

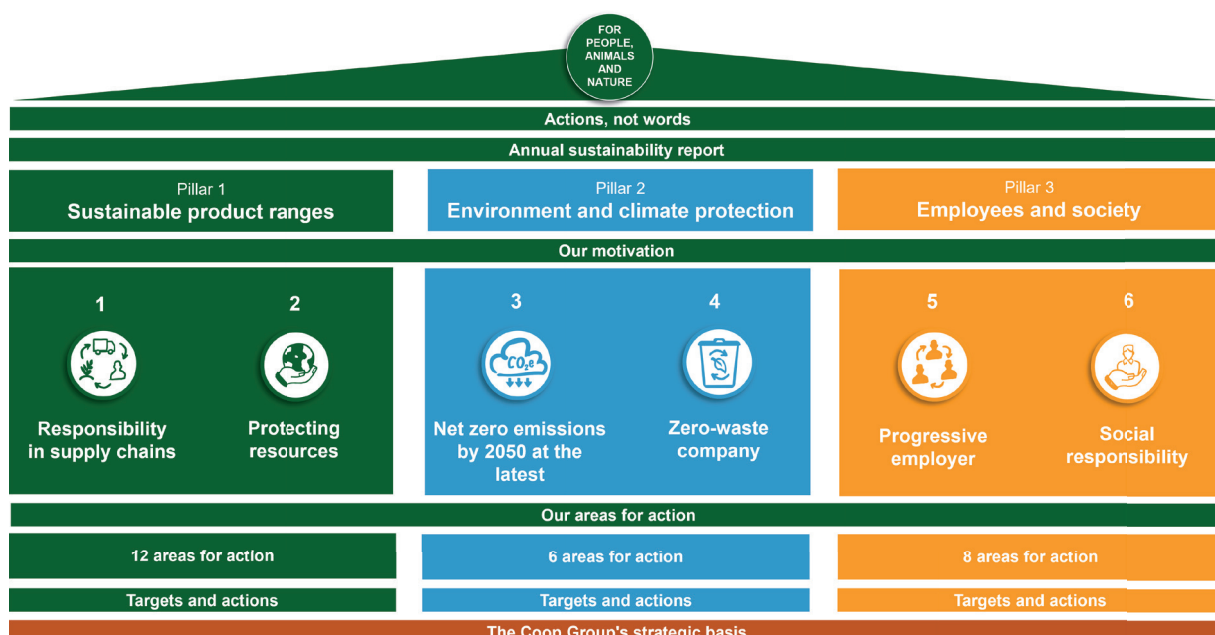
Strong inner drive for sustainability

Sustainability is part of Coop’s corporate DNA and imbues all its relevant strategies. The focus is on sustainable products, environmental and climate protection as well as commitment to employees and society. Coop’s approach to sustainability management is key to a sustainably successful future.

Strong awareness of sustainability

After more than 30 years of strong commitment to sustainability, it has become part of Coop’s corporate DNA. The Coop Group has enshrined this topic in its Articles of Association, its Corporate Profile and its mission statements 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 creating 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. The topics are selected with the focus squarely on the expectations of our customers, our business partners and other stakeholders, in particular NGOs and authorities.



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. Coop takes a holistic approach to managing sustainability and all targets are incorporated in the relevant corporate strategies. In 2022, Coop launched its new sustainability strategy, which builds on the expectations of customers and other stakeholders and covers 26 focal areas. Around 70 measurable targets have been defined for the whole group, pertaining to the three sustainability pillars Sustainable product ranges, Environment and climate protection and Employees and society. The new strategy is aligned with international standards and, among other things, embraces the concept of planet earth and its limits. By taking this approach, Coop is helping preserve our planet's natural resources for the long term.

Pillar 1: Sustainable product ranges

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. Since 2012, this strong commitment has yielded an increase of 82% in turnover from organic products and of 244% in total sales of sustainable products.

Pillar 2: Environment and climate protection

Coop is committed to scientifically based climate targets and has confirmed this commitment to effective climate protection by signing the "Science Based Target Initiative". In keeping with this, Coop regularly calculates its CO₂e-emissions and sets ambitious and effective targets in all of its business areas. Between 2008 and 2021, CO₂e-emissions in the core business were lowered by 38%. By 2026 Coop will have reduced CO₂e-emissions in areas it can directly influence by a further 21%, and will have begun reducing emissions in its supply chains and in upstream processes. Using resources efficiently is also a priority: Coop is aiming to be a zero waste company and to close its energy and material cycles wherever possible, as well as consistently reducing its own water consumption.

Pillar 3: Employees and social commitment

As a cooperative, Coop has a special commitment to society and its employees as well as to its members. More than 38 000 employees throughout the country benefit from the best collective employment agreement in the Swiss retail sector, a wide range of training and development opportunities and good career prospects. Coop is also the second-largest provider of apprenticeships in Switzerland. Coop works with a variety of different partners to directly support the well-being of the community, and encourages its employees and the rest of the population to do good deeds.

Coop Sustainability Fund: CHF 80 million by 2026

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 Coop Sustainability 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 Fund currently has access to funds of at least CHF 16.85 million a year to implement such projects. In the last 10 years, total funding of over CHF 100 million has been provided to projects. For information about projects run by the Coop Sustainability Fund, visit: www.actions-not-words.ch/fund.

Sustainability progress report

A Sustainability Progress Report is published annually at sustainable.coop.ch. Sharing specific information, the report provides a detailed insight into Coop's commitment and the percentage of attainment of its multi-year sustainability targets. The report fulfils international reporting standards and is externally revised.

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. Selected projects from the six overarching drives of the three sustainability pillars are outlined below. News on sustainable projects from the individual business areas is assigned to the respective chapters.

Responsibility in supply chains

1st place at the Swiss Fairtrade Awards

In September, Fairtrade Max Havelaar presented the first-ever Fairtrade Awards in Switzerland and Coop was awarded 1st place in the Retail category. Coop has been a partner of Fairtrade Max Havelaar and a pioneer in the sale of Fairtrade-certified products for 30 years. With over 1 360 Fairtrade products, Coop offers the world's largest Fairtrade range and is described by Fairtrade's director as an international role model. Furthermore, Coop has switched many of its own-label product segments, such as chocolate bars, entirely to Fairtrade and is the first Swiss retailer to have introduced the Fairtrade label for individual ingredients. Coop will continue expanding its Fairtrade range in future.

Coop adopts strategy for living wages in its supply chains

Coop regularly analyses its supply chains for sustainability risks, including in terms of social welfare. Farmers or factory workers are not paid a high enough living wage in every country. Coop is aware of this issue and, together with Max Havelaar, has done much to pioneer fair working conditions in these countries over the last 30 years. Now, with its partners and its new strategy for living wages, Coop is going one step further and closing more income gaps for the workers affected. By pioneering this move in the industry, Coop hopes to persuade other retailers to follow suit.

Value-based Supply Chain Management

Coop pursues the overarching objective of being the leading supermarket for sustainability and quality while also demanding complete transparency along critical supply chains. Satisfying the rising demands and growing documentation requirements placed on Coop and its supply chain partners calls for a central, integrated system. In establishing the new "Value-based Supply Chain Management (VSCM)" organizational unit and setting up a technical business platform, Coop has created the means for efficiently collecting, then validating, assessing and centrally analysing and providing data and information to safeguard and communicate quality and sustainability efforts.

Long-term protection of natural resources

Coop does not use conventional palm oil in any of its dough and fresh baked goods range

Coop is achieving further milestones in the implementation of its palm oil vision. For example, Coop has successfully delivered a pioneering project for the sourcing of sustainable organic palm oil within a transparent supply chain. This enables Coop to immediately drop conventional palm oil from all its doughs and fresh baked goods in its own-label range, furthering the goal of replacing conventional palm oil in all of its own-label foods.

Net zero emissions by 2050 at the latest

Expansion of photovoltaic units

Coop produces solar power with photovoltaic units on over 60 supermarket, shopping centre, manufacturing company and distribution centre roofs. So far, a surface area of almost 120 000 square metres has been fitted with photovoltaic units, producing around 19 million kilowatt hours of sustainable solar power per year. This equates to the annual power consumption of around 5 800 Swiss households. In light of the anticipated energy shortages, Coop has revised the guidelines on the construction of these units. Now, the whole surface of the roof must be used, even if a smaller surface area would suffice in order for the building to cover its own energy needs. Furthermore, each time a building is refurbished, Coop investigates the use of façade systems, thereby helping to safeguard Switzerland's security of energy supply.

Transgourmet Germany's deliveries are climate-neutral

Since 1 October, all of Transgourmet's deliveries to its customers have been climate-neutral. The company is playing a pioneering role in the sector in this area and is Germany's first food wholesaler to implement climate-neutral transport. By 2026, Transgourmet Germany will have switched a third of its truck fleet to biogas trucks, which generate 90% less CO₂ than diesel trucks. Every remaining, unavoidable gram of CO₂e emitted by the truck fleet is offset through climate protection projects.

Even greater reliance on rail in Logistics

Thanks to the constant involvement of Coop's own rail company Railcare, even greater use is now made of sustainable transport by rail: compared with 2010, the volume that Coop transports by rail has increased around threefold, saving approximately 13 million road kilometres per year.

Vision of a zero-waste business

Still committed to combating food waste

Coop further stepped up its commitment to combating food waste in 2022. All Coop restaurants have partnered with Too Good To Go to offer cut-price surprise menus before close of business. Additionally, the volume donated to partner organizations Tischlein deck dich (Table Be Set) and Schweizer Tafel (Swiss Table) has been further increased, enabling around 20 million plates to be filled each year for people in poverty. A number of projects have also been launched to optimize the ordering process and recycling. As part of the IG DHS Swiss retailers' organization, Coop has joined the Initiative United Against Waste and, together with other industry representatives, makes an important contribution to combating food waste.

Progressive employer

Coop promotes inclusion

Under the "Job Integration" project, Coop currently employs around 150 people with disabilities. The project enables these people to perform regular jobs in a Coop sales outlet. External specialists support them with various routine tasks. Coop cooperates with 15 foundations across Switzerland and is keen to integrate more people with disabilities into the world of work over the next few years.

Social responsibility

Day of good deeds 2022

On the Day of good deeds 2022, hundreds of thousands of people across Switzerland undertook good deeds. Around 2 000 Coop stores once again took part. Through this initiative, run jointly with the national partners Pro Infirmis, WWF, the Swiss Guide and Scout Movement, SRC, Tischlein deck dich and Schweizer Tafel, Coop is highlighting the important topic of collective and mutual solidarity. The Day of good deeds takes place in May each year.

Transgourmet France supports the sustainable nutrition of the future

Transgourmet France is committed to doing even more to promote more sustainable and responsible nutrition, so has joined forces with the Hectar Campus. Hectar is the world's biggest agricultural campus, with a pilot farm for regenerative agriculture. Transgourmet shares these common values and insights and its first concrete action in support of this project is the creation of "tg Origine", a new yoghurt range. As a bridge between the producers, the farm and consumers, Transgourmet France assures its customers of the most environmentally compatible production as well as an optimized logistics and trade chain. More projects are planned in future.