

### 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 m<sup>2</sup>: the total area actually covered was around 25 000 m<sup>2</sup>. 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

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**25 000** m<sup>2</sup>  
of photovoltaic units installed on Coop properties

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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.

## Social commitment

### *Supporting people in need*

Coop again pursued its commitment to society in 2018 with numerous projects. Through the Coop Sustainability Fund alone, the retailer invested around 16.5 million francs in charitable projects, supporting initiatives including “Tischlein deck dich” (Table Be Set) and “Schweizer Tafel” (Swiss Table).

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CHF **16.5** million

for charitable projects  
through the Coop  
Sustainability Fund

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The mission of these social welfare organizations is to provide food to people in need: “Schweizer Tafel” distributes the goods to 500 social institutions across Switzerland, including emergency shelters, aid organizations, and food banks, and “Tischlein deck dich” distributes the food on a weekly basis through 128 distribution points throughout Switzerland to around 19 100 people affected by poverty. During the financial year, a total of 4 198 tonnes of food were distributed to people in need. Underscoring its long-term commitment to supporting people affected by poverty, together with the Swiss retailers’ association (IG DHS) Coop renewed its cooperation agreement to 2021.

### *Coop supports planting initiative for schools for bees and biodiversity*

Coop and Bio Suisse have jointly run the “Blühende Schulen” flower planting initiative for schools for the third time in succession. Under the campaign, since 2016 over 3 500 school classes with more than 50 000 children, young people and teachers have done their bit to preserve diversity in nature and create wonderful school gardens. Coop supports the campaign as part of the Coop Sustainability Fund. In 2018, the school classes received 1 200 planting kits, comprised of 20 organic herb seedlings and a packet of organic wild flower and organic radish seeds, with which they brought an estimated 19 000+ square metres into bloom. In addition, the classes were given teaching materials on the subject of “Bees and biodiversity”, produced in partnership with the Teacher Training department (PH) of the University of Applied Sciences and Arts Northwestern Switzerland (FHNW). The very successful campaign will be continued in 2019.

### *Further training for organic cotton farmers*

The organic cotton used for Naturaline clothing and textiles originates from India and Tanzania. Coop applies the Biore standard to this cotton, which stipulates organic cultivation in harmony with people and nature. The organic cultivation of cotton is a modern system which brings financial and health benefits for the farmers. Training measures in 2018 enabled farmers in India and Tanzania to further increase their productivity and make greater use of organic cultivation methods. For example, the number of farmers who use row sowing, manure as a fertilizer and implement measures to combat problematic soil erosion has greatly increased. Another factor that is key to success is the first-time management of over 100 agricultural training areas in India. Thanks to its partnership with Biore, Coop has laid the foundations for more than 3 900 Indian farming families to produce their cotton organically using CO<sub>2</sub>-neutral methods and sell it at fair prices.

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

In 2018 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. The sustainability award was presented for the fourth time in succession. In 2018 the “Retro Frames” project beat more than 190 competitors. For the project, the young people produced hand-made frames from recycled, regional waste wood.

### *Coop Aid for Mountain Regions invests in organic mountain cheesemaker Müstair*

Its commitment through non-profit organization Coop Aid for Mountain Regions is also tremendously important to Coop. In 2018, Coop Aid for Mountain Regions supported 171 self-help projects with a total of around five million francs. The Swiss National Day “Weggen” campaign attracted a lot of attention this year. Each year, for every special Swiss National Day “Weggen” bread roll, cervelat sausage and, as of 2018, August organic Graubünden mountain cheese sold by Coop, a portion of the

sales proceeds has been donated to Coop Aid for Mountain Regions. These efforts raised a total of 260 000 francs in 2018. Coop Aid for Mountain Regions topped up the amount to 1 million francs. The total will be used for the much-needed rebuilding of the Münstair organic mountain cheese dairy in the canton of Graubünden, which will benefit the whole valley community.

#### *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 2018, Coop awarded contracts worth over 3.2 million francs to such institutions.

#### *Partnership with SRC*

Coop is a partner of the Swiss Red Cross (SRC). In the year under review Coop and the SRC created 10 000 gift parcels for the “2 x Christmas” project which were sold at Coop megastores, thus making a generous donation to promote solidarity with disadvantaged people. The Grittibänz fund-raising campaign was also conducted for the fourth time and collected over 100 000 francs for needy families in Switzerland. Moreover, Coop supports the SRC family platform and also provides regular insights into humanitarian projects in the Coop Member Press.

### **Supercard and Supercard credit card**

Coop rewards its customers for their loyalty with a wide range of services and exclusive offers. The retailer’s Supercard is Switzerland’s biggest customer loyalty scheme. More than 3.2 million households across Switzerland used the card in 2018. The appeal of the programme to Supercard customers lies in part in the many different ways in which it can be redeemed: during Supercash promotions, customers can pay for all or some of their shopping with their Superpoints. Depending on the promotion, the points can be used for parts of, or even the entire range. Points can be converted to a loyalty gift card at any time or loaded onto the mobile app as digital credit. They can also be exchanged in the bonus gifts shop for high-quality bonus gifts and event tickets. 2018 was a year of digitalization, and nowhere was this more apparent than in the increased use of all the digital Supercard-related services. Cardholders can activate and automatically redeem their digital coupons via the Supercard

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**3.2** million households  
use the Supercard

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app or at [www.supercard.ch](http://www.supercard.ch). They can also sign up for digital collector’s passes and take advantage of attractive rewards. On 1 November, Coop launched the new “Supercard credit card” in partnership with TopCard Service AG, a subsidiary of UBS Switzerland AG. The credit card replaces the old “Supercard Plus”. The “Supercard credit card” is still free and is available as a Mastercard or Visa card and, now, as a Visa Prepaid credit card.

### **Mondovino wine club**

Coop’s wine club, Mondovino, remained very popular, with around 150 000 members at the end of 2017. This is an increase of 11 000 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 enhance the shopping experience, in April Mondovino published its overhauled online shop and an app with an updated design. Mondovino’s range of wines now extends to over 2 000 wines, including nearly 180 rare wines. Furthermore, in 2018 Mondovino added new product formats to the range, such as the “Vino e Pasta” wine package, comprising wine, pasta and tomato sugo. Since 2018, customers who are not members of Mondovino have been able to receive the Mondovino newsletter.

### **Communication and advertising**

With a new look, even more reading matter and a relaunched website, the Coop Member Press made itself fit for the future in 2018. Broader editorial content and new sections have been introduced to reflect Swiss everyday life. With its new, responsive website which adapts to the device on which it is displayed, the Coop Member Press creates an integrated and inspiring reading experience. Thanks to these measures and a poster campaign, the Coop Member Press further consolidated its position as Switzerland’s highest circulation and most-read newspaper. This was confirmed by the annual survey by independent Swiss media research agency Wemf AG. The three weekly newspapers Coopzeitung, Coopération and Cooperazione have a total print run of just under 2.6 million copies and a readership

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**3.4** million people

read the weekly newspapers  
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of around 3.4 million. To mark the anniversary of Naturaplan, the Coop Member Press was published as a one-off with the green Coop logo. Furthermore, three editions of the Member Press were regionalized in the year under review. The special editions on the subjects of honey, yoghurt and wine were published in 21 sub-regions with different cover themes in each region.

After almost six months in production at the Coop Content House and extensive filming in a number of countries, the first Coop corporate film was released in

February 2018. The 13-minute film takes viewers on a journey through the diverse world of Coop. Employees of the different formats and locations of the Coop Group take centre stage. In August, the jury of the international media prize "Best of Content Marketing 2018" awarded a silver medal to the film in the category "Video Non Fiction Employer Branding internal".

Family projects are a strategic focus of Coop's sponsorship. In 2018, in partnership with national hiking association Schweizer Wanderwege, Coop launched the Coop family hike in ten destinations: a fairytale walk for young and old packed with adventures and puzzles along the way. Furthermore, following a successful pilot in 2017, in the year under review Coop replicated the project Coop Famcool, the orienteering event for the whole family, at 48 events throughout Switzerland. In addition to a host of other family projects, Coop supported a multitude of cultural and exercise projects for all ages in 2018, in all regions of Switzerland.

Coop successfully broadened out its "Actions, not words" sustainability initiative in 2018. At the end of its fourth year, the comprehensive commitment to people, animals and nature encompassed more than 360 sustainability-related actions. The centrepiece of communication was the weekly "Actions, not words" column in the Coop member press and the eponymous Internet platform. [www.actions-not-words.ch](http://www.actions-not-words.ch) was given a new look at the end of October. The sustainability initiative also reached a wide audience through TV commercials, numerous printed advertisements and online advertising.

Culinary platform Fooby has been featured with a recipe on "20 Minuten Online" every day since 2018. In addition, on Fridays Fooby appears in the print edition of "20 Minuten", with recipes and food-related stories and insights. Fooby also contributed a cookbook and a recipe card box, which were placed in more than 400 000 thank you packages and sent to Coop's most loyal customers. For the second time, Fooby attended "Food Zurich" as a presenting partner in 2018, hosting a number of cooking events. Since 2018 Fooby has also been partnering with "Gault&Millau" and "Munchies", to bring lots of exciting content to customers.

With a total print run of 75 500 copies, in German, French and Italian, the Coop Forte magazine reaches all employees and pensioners of the Coop Group. It is published four times a year in six, fully regional editions for the sales regions Nordwestschweiz, Zentralschweiz-Z rich, Ostschweiz, Bern, Suisse Romande, the sub-region Ticino and in a special edition for employees of the trading companies. This enables the content to be tailored even more precisely to the readership and creates greater scope for regional topics. National topics are supplemented with specific examples from each region.

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**75 500**

people receive the Coop Forte  
employee magazine each quarter

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#### Media Unit: Coop has strong presence in Swiss media

For the sake of transparent communication, Coop further intensified its dialogue with journalists in 2018, ensuring once again that a host of topical subjects relating to Coop were covered by the media. The opening of the new Interdiscount logistics centre in Jegenstorf and the launch event for the new Livique furniture store in Oberentfelden attracted particularly great media interest. Sustainability

topics were also frequently discussed: the reduction and optimization of packaging and plastic for organic fruit and vegetables received a lot of attention, and the Coop milk programme for sustainable milk made headlines. Following the successful launch of the new media corner the previous year, in 2018 a WhatsApp service was created for journalists. The Coop Media Unit issued a total of 30 media releases, sent invitations to 8 media conferences, dispatched 17 product mailings and answered 2 000 media enquiries in the year under review.

#### **Social media reliance on video and networking platforms**

Coop's social media presence was devoted entirely to the anniversary of Coop own-label brand Naturaplan in 2018. With a mix of entertaining posts, simple product placements and informative videos featuring top chef Fabian Zbinden, Coop's content all about 25 years of Naturaplan achieved a social media reach of several million users. Video was a particular focus in 2018: to give one example, Coop produced a series of short videos about barbecues, featuring Switzerland's most beautiful BBQ sites, as well as a series about meat, in which a Coop butcher shared his knowledge about the barbecue, game and Christmas season. Coop also began actively posting content on networking platforms LinkedIn and Xing in 2018 and met with extremely positive feedback on these platforms too.