018. The Aclens site will eventually house the region's distribution, empties collection and admin centre in two buildings. The upgrade involves extending the existing building by 1 600 m² and building a new logistics and admin complex of nearly 23 000 m². The new building will contain twelve truck loading ramps, a connection to the rail network, office space for the regional administration, an underground car park and the staff restaurant. The building is expected to become fully operational in 2022.

Digitalization and robotics in logistics

2018 was a year of digitalization and automation for Coop's logistics. At the Gwatt distribution centre, the task of unfolding cage retention units for pallets for deliveries to Coop Building & Hobby was automated at the start of 2018, with the introduction of a new robot. A robot also eases the workload of employees at the Schafisheim bakery, where collaborative robot Yumi by manufacturer ABB has been in use since April. The robot assists with the packaging process by neatly arranging packaged tarts on a conveyor belt for more efficient labelling. In transport, Coop Logistics continued to replace paper-based processes. At Coop@home, for example, digital delivery notes were introduced: customers now sign for receipt of their delivery on a handheld device. In addition, preparations were made to attach labels to all 3.3 million Coop containers which have both a barcode and an RFID tag, laying the foundation for further optimization of logistics processes. At the start of 2018, Coop Logistics also took over responsibility for the pick-up service, to drive forward the platform's cross-channel usage. In future, customers will be able to have other products from different Coop formats delivered to a pick-up point of their choice.

New locomotives for Railcare

In June 2018, Railcare received the last of seven of its own locomotives. The Siemens "Vectron" locomotives combine low energy consumption with improved performance. All the locomotives are of the same type and can therefore be used by Railcare in all scenarios. The locomotives meet the latest technical standards and cause less wear to the tracks at maximum speeds of up to 160 km/h. All the locomotives are also fitted with a diesel power module and radio remote control. Because of this, short journeys, to sidings for instance or when shunting, can be covered without overhead lines. Thanks to the diesel power module, Railcare will not require shunting locomotives in future and will be able to decommission old shunting engines.

Increasing use of self-checkout and Passabene

The self-checkout tills proved very popular with Coop customers. To continue meeting this need, self-checkout tills were installed in 89 sales outlets in 2018. These supplement the manned checkouts. As well as self-checkout, Coop's Passabene self-scanning solution makes for a convenient and time-saving shopping experience: as well as having full control over what they are spending, it also reduces queuing time for customers and enables them to pack their shopping faster. In some sales outlets with hand scanners, up to 15% of purchases were scanned and processed using Passabene in 2018. To make this service available to more and more Coop customers, in the year under review Coop equipped 58 sales outlets with additional Passabene facilities. Coop will continually invest in customer self-service needs over the next few years.

Coop broadens expertise in online business

Coop continued to consolidate its expertise in online trading in 2018, giving the new online shops of Coop Building & Hobby, Nettoshop and Interdiscount and the Coop gift cards website an appealing and modern new look. Coop Vitality expanded its online shop. The main purpose of the overhaul was to improve the customer journey and optimize display on mobile devices. At the same time, many omnichannel functions were enhanced so that customers have the most consistent shopping experience possible across all channels. Customer journey mapping, in which customer feedback was directly incorporated, has been used to continually optimize the customer journey. This also enabled significant improvements to the performance and stability of the sites.

Coop shopping centre of the future opens in Feuerthalen

On 23 August 2018, Coop opened the first Coop shopping centre in Switzerland based on the new concept. In just under 15 months of construction work, Coop completely modernized and extended Rhy Markt and aligned the entire infrastructure with customers' needs. The shopping centre, which used to be run as a combined Coop supermarket and Building & Hobby branch, has been reorganized: In Feuerthalen, customers will find the first megastore in eastern Switzerland based on the store concept 2025+ with 3 130 m² of sales area and a Building & Hobby store covering around 3 500 m² in a new building. The space freed up in the shopping centre has been given over to branches of Interdiscount, Fust, Update Fitness, Coop Vitality and a Coop Restaurant. Coop's partners in the Rhy Markt, ZKB and Gidor Coiffure, have also had a makeover. The Mall area at the heart of the shopping centre boasts a large skylight, which floods the mall with natural daylight right down to the entrance area of the parking deck on the lower ground floor. The choice of materials, the presence of real trees and a planted wall, combined with comfortable furniture, contribute to the positive shopping experience. The Rhy Markt also boasts impressive energy and sustainability credentials: Coop uses electricity-saving, energy-efficient LED lighting throughout the building and CO₂ cooling systems, from

6 600 m²

of sales area in the new Rhy Markt Coop shopping centre

which the waste heat is used for heating and hot water. Photovoltaic units with a total surface area of 3 400 m² and a total output of 510 000 kWh are mounted on the roof of the Rhy Markt and the new Coop Building & Hobby building. This equates to the annual energy requirements of around 150 Swiss households. The shopping centre can meet most of its energy requirements with the electricity generated. In all, Coop has invested almost 70 million francs in modernizing the Rhy Markt.

New food court concept makes its début in the Wankdorf Center

Last year, all Swiss shopping centres combined accounted for almost a fifth of the country's total retail sales. Coop alone operates 40 shopping centres throughout Switzerland, with a total surface area in excess of 3 000 m². To make the Coop shopping centres fit for the future, Coop undertook a number of upgrading measures in 2018. One example is the new food court concept, which encourages customers to linger a while with a diverse range of foods. The first redesigned food court opened on 31 October 2018, on the ground floor of the Wankdorf Center. Architecturally, the concept is noteworthy for its bright and friendly ambience, which is at once open and cosy. Within the food court, a lounge and new seating awaits customers. The infrastructure has been extended and the existing, prominent ceiling lighting, "Saturn's rings", has been given a contemporary makeover. A new restaurant terrace and a children's play area have also been added. In addition to the Coop Restaurant, which has been relocated from the lower ground to the ground floor, the food court offers a wide array of culinary specialities, from burgers to sushi.

Real estate projects

Coop completed no fewer than 14 real estate projects in 2018, including six new buildings, two extensions, two restructurings, two renovations and two modernizations. As part of the diversification of its property portfolio, Coop built a property of eleven attractive rental apartments in the Domat/Ems district, which satisfy the Minergie standard. The building replaced a property which used to house a Coop supermarket.

Coop's properties synonymous with sustainability and energy efficiency

Energy efficiency and the generation of sustainable energy are key considerations for Coop when planning and implementing its real estate projects and Coop was able to fulfil this objective again in 2018. It exceeded its target of installing photovoltaic systems over an area of at least 20 000 m²: the total area actually covered was around 25 000 m². To give one example, as part of the complete renovation of the Letzipark site in Zurich, Coop installed photovoltaic modules on balustrades on the façade and on the roof. As well the visual appeal of the modules, the electricity obtained provides the general areas and the parking garage with around 100 000 kWh/year. The latest Coop sales outlet in Etagnières (Vaud) has also had a photovoltaic unit mounted on its roof and boasts a unique feature: photovoltaic modules on the façade not only feed the electricity generated into the grid, but the surplus electricity is used to cool down coolant for the building's own cold reservoirs. Interdiscount's new logistics centre in Jegenstorf

25 000 m²
of photovoltaic units installed on Coop properties

was awarded the "Minergie P" certificate, which recognizes buildings with particularly low energy consumption and that satisfy the most stringent requirements for quality, comfort and energy. On top of this, the logistics centre also has an incredibly impressive building shell. Audits of various sustainability-related aspects of Coop properties and specific adjustments have resulted in further reductions in the energy consumption of Coop properties. Coop invested no less than 5 million francs in structural measures to optimize energy consumption.

Additional services

Comprehensive quality management: changes relating to Foodstuffs Ordinance a major focus

One quality management focus during 2018 was the implementation of the new foodstuffs ordinance, which 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. Moreover, the new requirements on information about allergens for open-sale products and in Coop's catering and restaurants business were punctually implemented on 1 May 2018. To optimize the process for labelling own-label brands, Quality Management introduced a new system whereby, in future, product data can be electronically recorded by the supplier and used for the labelling of packaging or for online information.

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 411 sales outlets were successfully audited in 2018. 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 34 200 random samples from the food and non-food segments for compliance with the requirements. This involved checking more than 860 000 criteria. The quality assurance manuals for the sales outlets were thoroughly revised and now provide information to the outlets in a more targeted and audience-appropriate manner, as a basis for processes. Coop also stepped up its risk management in the area of product quality in 2018. In particular, Coop's Quality Management dealt with issues surrounding the safeguarding of the supply chain, packaging conformity and food fraud. Coop clarified the requirements for critical product groups in the non-food segment and also revised the guideline for suppliers on optimizing quality.