

# 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, the 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 27 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](https://actions-not-words.ch) and the [integrated Annual Report](#) of the Coop Group. The annual [Sustainability Progress Report](#) has been published since 2017 instead of a sustainability report. The report provides a detailed insight into Coop's commitment to sustainability, by sharing specific information.

## 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. Other important topics are packaging optimization, waste avoidance and recycling, responsible water management and sustainable construction. Coop is making special efforts in the area of logistics and goods transport. As part of its moves to optimize packaging, Coop is reducing plastic when this makes sense from an overall environmental perspective.

#### 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).

#### Instruments and processes

These are the corporate tools for implementing the Coop Group's sustainability targets. The instruments and processes are derived from the basis, the multi-year targets and the three sustainability pillars. Their purpose is to implement sustainability targets in the most integrated, efficient way possible.

### **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.

### **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 is committed to organic palm oil in conventional products**

In future, Coop will use organic palm oil not only in organic products but also in conventionally produced food for the Coop own-label brands. This is a major step forwards for Coop, which contributes to resource-friendly and consistently sustainable production. In selected own-label products, Coop would like to completely replace palm oil with other oils and fats where possible and feasible. If other tropical oils or fats such as coconut oil are used, they too must be sourced from Fairtrade and/or organic production. The transition will be made gradually in close cooperation with Coop's production facilities and suppliers.

### **Coop is the co-founder of the Swiss Platform for Sustainable Cocoa**

In January 2018, Coop joined the "Swiss Platform for Sustainable Cocoa". The newly-founded association is committed to ensuring that, in future, the majority of all imported products containing cocoa are sustainably produced. The other members of the platform include the industry association Chocuisse, the State Secretariat for Economic Affairs (SECO), Helvetas, Swisscontact, the retail sector, importers and the label organizations and research institutions. The common goals are ambitious: to substantially improve the living conditions of cocoa producers and create an attractive cocoa sector for current and future generations. By as early as 2025, 80 percent of the cocoa products imported into Switzerland should be sustainably manufactured. Coop is going one step further in this regard: by 2020, Coop intends to source all of the cocoa used in its own-label chocolates from sustainable cultivation. Today, over 94 percent of Coop's cocoa is already from sustainable production – in particular fairtrade-certified small-scale farmers. This is made possible by the fact that Coop's production company Chocolats Halba/Sunray works directly with fairtrade cooperatives in Peru, Ecuador, Honduras and Ghana. Among other things, Chocolats Halba/Sunray trains local producers in Ecuador to become agroforestry trainers who then pass on their knowledge to other farmers, thereby promoting the mixed cultivation of cocoa with fruits, vegetables and hardwood trees. This commitment was recognized with the "Swiss Ethics Award" in 2018.

### **Relaunch of the actions-not-words website**

Since 2015, the slogan “Actions, not words” has encapsulated Coop’s commitment to sustainability for people, animals and nature. To make reporting on Coop’s commitment to sustainability even more appealing to customers, Coop completely redesigned the website in 2018. The new site went online in November of the reporting year, in German, French, Italian and English. Each week, the website [actions-not-words.ch](http://actions-not-words.ch) shares news about Coop’s wide-ranging commitment to sustainability along with interesting background stories, tips and insights into what goes on behind the scenes. There are more than 360 actions to be discovered on the website, from all of the Coop Group business areas.

The progress made with implementing the Coop Group’s sustainability commitment is communicated in the Sustainability Progress Report, which is published online in May of each year at [www.coop.ch/sd-report](http://www.coop.ch/sd-report)