

# Wholesale/Production Business Area

The Transgourmet Group's wholesale supply business has been badly hit by the closure of catering establishments during Covid and specifically promotes sustainable products. Bell consolidates its position on the convenience market. Coop's manufacturing companies cope with high demand in supermarkets during the pandemic.

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**12.6** billion CHF

**Net sales in Wholesale and Production**

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The Covid pandemic is leaving its mark on the industries that supply retailers and the catering segment. Thanks to the strong performance of food retail, Coop's manufacturing companies were able to offset much of the dwindling demand in the catering segment. Food wholesale suffered sharp drops in sales as a result of the Covid measures imposed on restaurants and events. In spite of everything, the Coop Group's Wholesale/Production business area generated net sales in excess of 12.6 billion francs in 2020, which corresponds to an index of 92.1%, after adjustment for exchange rates.

## Transgourmet Group

With subsidiary Transgourmet Holding AG, the Coop Group is active in the cash & carry and wholesale supplies market in Germany, Poland, Romania, Russia, France, Austria and Switzerland. Like all wholesalers, Transgourmet had to contend with the impact of the Covid pandemic. As a result, in 2020 it generated net sales of 8.1 billion francs from its cash & carry stores and wholesale supplies, which equates to an index of 86.7% in local currency. Nonetheless, Transgourmet was able to further consolidate its position as the second-biggest in European wholesale over the last year. Transgourmet generated sales of 315 million francs from sustainable ranges in 2020. In response to high customer demand, these ranges will be further expanded in 2021.

### Challenging Covid situation at Transgourmet

As all of Transgourmet's customers are affected by the impact of the pandemic, Covid is also taking a toll on all of the Transgourmet Group's business areas and companies. The closure of schools, cancellation of cultural and sporting events and restriction of opening hours in restaurants, bars and cafés had potentially devastating consequences for restaurant proprietors and for caterers and hotel owners. Their suppliers are also faced with a dire financial situation. On top of this, large companies had to temporarily shut their factories. As a result, canteens and company restaurants also remained closed. The picture was similar in aviation and shipping. Passenger food and drink dwindled to a fraction of former volumes. At this difficult time, the in-store business, which became far more significant, delivered positive results at Transgourmet. The guidelines and requirements varied from one country to the next. All of Transgourmet's national subsidiaries swiftly took the measures necessary to protect employees and customers during this difficult time and helped Transgourmet to safeguard supplies to all partners.

### **Standardized rules with an international code of conduct**

In 2020, the Transgourmet Group introduced a code of conduct for all countries which has applied to the Coop Group's other business areas for the last year. The rules and guidelines derived from the code of conduct give employees clarity and guidance in their daily work routines. As well as employee interaction, they also cover topics such as "respect for human rights", "customer service", "fair treatment of business partners", "sustainability" and "compliance with laws". The direction provided by, and compliance with these guidelines are the foundation for actively embracing the company's values and operating successfully on the market. In this sense, the code of conduct exemplifies the culture that has prevailed at Transgourmet for many years.

### **New organic own-label brand Natura**

Compared with retail, organic produce still accounts for a small percentage of national and international wholesale, but demand for organic products is steadily growing in this segment too. Therefore, Transgourmet decided to create the new organic own-label brand Natura, which it has launched at four national subsidiaries. Natura is Transgourmet's targeted and comprehensive response to the organic trend and establishes a distinctive presence on the market. The first products were added to the range in October 2020, with the official launch to follow in 2021. Around 200 products are planned for the new brand. The goal is to position Transgourmet Natura in the western European partner countries as a wide, organic full range and to offer impressive value for money. Natura is the equivalent of the value for money segment of own-label brand Quality but is also organic.

### **Transgourmet Germany committed to combating food waste**

The avoidance of food waste – whether generated by private households, out-of-home catering, wholesale and retail or agriculture – is and remains an important social goal. Transgourmet is also aware of the great economic and environmental importance of this topic: worldwide, roughly a third of all food goes to waste en route from field to plate. Since June of this year, Transgourmet Germany has lent its support to the wholesale and retail dialogue forum established by the Federal Ministry of Food and Agriculture (BMEL). As a member of this forum, it undertakes to treat foodstuffs responsibly, reduce food waste, and do more to protect the climate. The BMEL's wholesale and retail dialogue forum was established as part of the national strategy to cut food waste in German wholesale and retail by half by 2030. In addition, Transgourmet is a founding member of the global food industry alliance United Against Waste.

### **Transgourmet France committed to regional products**

To satisfy growing demand, as part of its sustainability concept Transgourmet France is committed to building the most complete range possible of local and regional products (fresh produce, overseas produce, beverages, frozen food and meat). This range is intended to meet the expectations of all customers while also helping them to satisfy the new legal requirements. In particular, under the "EGalim Act", from 2022 onwards public food service businesses must offer meals which contain a minimum of 50% high-quality, sustainable products, 20% of them organically produced. Already, Transgourmet France's 3 000 or so local and regional products account for 5% of its sales and the company intends to double this in the near future.

### **First vegan burger in the range**

Vegetarian and vegan foods are always extremely popular in the catering segment too. Transgourmet is responding to this trend and launching the first plant-based burger under own-label brand Transgourmet Quality, based on pure plant proteins with no compromise on taste and enjoyment. |

### **Transgourmet Digital Magazin launches**

Transgourmet Digital Magazin breaks new communication ground for Transgourmet in the food sector. The authors identify trending topics and exciting concepts in catering and public food service, and explore them in depth. The new magazine places the focus on customer benefit, delivering relevant content. Each issue is devoted to a special subject which is geared towards all distribution channels and actively involves the stakeholders in those channels. Practical visionaries discuss propositions for the future and talk to practitioners from all segments of the out-of-home market. Interviews and author contributions are supplemented with podcasts and videos.

### **Several accolades for Frischeparadies**

Frischeparadies, a subsidiary of the Transgourmet Group, is synonymous with premium quality for professionals, amateur chefs and gourmets. Its range comprises over 3 000 of the finest foods – from fish, seafood, meat, poultry, cheese and ham to the finest chocolate and exceptional wines. Frischeparadies won multiple awards in Germany in 2020. The online shop was named a “Leading Shop of the Year 2020” in the foods and drugstores category, won the “German Brand Award 2020” for the own-label Frischeparadies brand in the “Excellence in Brand Strategy and Creation Brand Design” category, and triumphed in the awards for Wine Merchant of the Year 2020. Frischeparadies’ website also drew praise, receiving an award in the “Excellent Communications Design Web” category.

## Highlights from the national subsidiaries of the Transgourmet Group

The table below lists highlights from the year under review at the individual national subsidiaries and companies of the Transgourmet Group, along with a factsheet on each national subsidiary. For more information about the Transgourmet Group, visit [www.transgourmet.com](http://www.transgourmet.com).



## Transgourmet Central and Eastern Europe

### Germany



- Increased demand for regional and organic products during Covid
- #WinterMeistern initiative - attracting guests in winter: support for the catering sector during the cold months of the year
- Much greater reliance on digital channels due to Covid leads to more online orders and online invoice processing
- Selgros enjoys substantial market share gain in the cash & carry sector
- Preparations for launch of the organic Natura brand
- New digital magazine for customers and interested parties, covering relevant topics
- Transgourmet Germany joins anti-food waste trade forum
- Awarded the logistics sustainability prize by logistics association Bundesvereinigung Logistik Österreich und Deutschland (BVL)
- Switch to foodtainers at Selgros Cash & Carry as well as open sale of fruit and vegetables in some markets
- Successful trial of gas-powered trucks
- Construction and opening of Dortmund Transshipment Point closure of Dortmund (formerly Vreriksen) distribution centre
- Opening of new Selgros in Filderstadt and Würzburg, both with their own bistro
- 1/3 of Selgros stores switched to SAP, inventory management system WAMAS, and fleet management system Wanko
- Successful launch of Selgros app, with more than 100 000 app users already
- Practical guide and another recipe book for retirement homes
- E-learning courses and launch of digital work tools

### Poland



- Selgros: Safe shopping experience thanks to large sales areas combined with statutory restrictions on trade during Covid pandemic
- Availability of strategic products for customers guaranteed during the pandemic (including health protection products)
- “Neustart” (reboot) support programme for catering, with package of special discounts, bonuses, training packages and marketing support
- Opening of the first compact format in Poland (Siedlce, 100 km east of Warsaw)
- New strategic customer Compass for food service; deliveries successfully commence in July 2020
- New TV campaign
- Substantial sales growth with own-label brand TopSeller
- Implement of employer branding
- Enhanced functionality for mobile app (more discount coupons, trial of click & collect)
- Pilot programmes to improve logistical efficiency of deliveries to the C&C stores (purchasing) and to catering customers (distribution)
- Introduction of SAP: stock list switched in purchasing and preparations to switch in food service
- Network connection for Polish company to the structure of the German domains

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## Romania



- Covid situation in Romania: significant rise in unemployment; massive slump in bulk customer segment; since March, sharp slump in sales in catering segment; catering businesses try to minimize sales losses by focusing on home delivery services
- Disproportionate increase in sales to end consumers due to impact of pandemic (closure of non-food businesses from March to the end of May, customer focus on one-stop shopping)
- Over 25 000 food portions delivered from Bistro and “Pauza mica” to police staff and doctors in hospitals in Cluj, Bucharest, Brasov, Timisoara, Baia Mare, Suceava to support them during lockdown
- Marked increase in low-priced items; greater number of discounts offered across the retail market

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## Russia



- Sales trend influenced partly by the closure of all non-food retailers during the Covid pandemic
  - Home working and shift working introduced at head office to minimize risk of infection
  - Selgros' market share stable
  - Continuation and expansion of loyalty programme for private customers
  - Expansion of range with own-label brand PoKarmanu
  - Own-label brands tg Economy and tg Quality added to the range
  - Expansion of range of organic, gluten-free and lactose-free as well as functional foods
  - Development of online store for professional customers
  - Planning for purchasing partnerships with other Russian retailers for selected ranges/product areas
  - Planning for partnerships with non-food specialists in selected product areas (textiles, household, pet food etc.)
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## Specialists

### *Transgourmet seafood*

- Drop in sales due to Covid pandemic
- Full delivery capability maintained
- Launch of various new products to distinguish from competition; awarded special prize for “Outstanding commitment to sustainability” at “fish international”

### *EGV AG*

- Covid crisis impacts negatively on corporate catering and hotel business, but new customers acquired in the care sector
- Frozen goods premises taken over in Eberswalde

### *Niggemann*

- Closer customer relationship with key accounts by providing support in a time of crisis Minimum order values dropped, some payment terms extended, changes to bonus schemes
- Purchasing alliance in the group significantly expanded
- Substantial rise in sales in food retail due to placement of additional ranges and products, particularly distinctive items
- Development of a new online shop

### *Frischeparadies*

- Thanks to multichannel strategy with delivery, delicatessen stores and online shop successful during Covid and less crisis-prone
- Able to deliver immediately as soon as lockdown lifted in hospitality industry
- New customers due to targeted marketing measures in delicatessen stores: younger customers interested in cooking and good food
- High demand in online shop, twelvefold increase in sales at times
- “Leading Shops of the Year 2020” award - food and drugstores category
- Numerous accolades for the Frischeparadies own-label brand
- Launch of Gastronovi in all Frischeparadies bistros, with online reservation and digital signage

### *GEVA*

- Lower demand due to Covid pandemic
- Positive customer feedback thanks to constant availability
- Exploitation of synergies within the Transgourmet Group stepped up

### *TEAM BEVERAGE*

- Lower demand due to Covid pandemic
- New convenience customers and beverage wholesale partners
- Catering portal Gastivo continues to grow

### *Gastronovi*

- Package of aid developed with digital tools to support catering businesses with compliance with legal restraints during the Covid pandemic
- New function for digital guest registration and positive customer feedback
- Positive sales trend and new jobs created





## Transgourmet France

### France



- Rapid adjustments and transformation during Covid pandemic and lockdown, of restaurants, bars, cafés, staff canteens etc. within a few months
- New logistics architecture; location in Wissous converted to a specialized platform for key accounts; simplification of structures for customers
- Redesign and accelerated deployment of digital tools; new website, increase in Gastronovi sales
- Help during lockdown: products available for preparing thousands of meals for nurses and care givers in all regions
- Market shares consolidated, new customers acquired and partnerships with key accounts consolidated
- Launch of fruit and vegetable ranges which are stored at Transgourmet Opérations' facilities, and creation of a fresh fish range by Transgourmet Seafood
- Strengthening of local and regional ranges
- Launch of #J'aimemonproducteur initiative to support and promote partner producers
- Preparation for launch of new Transgourmet Natura brand
- New logistics tools for more reliable order picking in the warehouse: deployment of a language system at all locations
- IEPL – drivers issued with a PDA: all locations now have five of these devices
- E-learning expanded
- Named best employer 2020 in the sector (Capital Magazine)
- Digital asset management introduced: new tool to manage digital resources that offers customers better product information
- Signature of an exclusive partnership with the new Alain Ducasse training centre (broadening of expertise, strengthening image, increasing recognition of products among professional customers)
- Further development of business activities with premium customers and customers operating in the bakery & patisserie sector, which has escaped many of the worst effects of the crisis

### Specialists





## Transgourmet Österreich

### Austria



- Sales decline by 25.8% compared with previous year due to Covid crisis
- Supply chain proved very resilient – hardly any supply issues during lockdown and beyond
- New trend due to Covid: higher demand for domestic and organic products and greater focus on quality
- Highly bespoke assistance for customers during the crisis
- According to customer surveys, 9 out of 10 customers still recommend Transgourmet and give a score of 1.4
- Launch of Transgourmet Natura and April 2021
- Expansion of Transgourmet Vonatur range of fresh fish and sparkling wine
- Development, implementation and staging of multichannel trade fair Transgourmet NEX
- Transgourmet Österreich first catering wholesaler to become climate-neutral
- Greater focus on business customers
- Relaunch of bonus programme on “Servus Bonus”

### Specialists





## Transgourmet Switzerland

### Switzerland



- Significant drop in sales during lockdown in the catering segment
- Supply mission for catering sector, retail, homes, hospitals and army: all Prodega stores and Transgourmet regional warehouses open during Covid
- Increased demand from rural businesses with outdoor catering during summer
- Urban businesses and transport catering suffer from lack of events, tourists and commuters (home working)
- Support for catering segment in May, with an instant bonus for bulk purchases and revised reimbursement arrangements
- Growing importance of take-aways and one-plate meals; Transgourmet and Hilcona offer solutions for catering segment
- Products for implementing protection concepts in the area of hand hygiene, face masks, surface disinfection and social distancing
- Supply of essential items always guaranteed; after lockdown ended, supply of goods quickly returned to normal thanks to cooperation with suppliers
- Transgourmet's 9th regional warehouse in Schlieren became operational in November: faster and shorter transport routes to supply customers in the city of Zurich
- New 10 000 m<sup>2</sup> central warehouse in Hinwil for imported items

### Specialists

- Amalgamation, under the name "Casa del Vino", of wine dealers Weinkeller Riegger (a full-range stockist), former Spanish wine specialist Casa del Vino, and Zanini, as an Italian specialist
- Casa del Vino now offers the most professional catering range, covering all the main winegrowing areas from a single source
- Vinattieri, as a winery for the best Ticino Merlot, remains independent

