

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 m² to the sectors for dairy products, crossdocking, fruit and vegetables and general goods. A building of around 21 700 m² 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 m², and will be commissioned in stages by mid-2020. The building, covering approximately 8 600 m², 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

1 000

branches offer
Passabene Mobile

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 m². To give a few examples, Coop installed photovoltaic modules with a surface area of 5 400 m² on the Gallusmarkt in St. Gallen, 6 670 m² on the Transgourmet buildings in Hinwil and Kriens and 2 900 m² in Murten and Löwenberg. Photovoltaic panels with a surface area of 4 500 m² 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 13th floor to the ground floor of the building at Thiersteinerallee 14, so that the 13th 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 m² 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 & Zöpfli Café. A Coop City with around 3 300 m² 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 m² 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 m² of retail space and a Coop Building & Hobby with 4 500 m² 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 m² 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 m² 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

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.

12.4 million
meals distributed

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