



Coop Group  
**SUSTAINABILITY REPORT**  
**2009**



## KEY ENVIRONMENTAL DATA

Survey period for energy data July to June, calendar year for other data	2009	2008	Change %
<b>Sustainable products</b>			
Coop Naturaplan	726	690	+5.2
Coop Naturafarm	478	467	+2.3
Max Havelaar	133	135	-2.0
Coop Oecoplan	112	102	+9.2
Coop Naturaline	68	67	+1.5
Other (Pro Specie Rara, Slow Food, Pro Montagna, FSC, MSC, etc.)	105	103	+1.7
<b>Cash turnover</b>	<b>1 621</b>	<b>1 565</b>	<b>+3.6</b>
<b>Electricity consumption</b>			
Total consumption in MWh <sup>1</sup>	715 186	684 880	+4.4
Consumption, sales outlets per m <sup>2</sup> of sales area in kWh <sup>2</sup>	431	432	-0.2
Consumption, sales outlets per thousand CHF of turnover in kWh <sup>2</sup>	45	43	+3.6
<b>Energy consumption for heating purposes</b>			
Total consumption in MWh <sup>1</sup>	277 032	276 467	+0.2
Consumption, sales outlets per m <sup>2</sup> of sales area in kWh <sup>2</sup>	122	126	-3.2
Consumption, sales outlets per thousand CHF of turnover in kWh <sup>2</sup>	13	13	+0.5
<b>Energy consumption (electricity and heating)</b>			
Total consumption in MWh <sup>1</sup>	992 218	961 347	+3.2
Consumption, sales outlets per m <sup>2</sup> of sales area in kWh <sup>2</sup>	554	558	-0.9
Consumption, sales outlets per thousand CHF of turnover in kWh <sup>2</sup>	57	56	+2.9
<b>Carbon dioxide (CO<sub>2</sub>) emissions</b>			
Total emissions in t <sup>3</sup>	82 619	79 561	+3.8
<b>Water consumption</b>			
Total consumption in m <sup>3</sup> <sup>4</sup>	485 960	479 201	+1.4
Consumption per sales area in m <sup>3</sup> <sup>5</sup>	0.6143	0.6041	+1.7
<b>Diesel consumption, trucks</b>			
Consumption per tonne-kilometre in litres	0.0122	0.0120	+1.7
<b>Waste recycling</b>			
Total waste recycled in %	70	67	+4.5

<sup>1</sup> Manufacturing companies, distribution centres, sales outlets, administration

<sup>2</sup> Supermarkets, Department stores, Building & Hobby

<sup>3</sup> Manufacturing companies, distribution centres, sales outlets, administration, transport, business trips

<sup>4</sup> Manufacturing companies, distribution centres, administration

<sup>5</sup> Only sales outlets with a measurement system

Prior-year figures restated

## ABOUT THE REPORT

Like its predecessors, this fifth Sustainability Report of the Coop Group underscores the great importance Coop attaches to sustainability in its corporate strategy. In addition, it constitutes a review of the progress Coop made in achieving the Group's sustainability goals in 2009. The report is based on the indicator list of the Global Reporting Initiative (GRI) and is also a "communication on progress" as proposed by the United Nations Global Compact (UNGC).

The Sustainability Report targets business and cooperation partners, consumer organizations, authorities, NGOs, the media and the Group's employees, but also customers and the general public.

Unless otherwise stated, the corporate ecology data refer to the Coop parent company. Personnel-related figures refer, unless otherwise stated, to the entire Coop Group. Wherever possible, figures comparing the last five years, i.e. 2005–2009, are illustrated. Current figures cited in the body of the text usually refer to 2009.

Given the sheer range of Coop's achievements in terms of ecology, the economy, social accountability and society, it has not been possible to discuss every single activity in the present report. Additional information on Coop's efforts to promote sustainability can be found on the Coop website, [www.coop.ch/sustainability](http://www.coop.ch/sustainability). In the present Sustainability Report, any links supplied at the end of a paragraph refer to further information on the topic in question.

The Sustainability Report of the Coop Group is published every year together with the Annual Report. Both reports for 2009 focus on biodiversity, and they highlight – also in a series of eight illustrated examples – Coop's crucial contribution towards preserving it. The copy deadline for Coop's 2009 Sustainability Report was 4 February 2010.

# CONTENTS



<b>4 FOREWORD</b>	<b>11 Stakeholder dialogue</b>
<b>6 THE COOP GROUP</b>	<b>11 UN Global Compact</b>
6 Company structure	<b>12 Targets and degree of attainment</b>
7 The Coop Group's Executive Committee	<b>15 Milestones</b>
<b>8 STRATEGY AND ORGANIZATION</b>	<b>21 SUSTAINABLE CONSUMPTION</b>
<b>8 Sustainability in the Coop Group</b>	21 Retail trade must take responsibility
8 Integration into all business segments	<b>21 Climate-friendly sourcing</b>
8 Sustainability in purchasing and logistics	21 Reduction, offsetting and labelling of air freight
9 Auditing bodies	22 Large potential for reducing asparagus imports by air
<b>9 Selection of topics</b>	22 Conscious decision in favour of Max Havelaar roses
9 Relevance table shows the internal and external viewpoints	22 Focus on seasonal and regional products
9 Frank and transparent dialogue with political and business circles	<b>23 Biodiversity</b>
10 Long tradition of efforts to preserve biodiversity	23 Coop takes responsibility
<b>10 Project portfolio</b>	23 Organic and mountain farming promotes biodiversity
10 Environmentally and animal-friendly products	23 Preserving woodlands as a natural habitat
10 Partners in the supply chain	24 Pioneering contribution to marine conservation
10 Corporate ecology	24 MSC and organic: sustainable alternatives
10 Employees	24 Genetic and crop diversity
11 Society	25 Promoting food culture



## 25 Animal welfare

- 25 Stringent animal welfare rules not just for Naturafarm operations
- 25 Establishing young-boar fattening
- 26 Natura Veal – veal from suckler-cow husbandry

## 26 Health and nutrition

- 26 Going further than the legal requirements
- 26 Study: “Focus on Eating Trends”
- 26 Affordable cooking for people with diabetes
- 27 Balanced diet in childhood

## 27 Non-food range

- 27 20 years of Oecoplan: new logo and packaging design
- 27 Energy-saving products and ecological services

## 35 CORPORATE ECOLOGY

- 35 Long-term goal of reducing energy consumption

### 35 CO<sub>2</sub> neutrality: from vision to practice

- 35 The vision
- 36 The Business Energy Agency’s feasibility study
- 36 Programme of specific measures for the period up to 2023
- 37 Data survey in accordance with the Greenhouse Gas Protocol

### 37 Specific CO<sub>2</sub>-reduction projects

- 37 Setting standards with LED lighting
- 39 Use of CO<sub>2</sub> as a refrigerant
- 39 Practical use of waste heat at over 2,000 metres above sea level
- 39 Vinegar production without fossil fuels
- 39 Monitoring – an effective measure

## 40 Transport

- 40 Further shift of freight from road to rail
- 40 No more Euro 3 class trucks by 2012

## 40 Waste avoidance and recycling

- 40 First reduce, then recycle
- 41 Prevention of organic waste
- 41 Kompogas: ecological recycling of green waste
- 41 Reducing product packaging
- 42 Recycling means identifying reusable materials

## 49 SUPPLIERS

### 49 Quality strategy

- 49 General political conditions for business
- 49 From organic farming and animal welfare to fruit and vegetables
- 50 Quality along the entire product chain

### 50 Sourcing alliances

- 50 Eurogroup: defining common standards
- 50 Cooperation in the non-food sector
- 50 Multiplying the effectiveness of measures

### 51 Social standards

- 51 Important steps in the BSCI process
- 51 Special training in social management
- 51 Active involvement in BSCI at national and international levels
- 52 GRASP – a project bears fruit
- 53 Participation in the revision of the Fairtrade standard
- 53 Effects of fair trade in the South



53	<b>Promoting innovation</b>
53	Natura Prize: for sustainable innovations in the value chain
53	CO <sub>2</sub> -neutral Naturaline collections made with organic cotton
54	Pro Montagna: promoting products from mountain regions
<b>55</b>	<b>EMPLOYEES</b>
55	<b>Terms of employment</b>
55	Systematic pay rise for lower wage-earners
55	Jobs for a large number of successful apprentices
55	<b>Employee surveys</b>
55	Veritas: employees are more satisfied than in 2006
56	Findings provide basis for improvement measures
57	Importance of sustainability within the Group
57	<b>Training and continuing education</b>
57	Specific training projects in the regions
57	More effective communication of sustainability
59	Targeted development of older employees

<b>65</b>	<b>SOCIETY</b>
65	<b>Coop Sustainability Fund</b>
65	Direct benefits for society
65	Focus on biodiversity
66	Coop Sustainability Fund: 2009 projects
67	Ecological and social commitment in Honduras
67	<b>Coop Aid for Mountain Regions</b>
67	Helping people to help themselves
67	Token of solidarity via Pro Montagna
68	<b>Further commitments</b>
68	Partnership with Tropenhaus in Frutigen and Wolhusen
68	Targeted investments in research projects
68	Coop helps get Switzerland moving
69	Advice on budgeting helps in financial matters
<b>70</b>	<b>REPORTING IN ACCORDANCE WITH UNGC AND GRI</b>
70	The Ten Principles of the UNGC
70	Internationally recognized GRI guidelines
70	Content

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## FROM VISION TO PRACTICE

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As a pace-setter for sustainability, Coop is systematically engaged in ensuring that a succession of new visions are transformed into reality. Whether at the product level, within the Group or in society, we actively promote a more sustainable economy and the preservation of biodiversity.



Irene Kaufmann and Hansueli Loosli at Coop's Gundeli store in Basel.

Sustainability at Coop is driven by visionary individuals and by ideas that concrete action has transformed into practice.

One such vision involved taking organic foodstuffs in Switzerland out of their market niche. Coop now accounts for about half of all organic foodstuffs sold in Switzerland, generating 764 million Swiss francs with them.

Another such vision entailed creating a textile range that would be not only fashionable, high-quality and affordable, but also environmentally compatible and produced under fair working conditions. Cooperation between Coop and Remei means that around 10,300 farmers in India and Tanzania now supply Coop Naturaline with organic cotton for processing – partly on a CO<sub>2</sub>-neutral basis – into textiles.

Yet another vision was to rear as many domestic animals as possible in Switzerland in such a way that access to range and humane animal husbandry practices were guaranteed. This is now the case with meat sold at Coop under the Coop Naturafarm label, and the producer farms are regularly monitored by Swiss Animal Protection (SAP).

For such projects to be successful, they need knowledgeable partners, commitment and dedication on the part of everyone involved, creative ideas for overcoming obstacles, and effective communication both internally and externally. These conditions also apply to our plans for reducing CO<sub>2</sub> emissions. Important first steps have been taken: the vision of becoming CO<sub>2</sub>-neutral by 2023 has been effectively communicated both within and outside the Group. To help us with implementation, we have found an expert partner organization in the Business Energy Agency (EnAW). The goal of CO<sub>2</sub> neutrality has been broken down into specific targets for the different business segments, and the necessary investments have been integrated into concrete three-year plans. In making our investment decisions, we already take account of possible costs accruing from carbon offsetting schemes, assessing them as if it were already 2023. This revolutionary approach lends greater importance to innovative solutions such as heating with woodchip-fired plants instead of fossil fuels.

A further Coop vision was implemented in 2009. Five years ago, we set ourselves the goal of making fair working conditions in farming a matter of course. Following pilot projects on four continents and countless discussions with producers, trade unions and other organizations, the international GlobalGAP production standard now offers an additional module on socially accountable working conditions and takes greater account of labour-law requirements.

Another vision that enjoys widespread support is this: no food is thrown away as long as there are people starving somewhere in the world. Coop does its best to minimize organic waste at its points of sale by closely calculating its orders and managing its merchandise efficiently. We donate a large part of any food products that have passed their sell-by date but are still perfectly edible to the social-welfare organizations “Tischlein deck dich” (Table Be Set) and “Schweizer Tafel” (Swiss Table).

Basic occupational training is another area in which we make an important contribution. We have raised the number of apprenticeships at Coop by just under 50% in the last five years and in 2009 employed 3,018 apprentices in 20 different occupations. We also offer an additional 129 internships designed specifically to help school-leavers with poor grades become integrated into working life.

Finally, it is a particular concern of Coop that the importance of biodiversity be widely acknowledged and that the number of endangered animals and plants be reduced. Coop makes a major contribution towards preserving biodiversity by supporting organic farming, refusing to use genetically modified plants or animals, and promoting genetic and cultural diversity through programmes such as Pro Specie Rara or Slow Food. Coop also supports sustainable fisheries and refuses to stock particularly endangered fish species.

The present report provides clear testimony to the great value Coop attaches to sustainability. It documents our ecological, economic and social achievements and also acts as a progress report for the United Nations Global Compact.

The path towards achieving a sustainable economy is always going to need visions. In the long-term interests of our customers, we are doing everything in our power to ensure that these ambitious goals become reality.



Irene Kaufmann

Chairwoman of the Board of Directors

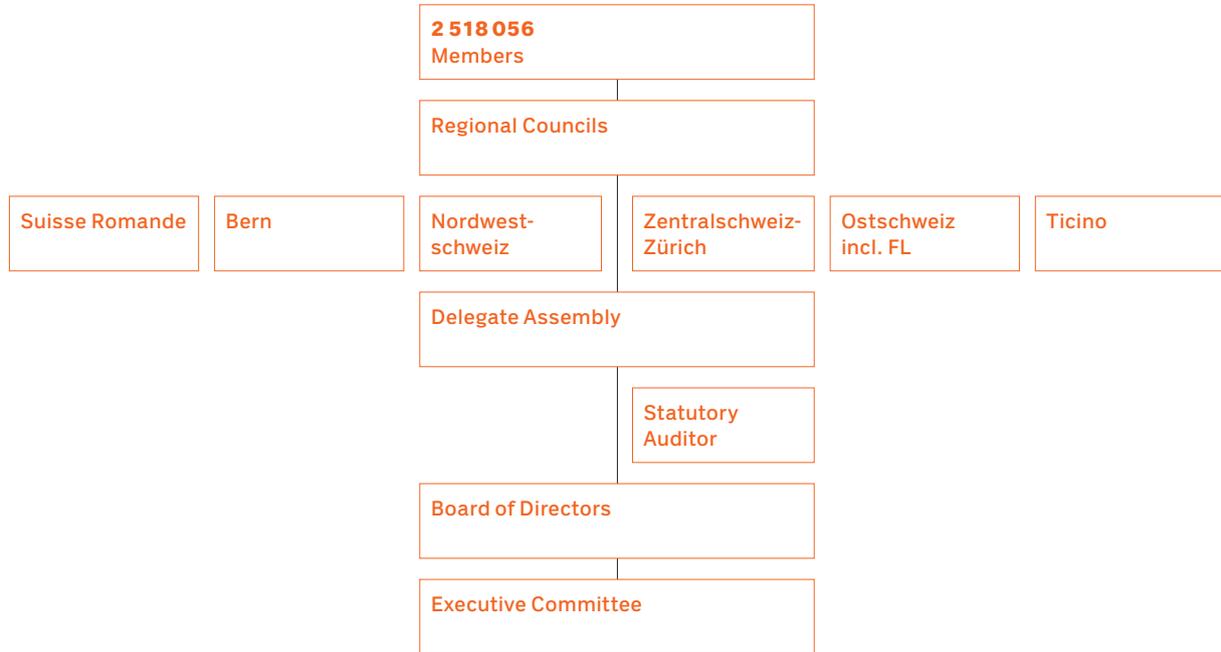


Hansueli Loosli

Chairman of the Executive Committee

## COMPANY STRUCTURE

As at 31 December 2009



### Board of Directors

Silvio Bircher	Peter Eisenhut	Michela Ferrari-Testa
Hans-Jürg Käser	Irene Kaufmann (Chairwoman)	Beth Krasna
Lillia Rebsamen-Sala	Bernard Rüeger	Giusep Valaulta (Vice-Chairman)

### Internal Auditing

Heinrich Stamm, Head of Internal Auditing



THE COOP GROUP'S EXECUTIVE COMMITTEE



at its meeting of 2 November, 2009 in Basel.  
1 Hansueli Loosli, 2 Jürg Peritz, 3 Rudolf Burger (until 31.12.2009), 4 Leo Ebnetter, 5 Hans Peter Schwarz, 6 Jean-Marc Chapuis,  
7 Philipp Wyss, 8 Joos Sutter (from 1.1.2010)

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## STRATEGY AND ORGANIZATION

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Sustainability is an integral dimension of all of Coop's corporate strategies. The preservation of biodiversity is one of Coop's key concerns. By making its ranges sustainable, Coop helps reduce the ecological footprint.

### SUSTAINABILITY IN THE COOP GROUP

#### **Integration into all business segments**

In the conviction that a company has to practise the values to which it subscribes if it is to achieve long-term success, Coop has incorporated sustainability into its Articles of Association, corporate profile and mission statement. In the year under review, the diverse activities of Coop and its subsidiaries in the field of sustainability were evaluated, and the need for action with regard to organization and thematic orientation was identified. Coop attaches great importance to integrating sustainability into all its corporate strategies. In 2009, it therefore developed a strategic approach to sustainability that coordinates and harmonizes the sustainability goals already established in the different business segments. The new strategic approach focuses on three pillars: sustainable products & services, resource efficiency & climate protection, and employees & society. The new Personnel Strategy 2012+, for instance, is very much shaped by sustainability considerations. On the one hand, it attaches great importance to long-term fostering of the potential residing in our employees. On the other, it further strengthens the aspect of sustainability in basic and advanced training and in internal communication. Moreover, sustainability goals derived from the overarching corporate goals are incorporated into individual target agreements, triggering a very broad-based process of dynamic change in all parts of the Group.

#### **Sustainability in purchasing and logistics**

Sustainability considerations are being taken into account particularly in the current review of the Purchasing Strategy. This is because the way in which Coop purchases goods and services has a strong leverage effect in terms of promoting sustainable consumption and is also a signal to suppliers and business partners. In addition, the most recent price fluctuations on the raw materials market have shown the extent to which purchasing depends on external factors – a dependency that climate change will intensify. To be able to satisfy future needs in terms of product quantity, quality and availability, Coop's systems and partnerships have to be networked and integrated even more effectively than they are at present.

The review of the Logistics Strategy is also taking a wide range of sustainability considerations into account. A number of questions have to be addressed. For instance, what effect do rising fuel prices have on optimization models? As from when does it make sense to set up smaller, decentralized warehouses? What happens if climate changes prevent the Rhine from being navigable all the year round? How can CO<sub>2</sub> emissions be reduced by shifting freight from air to sea and from road to rail? How can supplier shipments be even more effectively integrated into Coop's own logistics so as to benefit both parties and also the environment?

## Auditing bodies

To ensure that sustainability considerations form an integral part of all Coop's business segments and activities, quantified targets have been defined in all corporate strategies. In addition, all business units and departments are represented on the Sustainability Steering Committee, which defines the strategic and thematic focus, monitors achievement of goals set in the individual projects and strategies and defines corrective measures where required. Moreover, Coop deploys centres of excellence and specialized internal units to ensure at the technical level that the findings of methodological and departmental research are made available to all areas of the Group and are implemented in line with uniform standards. Only then can uniform reporting and internal benchmarking be assured and targeted improvement measures drawn up.

## SELECTION OF TOPICS

### Relevance table shows the internal and external viewpoints

When analysing and evaluating previous efforts to promote sustainability, Coop addressed the following questions: are we covering all issues in which stakeholders have justifiable expectations of Coop? Do we possess sustainable answers and possible solutions in all areas in which the retail sector faces future challenges? Do our thematic focuses correspond to internal expectations, especially those of our over 50,000 employees? Where do we stand in an international comparison with other retailers – are there issues that we have not yet addressed? The

external view of the relevance of issues and the internal view of the extent to which Coop can help resolve these problems and concerns provided the basis for the relevance table below. Of particular interest are issues in which sustainability considerations open up potential for cost savings or new business areas. For instance, optimizing delivery shipments in logistics reduces not only CO<sub>2</sub> emissions but also fuel costs. And in human resources, well-trained, well-informed and motivated employees do their jobs better and are subject to fewer stress-related absences.

### Frank and transparent dialogue with political and business circles

Wherever society's expectations conflict with corporate requirements, reasonable solutions must be drawn up with a focus on effectiveness. To this end, Coop calls on political circles to engage in a frank and transparent dialogue on problems perceived to be important and on possible approaches to resolving them. A start has been made with the Round Table on Sustainable Consumption that the Federal Office for the Environment will convene following discussions with Coop. From a long-term perspective, a procedure similar to that of the EU would be desirable. This procedure allows retailers to voluntarily engage in quantifiable commitments to achieve greater sustainability of products and production. These commitments are then examined by a forum of experts to establish their relevance and feasibility. Actual implementation is monitored by a neutral organization. For Coop, this kind of approach promises a much greater benefit to the environment than the ecological labelling of products that is also under discussion. It has already been successfully implemented in Switzer-

Sustainability relevance table

High	Society's expectations – external viewpoint	Preventive health Unemployment	Forest protection Biodiversity Fair trade Animal welfare Protection of waterways Transparency and traceability	Overfishing Climate change Energy-saving appliances Healthy diet Maintenance of purchasing power Sustainable consumption Safety of foodstuffs and products	
		Medium	Litter Protection of the young Protection of the countryside Over-indebtedness	Waste and recycling Integration of people with special needs into the work process Family-friendly working-time models Promotion of renewable energies	Good working conditions for employees Competitive and sustainable agriculture Sustainable customer traffic Promotion of organic farming
		Low	Promotion of sport and the arts Combating corruption	No use of GMOs Adding value in mountain regions	Handling of organic waste
		Relevance from company viewpoint – internal viewpoint			
		Low	Medium	High	

land's climate-change policy in the form of voluntary target agreements and technical support by the energy agencies. The same approach is also being used by "actionsanté", the platform launched by the Federal Office of Public Health in May 2009.

>> [www.actionsante.ch](http://www.actionsante.ch)

### **Long tradition of efforts to preserve biodiversity**

The United Nations has designated 2010 as the International Year of Biodiversity in order to raise public awareness of the urgent need for protection of species, genetic diversity and natural habitats. The preservation of biodiversity has long been a priority concern of Coop's, even if its efforts to this end have not been communicated as such. Coop makes a crucial contribution towards the preservation of genetic and species diversity by promoting organic farming not only in Switzerland but also abroad. Besides fostering ancient varieties of crops, working to achieve a sustainable fish range and providing financial support for diversity gardens, Coop also promotes biodiversity by stocking a wide range of regional products. It has also made biodiversity a main topic of the present annual and sustainability reports. The illustrations show impressively how and where biodiversity can flourish. In 2010, Coop will be engaging in numerous activities to make customers more aware of the great ecological and economic importance of biodiversity.

>> [www.cbd.int](http://www.cbd.int), [www.coop.ch/sustainability](http://www.coop.ch/sustainability)

## **PROJECT PORTFOLIO**

Coop's commitment to sustainability focuses on five main areas:

### **Environmentally and animal-friendly products**

*The world's population is growing, resources are dwindling and we are facing the consequences of climate change. The cumulative impact of private consumption is also taking a heavy toll on the environment. With its products, ranges and background information services, Coop is helping to reduce the ecological footprint, ensure guilt-free, enjoyable consumption and offers consumers valuable assistance in making their choices.*

The key thrust is on promoting organic farming in cooperation with Bio Suisse and offering a wide range of organic products under the Coop Naturaplan label. Particular attention is also given to promoting animal welfare and concentrating on products of Swiss origin under the Coop Naturafarm label, efforts to ensure a sustainable fish range, and the broad

spectrum of non-food products with high ecological added value under Coop Oecoplan. To this end, Coop supports seasonal ranges, is reducing air freight, promotes energy-saving appliances and offers ecological services such as the Oecoplan textile cleaning service.

### **Partners in the supply chain**

*Sustainability is possible only if all partners in the value chain earn enough in the medium term to not only cover their current costs but also to reinvest. Fairness, respect and transparency are preconditions of shared success and growth.*

Attention is focused on the one hand on the flagship label Pro Montagna and its products from Swiss mountain regions, a portion of whose retail price is donated to Coop Aid for Mountain Regions as a token of solidarity. Another focal point is Coop Naturaline and its 10,300 or so organic cotton producers in India and Tanzania. Their financial and health situation has been significantly improved by the guarantee of higher prices and sales and by numerous development projects overseen by the bioRe Foundation. And it should not be forgotten that Coop, in terms of sales and breadth of range, is a world leader in fair-trade products. Coop is also highly committed to enshrining minimum social requirements in its standard offering.

### **Corporate ecology**

*Efficient management of resources and energy also lowers costs, which benefits all consumers. The expectations of the public will continue to grow. Coop wishes to take responsibility for this issue and search for the most suitable and efficient solution by itself.*

Implementation of the CO<sub>2</sub> vision, promotion of renewable energy and identification and tapping of energy-saving opportunities are at the heart of Coop's endeavours. Every investment proposal has to identify the existing potential for reducing CO<sub>2</sub> emissions and energy consumption. The utilization of organic waste to produce energy is a further priority.

### **Employees**

*Coop's employees are its most important asset. Coop treats them with respect, pays them fair wages, and gives them opportunities to participate in training and continuing education and take on responsibility. Employee health and safety is of great importance to Coop. It seeks to raise employee awareness of the issue of sustainability and empower them to take responsibility both at work and at home.*

Coop's greatest successes are in the field of apprentice training. Currently employing a total of just over 3,000 apprentices in 20 occupations, Coop makes a substantial contribution to successfully integrating young people into the work process. In 2009, 67% of the apprentices were employed by Coop after completing their training. A progressive, nationwide collective employment agreement and generous retirement arrangements are important achievements that are being maintained despite the economic crisis. In view of the growing demands being placed on the employees and their rising average age, even more attention will be paid in future to promoting the health of the workforce.

### **Society**

*Coop depends on good operating conditions for the success of its business and is therefore keen to give part of its profits back to society. The Coop Sustainability Fund enables Coop to support innovative projects in the field of sustainable production and consumption. Coop is also committed to promoting a healthy diet, adequate exercise and respectful treatment of foodstuffs.*

The Coop Sustainability Fund is endowed with 13 million francs a year and supports innovative projects that promote sustainable consumption. Basic research or start-up funding for product developments is of benefit not only to Coop, its customers, suppliers and business partners, but also to the general public. This applies also to Coop's commitment to promoting a healthy diet and physical activity. Meticulous planning, accurately calculated order quantities and efficient merchandise management enable Coop to effectively counter the accrual of organic waste at its sales outlets, while distributing any excess foodstuffs to charitable organizations such as "Schweizer Tafel" (Swiss Table) or "Tischlein Deck dich" (Table Be Set), which provide food to care institutions and the needy.

### **STAKEHOLDER DIALOGUE**

Coop sets great store by good stakeholder relations. Such dialogue serves as a means of estimating external expectations, exploiting synergies and bundling resources. For Coop, stakeholder dialogue does not mean conducting as many surveys and meetings as possible. It is more about engaging in dialogue, embarking on joint projects and actively taking part in standards bodies or political task forces. Regular, issue-based exchanges of views help build up a relationship of trust, enable new topics and expectations

to be taken on board at an early stage and encourage pragmatic and broadly acceptable solutions to be drawn up. A current overview of the many diverse activities, mandates and projects of Coop and its stakeholders can be found on the Internet.

>> [www.coop.ch/stakeholders](http://www.coop.ch/stakeholders)

### **UN GLOBAL COMPACT**

Coop signed up to the United Nations Global Compact (UNGC) in summer 2009. The UNGC is a voluntary business initiative of the United Nations aimed at promoting the corporate commitment of businesses to society and achieving a fairer and more sustainable global economy. Exchange of information and experience as well as implementation of ten principles dealing with human rights, labour standards, environmental protection and anti-corruption measures constitute the core of the UNGC. Coop has always supported the principles and convictions of the initiative and, by signing up to the UNGC, is actively promoting implementation of the ten principles. There had previously been no question of Coop joining the UNGC, as implementation of the principles by the members was not being monitored strictly enough. This obstacle was removed in 2009 when reporting obligations were tightened.

>> [www.unglobalcompact.org](http://www.unglobalcompact.org)

## TARGETS AND DEGREE OF ATTAINMENT

GOALS FOR 2008–2010	MEASURES TAKEN IN 2009	GOAL ACHIEVEMENT LEVEL
<b>Strategy and management</b>		
Include all Coop divisions in the process for defining sustainability goals	<ul style="list-style-type: none"> <li>– Definition of medium-term CO<sub>2</sub> reduction goals for all units</li> <li>– The integration of sustainability in the goal-defining process has been institutionalized</li> </ul>	High
Integrate the sustainability goals into Strategic Controlling	<ul style="list-style-type: none"> <li>– Integration completed and reporting system defined</li> </ul>	High
Integrate Coop Personalversicherung CPV into the sustainability process	<ul style="list-style-type: none"> <li>– Incorporation of sustainability into the new investment strategy</li> <li>– Decision that the Minergie standard will be applied to all newly built or renovated properties</li> </ul>	Medium
<b>Sustainable consumption</b>		
Consolidate Coop's leadership in environmentally and socially responsible products in all retail formats	<ul style="list-style-type: none"> <li>– About 100 new products for Naturaplan</li> <li>– CO<sub>2</sub> neutrality of entire Naturaline knitwear range</li> <li>– Relaunch and expansion of Oeoplan range</li> <li>– Range expansion and marked sales growth of Pro Montagna</li> </ul>	High
Include internal purchasing in the scope of the Coop Guideline on Socio-ethical and Ecological Sourcing	<ul style="list-style-type: none"> <li>– Screening of internal purchasing</li> <li>– Issue of sustainability recommendations to organizers of Coop-sponsored events</li> <li>– Use of recycled toilet paper only</li> <li>– Use of FSC-certified copy paper only</li> </ul>	Medium
Expand the range of fish and shellfish from sustainable farming (organic) or from wild catch (MSC)	<ul style="list-style-type: none"> <li>– Additions to range such as Switzerland's first MSC-certified plaice</li> <li>– MSC Chain of Custody Certification for open sale of MSC fish</li> <li>– Increase share of certified sustainable fish and shellfish to 33% of overall fish sales</li> <li>– Delisting of a further six products (total: 19) from endangered fish stocks and substitution with sustainable alternatives</li> </ul>	High
Expand the range of energy-saving appliances	<ul style="list-style-type: none"> <li>– Membership of Topten, including Fust and Interdiscount</li> <li>– Participation in "energyday09"</li> <li>– Advance implementation of Energy Ordinance in the stepwise delisting of light bulbs</li> <li>– Launch of Oeoplan energy-saving lamps</li> <li>– Sale of turnkey houses built to Minergie P low-energy standard</li> </ul>	Medium
Expand the range of wood and paper products with the FSC label or made from recycled fibre	<ul style="list-style-type: none"> <li>– Prix Garantie toilet paper now made entirely from recycled fibre</li> <li>– All gift wrapping paper switched to FSC paper</li> <li>– Increase in proportion of products made from FSC wood: 100% of wooden toys, 80% of stationery and 70% of handicrafts range</li> </ul>	High
Successfully market products that have been sustainably produced in Switzerland (Pro Montagna, Slow Food, Bio Regio)	<ul style="list-style-type: none"> <li>– Range expansion and marked sales growth of Pro Montagna</li> <li>– Increase the number of Swiss Slow Food presidia to 17</li> <li>– Expansion of the "Organic – fresh from the region" strategy, inclusion of Geneva region</li> </ul>	High
Identify potential for reducing the use of materials in packaging and consumables	<ul style="list-style-type: none"> <li>– Gift baskets now made partly from water hyacinth</li> <li>– Establishment of coat-hanger cycle</li> <li>– Introduction of Building &amp; Hobby shopping bag made from recycled material</li> <li>– Screening of all packaging completed at end of 2009. Implementation of relevant projects planned for 2010</li> </ul>	Medium

GOALS FOR 2008–2010	MEASURES TAKEN IN 2009	GOAL ACHIEVEMENT LEVEL
<b>Employees</b>		
Integrate sustainability issues into employee training at all levels	<ul style="list-style-type: none"> <li>– Successful implementation of “Train on the job” module</li> <li>– Drafting of an approach to sustainability training</li> <li>– Training posters on sustainability topics for sales outlets and logistics</li> <li>– Organization of Eco-Drive training courses for 69 drivers</li> </ul>	Medium
Promote a balanced diet and more physical activity among employees at all levels	<ul style="list-style-type: none"> <li>– Organization of nutrition and physical activity courses in Logistics</li> <li>– Campaign targeting employees in the framework of the “schweiz.bewegt” project for more physical activity and a healthy diet</li> </ul>	Medium
Determine the potential for creating family-friendly working-time models	<ul style="list-style-type: none"> <li>– Numerous employees working 50% and paid by the hour now have contracts based on a monthly wage</li> </ul>	Medium
<b>Business partners/purchasing</b>		
Introduce a supplier management system that extends as far as their production facilities	<ul style="list-style-type: none"> <li>– New traceability and monitoring system for Naturaline and Naturafarm</li> <li>– Examination of various ways of integrating information from supplier audits into SAP</li> </ul>	Low
Audit suppliers of textiles, toys, Coop Oecoplan and Trophy articles in risk countries in accordance with BSCI standards and train them in sustainability	<ul style="list-style-type: none"> <li>– Extension to all suppliers with production facilities in risk countries</li> <li>– Number of BSCI-audited production facilities increased from 85 to 193. Number of completed BSCI processes rose from 13 to 66. Further 34 suppliers have become BSCI members and have their production facilities audited in accordance with their respective commitment.</li> <li>– Organization of training courses for suppliers in China</li> </ul>	High
Raise awareness, train and audit suppliers of fruit and vegetables in Spain, Morocco and Italy in quality, ecology and social standards	<ul style="list-style-type: none"> <li>– Organization of a stakeholder round table, and support for two suppliers with over 10,000 employees as they complete the BSCI process</li> <li>– Development of a training module, and training of three vegetable suppliers with 25 producers as preparation for a GRASP audit</li> <li>– Auditing of ten suppliers of berries in accordance with Coop requirements for water management</li> </ul>	Medium
Increase the proportion of coffee, palm oil and soya from sustainable production	<ul style="list-style-type: none"> <li>– Coffee: rise in proportion of 4C coffee from 8% to 20% (2010 goal: 50%; from 2012: 100%)</li> <li>– Palm oil: approx. 80% of palm oil in own-brand products is covered by sustainability certificates (goals: achieve 100% cover with certificates by 2010 and raise the proportion of sustainable palm oil in own-brand products to 80%)</li> <li>– Soya: stipulation for sustainable soya enshrined in Coop feed guideline</li> </ul>	Medium
Define and exploit synergies with Eurogroup and Coopernic in relation to sustainable sourcing	<ul style="list-style-type: none"> <li>– Joint planning of BSCI audits and staging of workshops for suppliers</li> <li>– Workshop on sustainability in the fruit and vegetable sector</li> <li>– Drafting of commitments on fish, fruit &amp; vegetables and products from risk countries within Coopernic</li> </ul>	High
<b>Corporate ecology</b>		
Reduce CO <sub>2</sub> emissions in line with the target agreement drawn up with EnAW (Business Energy Agency) and the Swiss Government	<ul style="list-style-type: none"> <li>– Targets achieved for the groups “manufacturing companies” and “distribution centres”</li> <li>– Drafting of a detailed programme for implementing the “CO<sub>2</sub> neutrality by 2023” vision</li> <li>– Specific CO<sub>2</sub> value per tonne-kilometre reduced to below target value</li> </ul>	Medium

GOALS FOR 2008–2010	MEASURES TAKEN IN 2009	GOAL ACHIEVEMENT LEVEL
Increase the proportion of green electricity in overall electricity consumption	<ul style="list-style-type: none"> <li>– Decision to dispense with electricity generated by nuclear power and switch over entirely to hydroelectric power in 2010</li> <li>– Financial participation in SwissWinds, the largest wind energy plant in Switzerland</li> <li>– Sourcing of “nature made star” green electricity amounting to 50 GWh for the 2008–2012 period</li> </ul>	High
Reduce energy consumption in the sales outlets and in central departments	<ul style="list-style-type: none"> <li>– A further 54 sales outlets built or renovated to the Minergie standard, 4 of them with a certificate</li> <li>– Energy consumption per m<sup>2</sup> reduced by 0.9% in the sales outlets</li> <li>– Specific heat consumption down 3% despite colder weather</li> </ul>	Medium
Reduce water consumption in the sales outlets and in central departments	<ul style="list-style-type: none"> <li>– Water consumption reduced by 16 million litres a year by installing waterless urinals in public toilets of department stores</li> </ul>	Medium
Promote the eco-awareness of employees in relation to the workplace and their personal surroundings	<ul style="list-style-type: none"> <li>– Relaunch CO<sub>2</sub> Monitor and increase the number of participants to 982</li> <li>– Coop contributes 650 francs towards the purchase of a nationwide Swiss railways GA travel card. The offer has been taken up by 988 employees to date.</li> </ul>	Medium
Reduce motor fuel consumption by gradually switching to low-consumption company cars	<ul style="list-style-type: none"> <li>– The proportion of cars in energy efficiency class A has risen by around 10%</li> </ul>	Low
Offset CO <sub>2</sub> caused by business travel, coop@home deliveries and air freight in collaboration with WWF	<ul style="list-style-type: none"> <li>– Further 14% reduction in air freight achieved by promoting seasonal offerings and switching to sea freight</li> <li>– 75,118 tonnes of CO<sub>2</sub> (12,016 tonnes less than in 2008) offset by carbon offsetting projects in Nepal and Madagascar amounting to 2.8 million francs</li> </ul>	High
Improve information about the environmental impact of consumption	<ul style="list-style-type: none"> <li>– Road show on sustainable consumption in all Coop shopping centres</li> <li>– Drawing up of detailed eco-audits for fruit and vegetables</li> <li>– Principal sponsor of the NATUR 4/09 sustainability trade fair</li> </ul>	Medium
<b>Stakeholders / society</b>		
Make the best possible use of the Coop Sustainability Fund	<ul style="list-style-type: none"> <li>– Promotion of research projects concerned with conflicting interfaces of climate protection, securing of food supplies and agriculture</li> <li>– Development of CO<sub>2</sub>-neutral production of all Coop Naturaline organic cotton textiles and organic cotton-wool products</li> <li>– Support for sustainable, integrated sourcing of cocoa in Honduras</li> <li>– Raising public awareness of the exhibitions on sustainable consumption at the Frutigen and Wolhusen “tropic houses”</li> </ul>	High
Expand commitment in the nutrition and physical activity fields	<ul style="list-style-type: none"> <li>– Signing up to the actionsanté initiative of the Federal Office of Public Health with the promise of a corresponding campaign</li> <li>– Launch of “Focus on Eating Trends” (regular representative opinion survey) with specialist support from the SGE (Swiss Nutrition Society), including publication of the results</li> <li>– Coop Online Coach also available in French since 1 January 2009</li> </ul>	High
Step up communication activities relating to sustainability	<ul style="list-style-type: none"> <li>– Successful poster and advertisement campaign on ecological footprint</li> <li>– Coop member press (print-run of 2.5 million) reports weekly on sustainability issues in a reader-friendly way in its “ecological &amp; fair” double-page spread.</li> </ul>	High
Step up political activities relating to environmental protection and sustainability	<ul style="list-style-type: none"> <li>– Active support for an ambitious and consistent Swiss policy on climate change</li> <li>– Initiation of a round table on ecological consumption under the direction of BAFU (Federal Office for the Environment)</li> <li>– Support for sparing use of the valuable resource of land (revision of the Spatial Development Act)</li> <li>– Active lobbying to strengthen the effectiveness of environmental laws</li> </ul>	High

## MILESTONES

1973	Environmental protection is enshrined in Coop's Articles of Association.
1989	Launch of Coop Oecoplan, the first environmental label.
1993	Coop Naturaplan and Coop Naturaline flagship labels are launched, along with the first certified Fairtrade products under the Max Havelaar label.
1995	Coop Naturaline textiles switch to organic cotton.
2000	Coop introduces the first code of conduct in the textile industry. This is later replaced by the BSCI Code of Conduct.  Coop awards the first Natura Prize at the Business Partner Conference, for exceptional achievements in developing sustainable products and services.
2001	Sales of the four socially and environmentally responsible flagship labels exceed one billion francs for the first time.
2002	Coop introduces its Guideline on Socio-ethical and Ecological Sourcing. It is updated in 2008 and made mandatory for the entire Coop Group, including internal purchasing.
2003	Coop Naturaplan Fund created to promote projects with a sustainable dimension.
2004	Coop publishes its first sustainability report. From 2006, it is published regularly as part of the annual report.  Code of conduct introduced to govern relations with business partners. Launch of "Regional organic specialities" line under the Coop Naturaplan label.
2005	Coop becomes a member of the Business Social Compliance Initiative (BSCI). The BSCI is a European platform that seeks to improve working conditions in its members' supply chains all over the world.
2006	Comprehensive environmental partnership with WWF Switzerland focusing on forestry (FSC products), sea and fisheries (seafood), and climate (saving energy).
2007	Establishment of a Carbon Offsetting Fund now endowed with up to 2.5 million francs a year.  Coop decides to build all new sales outlets to comply with the Minergie (low-energy) standard. First Minergie certificate awarded to the Schönenwerd sales outlet.  Launch of four new sustainability flagship labels: Naturafarm (meat and eggs from humane animal husbandry with access to range), Pro Specie Rara, Pro Montagna and Slow Food.
2008	The Carbon Offsetting Fund is merged with the Naturaplan Fund to form the Coop Sustainability Fund.  Coop approves the vision of achieving "CO <sub>2</sub> neutrality by 2023".  Coop Naturaplan is given a modern logo. The range is expanded by more than 90 innovative products to a total of approximately 1,600.  Coop launches the organics magazine "Verde" in an initial print-run of 1.4 million.
2009	Coop launches the green Coop Verde American Express® card. Verde is a regular credit card that can be used all over the world. 0.5% of the card's sales is donated to selected sustainable projects that focus on water.  In the framework of the "CO <sub>2</sub> neutrality by 2023" vision, Coop approves the Energy Vision. As from 2010, Coop will only source low-CO <sub>2</sub> electricity obtained entirely from hydropower in Switzerland and elsewhere in Europe.





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COOP'S "NATURALLY CLOUDY  
APPLE JUICE" IS MADE  
ENTIRELY WITH APPLES FROM  
STANDARD TREES.

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## STANDARD ORCHARDS HOST FIVE TIMES MORE PAIRS OF BREEDING BIRDS THAN DWARF-TREE ORCHARDS. THEY PROVIDE RARE ANIMALS AND PLANTS WITH HABITATS AND ARE A DEFINING FEATURE OF THE TRADITIONAL LANDSCAPE.

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There is constant rustling and chirping going on in farmer Peter Zahner's orchard in Waldkirch (Canton St. Gallen). He has been keeping an exact record of the inhabitants of his 300 or so standard (tall-growth) fruit trees for years. Up to 20 different species of birds breed there. They include endangered species such as the pied flycatcher, common redstart and different kinds of woodpecker. Specially installed nesting boxes provide shelter for about 30 bats.

Standard orchards tend to host up to four times more species of breeding bird, five times more pairs of breeding birds, eight to ten times more species of insect and two to three times more varieties of plant than dwarf-tree orchards. The extensive area and the high treetops provide dozens of plant varieties and animal species with a habitat. Standard fruit trees were long a defining feature of the traditional Swiss landscape. But because they have become less profitable and require a great deal of care, stocks of such trees have fallen from over eleven million in 1961 to about 2.5 million today. Through its partnership with the labelling organization Hochstamm Suisse, Coop uses money from the Coop Sustainability Fund to help restore consumer demand for the products of endangered standard orchards. One such product is Coop's "Hochstamm Apfelsaft Naturrüb" a naturally cloudy apple juice made entirely with apples from standard fruit trees.

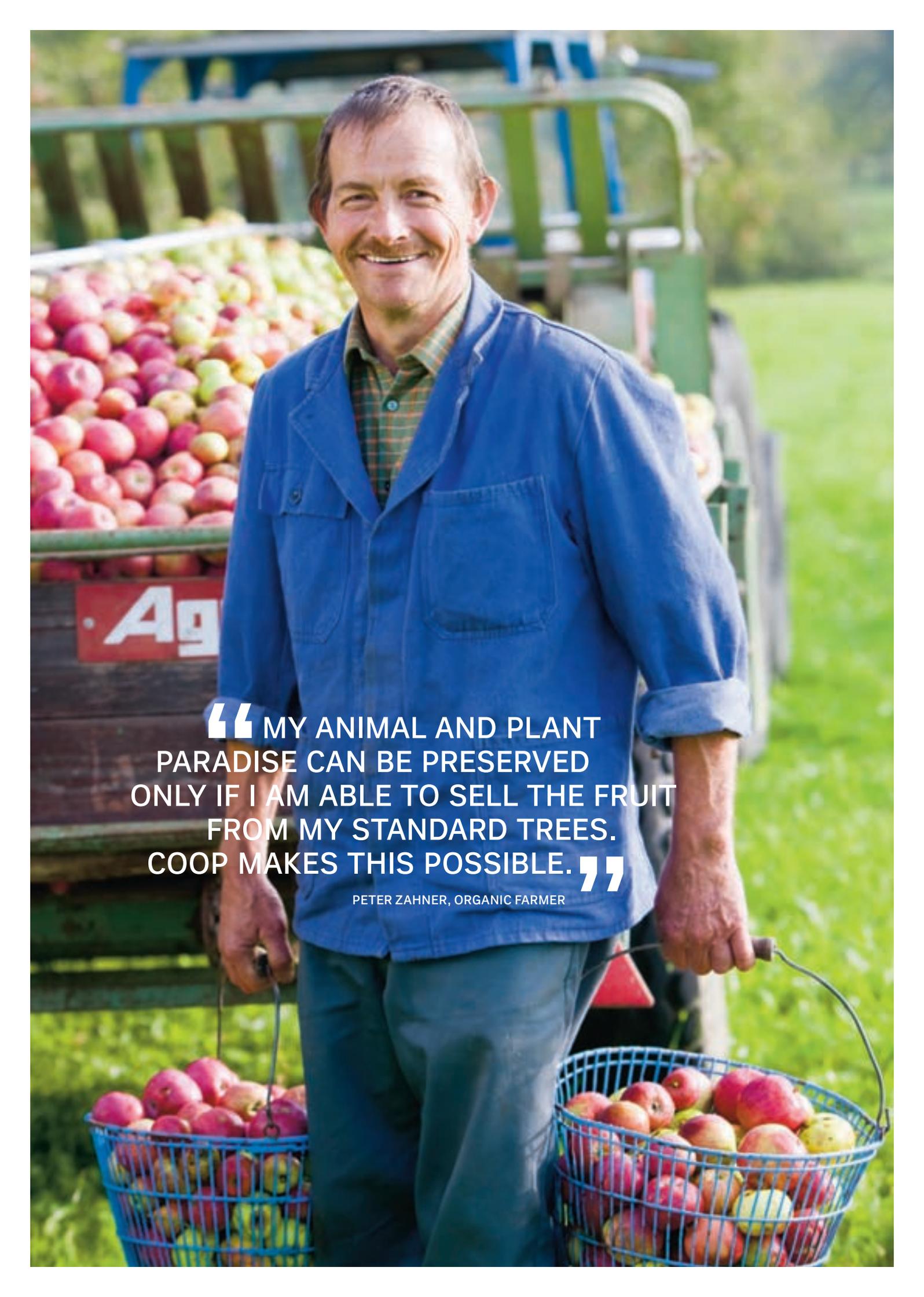
Peter Zahner's orchard includes pear and cherry as well as apple trees. Many of the standard trees are over a hundred years old, and some of the varieties are considered extremely rare. The "Waldkircher Zahnedel" apple is even called after Peter Zahner, having originated in his orchard.



WHEN THE ANNUAL HARVEST TIME COMES ROUND, PETER ZAHNER HAS TO CLIMB UP INTO THE CROWNS OF HIS STANDARD TREES, WHICH CAN GROW TO A HEIGHT OF 20 METRES.





A man with a mustache, wearing a blue jacket over a plaid shirt and blue trousers, stands in a field. He is holding two blue wire baskets filled with red and yellow apples. Behind him is a wooden truck filled with more apples. The truck has a red sign with the letters 'Ag' on it. The background is a green field under a bright sky.

“ MY ANIMAL AND PLANT  
PARADISE CAN BE PRESERVED  
ONLY IF I AM ABLE TO SELL THE FRUIT  
FROM MY STANDARD TREES.  
COOP MAKES THIS POSSIBLE. ”

PETER ZAHNER, ORGANIC FARMER

## SUSTAINABLE CONSUMPTION

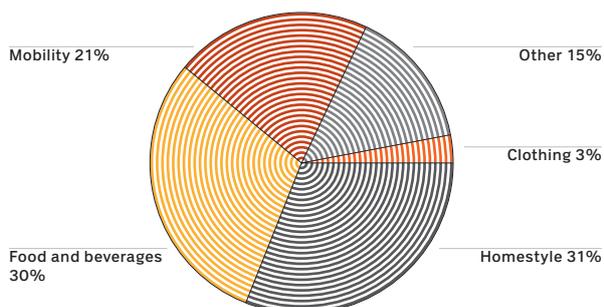
To secure mankind's future, a rethink is urgently needed to increase energy efficiency and sustainable consumption. Retailing has a key role to play in this process. Coop exerts a strong impact through its extensive range of ecologically and socially responsible products.

### Retail trade must take responsibility

Our average pro capita consumption is well in excess of what our planet can support: if all people lived like we Swiss do, it would already take 2.4 planets to meet all their needs – and the world's population is still growing steadily. This fact is one of the greatest challenges facing mankind as a whole and the industrialized countries in particular. If the future is to be secured for coming generations, a rethink is urgently needed to ensure more efficient use of resources and energy and the adoption of more sustainable consumption patterns. Because the retail sector can exert a wide-ranging influence through the provision of sustainable ranges and the promotion of sustainable consumption, it has a key role to play in this process. Coop takes its share of the responsibility seriously for the only world we have. By providing a comprehensive

### Environmental impact of consumption

Source: ecointesys 2007. The finance interface is included indirectly in the respective consumption sectors.



range of organic, humanely produced and socially accountable products and by appropriately promoting and communicating these products, Coop enables consumers to shop with a clear conscience.

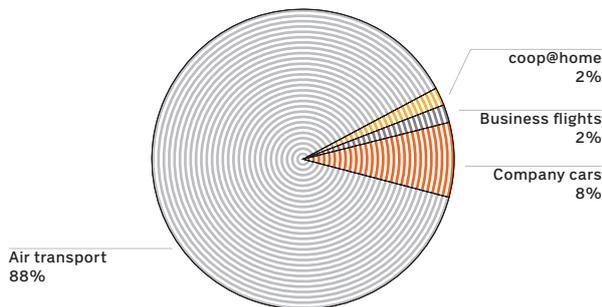
### CLIMATE-FRIENDLY SOURCING

#### Reduction, offsetting and labelling of air freight

A large part of the world's CO<sub>2</sub> emissions is caused by air transport of people and goods. Coop therefore decided in 2007 to offset the CO<sub>2</sub> emissions triggered by all air freight (except flowers), coop@home deliveries and all business travel. This measure involves emissions amounting to some 75,000 tonnes of CO<sub>2</sub> and investments totalling 2.8 million francs a year. The money is spent on carefully selected carbon offsetting projects such as building climate-friendly biogas systems in Nepal or distributing solar cookers on Madagascar. All projects have to comply with the internationally recognized WWF Gold Standard, which applies very strict criteria in terms of sustainability, efficiency and credibility. The "By Air" label enables Coop's customers to see for themselves which products are imported by air and offset by Coop. Nonetheless, the main aim is to continuously reduce air-freighted imports and the resulting CO<sub>2</sub> emissions. To this end, Coop issued an internal sourcing guideline back in 2007 that permits air freight only if quality considerations make it unavoidable.

## Offsetting

Total offset: 75 118 tonnes of CO<sub>2</sub>



## Large potential for reducing asparagus imports by air

A comprehensive examination of all air-freighted imports at Coop showed that the greatest potential for reductions was in white and green asparagus sourced overseas. Improvements in the efficiency of logistics processes and in the cold chain enabled Coop to increase the proportion of white asparagus transported by ship and truck from 50% in 2007 to the present level of 100%. In the case of green asparagus, quality considerations rule out such transport at present. Coop therefore went a step further and announced in January 2009 that, with immediate effect, it was discontinuing special promotions for green asparagus air-freighted to Switzerland from Peru, Mexico and California. This step alone means that 400 tonnes less asparagus are transported by air, thereby reducing CO<sub>2</sub> emissions by 7,200 tonnes. In the longer term, Coop hopes to develop Morocco as a green asparagus producer country so that, in future, no green asparagus at all will have to be imported by air.

## Conscious decision in favour of Max Havelaar roses

Taking into account the environmental impacts accruing along the entire value chain, there are a few exceptional cases of product groups whose CO<sub>2</sub> emissions are not due predominantly to their being transported by air. In the case of products cultivated at high temperatures in greenhouses, more energy is required for heating than for transporting them by air. The CO<sub>2</sub> emissions generated by roses flown in from Ecuador or Kenya are four times lower than those for importing cut flowers from the Netherlands. Coop, together with WWF, therefore decided that flowers sold under the Max Havelaar label would initially be exempted from the carbon offsetting commitment. To ensure transparency, they are labelled "By Air", but without the addition of "Carbon-offset". For social reasons, Coop does not regard a switch to roses

## First reduce, then offset CO<sub>2</sub>

"As a member of the WWF Climate Group, Coop is steadily reducing not only the CO<sub>2</sub> emissions caused by business travel and goods shipments, but also the climatically harmful air-freighting of fresh produce. Sourcing closer to home or even setting up production centres of their own saves air miles for companies and improves their climate footprint. WWF welcomes Coop's ambitious programme for reducing air shipments and the systematic labelling of air-freight with a special logo, which creates transparency for customers and enables them to shop on a more climate-conscious basis. Coop offsets the remaining air shipments by investing approximately two million francs a year in WWF climate protection projects. Thanks to small, simple biogas systems in Nepal and solar cookers in Madagascar, several thousand families are already able to cook in a way that is soot-free and saves on CO<sub>2</sub> emissions, and they no longer have to haul large quantities of firewood from sensitive nearby woodland that is home to a wide spectrum of flora and fauna."

*Christian Som,  
Project Portfolio Manager, WWF Switzerland*

sourced in Europe in order to avoid air-freighting as a viable option because the workers on Max Havelaar-certified farms benefit from monitored good working conditions and fair trade.

## Focus on seasonal and regional products

Besides reducing air freight, Coop is also constantly expanding its range of seasonal and regional fruit and vegetables. Special offers for such items and product-related information help save on transport kilometres and thereby reduce CO<sub>2</sub> emissions. The entire Coop Naturaplan range is subject to the strict Bio Suisse guidelines, which permit a product to be imported only if it is not available in Switzerland in sufficient quantity or adequate quality. In addition, products bearing the Bio Suisse bud label may be processed abroad only in a few exceptional cases, for instance if the necessary processing plants do not exist in Switzerland. The "Regional organic specialities" line enables Coop to offer small producers a sales channel, secure jobs in the region and support local added value. Products consisting of a single raw material originate entirely in the region, compared with 90% for compound products. Where production quantities are small, Coop sells the regional organic specialities locally – sometimes in as few as four or five points of sale. Items produced in larger

quantities are also available in several Coop sales regions. Coop now offers regional fruit and vegetables in organic quality at 340 points of sale under its "Organic – fresh from the region" label. This produce is sourced in a total of nine different regions and the producers deliver it straight to Coop's regional distribution centres.

## BIODIVERSITY

### Coop takes responsibility

The concept of biodiversity embraces diversity not only of plants and animals but also of genetics, habitats and eco-systems. A wealth of biodiversity is the foundation on which natural processes can be safeguarded, more stable eco-systems ensured and the chances of survival improved under changing environmental conditions. For many years and on many different levels, Coop has worked actively to maintain and promote biodiversity, and its contribution – not just in 2010, the UN's International Year of Biodiversity – is substantial. Coop's commitment at the product level centres round its eight ecologically and socially responsible flagship labels Naturaplan, Naturafarm, Naturaline, Oecoplan, Max Havelaar, Pro Montagna, Pro Specie Rara and Slow Food. But its standard ranges also reflect the numerous overarching measures Coop takes to foster biodiversity.

### Organic and mountain farming promotes biodiversity

Scientific studies show that organic farming is much more conducive than conventional methods to biodiversity. For instance, organic farms provide habitats for between 50% more individuals on average and 30% more species and varieties of animal and plant – owing in part to more varied crop rotation and the fact that they do not use artificial fertilizers or synthetic-chemical pesticides. Moreover, the proportion of semi-natural land on organic farms is 50–70% greater, depending on the altitude. The ecological compensation areas it creates are an important refuge for many species. Coop's Naturaplan and Naturaline labels offer a major sales channel for products of entirely organic origin. The 1,600 or so Naturaplan items certified with the Bio Suisse bud label meet higher standards than the minimum legal requirements for organic products. Coop Naturaline stands for organically produced, fair-traded cotton textiles and supports some 10,300 organic farmers in India and Tanzania. Traditional mountain farming also makes a contribution towards preserving biodiversity by protecting alpine meadows against the encroachment of scrub and woodland and by fostering flora

### Wild bees are wild about organic oilseed rape

Scientific studies show that up to 60% more wild bees and bee species are found in organic oilseed rape fields than in conventional ones. This means that organic crops enjoy better pollination and seed production than their conventionally grown counterparts. The greater occurrence of bees is due to the fact that no synthetic-chemical pesticides or herbicides are used in organic farming and, additionally, that such crops have more secondary flora. The "ecological compensation areas" serve as refuges for wild bees and honey bees and are an alternative source of food for them. Coop launched Naturaplan organic rapeseed oil in 2007 and now sells an average of just under 100,000 litres a year. Organic rapeseed oil is good not just for the environment but also for health. It has a high content of mono-unsaturated and essential omega-3 fatty acids and is therefore recommended by nutrition experts. Through the Coop Sustainability Fund, Coop has been supporting a project to cultivate organic rapeseed in Switzerland since 2008. The particular aim is to promote the production of Swiss organic rapeseed oil.

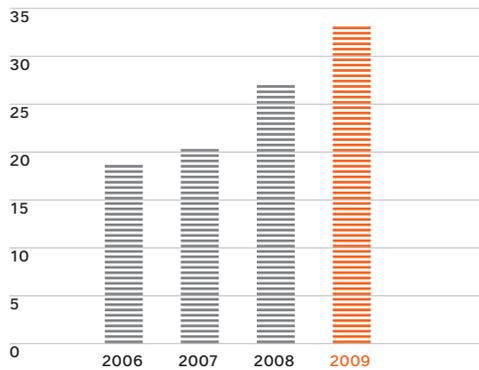
and fauna. Coop supports Swiss mountain farming through Coop Aid for Mountain Regions and through the 100 or so items of the Pro Montagna flagship label that are produced and processed in the Swiss mountains. Coop Oecoplan offers numerous natural alternatives to the pesticides and artificial fertilizers that are often used in large quantities in private gardens. Organic seeds and seedlings, natural fertilizers, peat-free soils and intelligent use of natural plant protection agents enable the number of semi-natural areas with a high level of biodiversity to be increased in inhabited areas.

>> [www.biosuisse.ch](http://www.biosuisse.ch)

### Preserving woodlands as a natural habitat

Healthy woodlands are vitally important. They provide a natural habitat for countless living creatures and are considered to be the Earth's lungs. Yet some 13 million hectares of the world's forests disappear every year. To counter this development, Coop confines itself to products made with FSC-certified wood and recycled paper, including its standard range of own brands. FSC (Forest Stewardship Council) is an international, non-profit, member-based organization established to promote the environmentally compatible, socially accountable and economically viable management of the world's forests. The FSC label stands for forest products obtained under environmentally and socially responsible production

**Sales of sustainable fish (organic and MSC)**  
in % of total sales



conditions and for active promotion of biodiversity. In Coop's own-brand range, FSC products currently account for 100% of wooden toys, 80% of stationery and 70% of the handicrafts range. In the Coop Oecoplan label, all wooden products are FSC-certified and all paper articles are made with recycled paper.  
>> [www.fsc-schweiz.ch](http://www.fsc-schweiz.ch), [www.fsc-produkte.ch](http://www.fsc-produkte.ch)

#### **Pioneering contribution to marine conservation**

As a founding member of the WWF Seafood Group, Coop actively supports a responsible and sustainable approach to marine life and its habitats. It has removed many acutely endangered wild-catch fish species from its range since 2007, for instance bluefin tuna, swordfish and deep-sea ocean perch. Coop has also undertaken not to carry out any promotions of fish from endangered stocks and not to sell other seriously endangered species of fish if no ecologically acceptable alternatives are found. In conjunction with WWF, Coop is constantly working on expanding its range of fish from sustainable production. Having dispensed with the sale of Atlantic cod from endangered wild fish populations, for instance, it has for several months been selling cod only from sustainable fish farms.

>> [www.wwf.ch/seafoodgroup](http://www.wwf.ch/seafoodgroup)

#### **MSC and organic: sustainable alternatives**

Coop stocks a varied range of MSC-certified fish and organic seafood bearing the Bio Suisse bud label. The MSC (Marine Stewardship Council) label stands for wild catch from environmentally compatible fisheries and guarantees that fishing is restricted to what can be replenished by natural means. Fishing must not harm the structure, diversity or productivity of the respective eco-system and its native species. Coop has supported the MSC since 2000 and is the first Swiss retailer to have launched a number of MSC-certified seafood products such as plaice on a Swiss-

#### **Naturaplan organic shrimps: protecting mangrove forests**

The mangrove forests of tropical coastal regions are among the most important of the world's eco-systems and are host to countless species of fish and crustacean. Owing in part to the massive development of shrimp farming in these regions, however, the forests have been systematically cleared. In addition, the excessive application of fertilizers and the use of medicines in conventional shrimp-farming has resulted in contamination of water and salting of soil.

Coop has concentrated on organic-quality shrimps since 2004 – the first large retailer to do so anywhere in the world. Some 75% of farmed shrimps sold at Coop currently stem from organic aquaculture. These aquaculture operations are run on as natural a basis as possible and are regularly audited by independent organizations for criteria such as compliance with the strict ban on antibiotics. In addition, special guidelines ensure protection of the valuable mangrove forests, which have to make up at least half of the organic farm's operational area or form part of a reforestation programme.

wide basis. Coop also stocks numerous types of fish and crustaceans from monitored organic farming under its Naturaplan label. All fish farms are Bio Suisse-certified and comply with strict requirements regarding humane husbandry, monitored feed that is free from added hormones or growth enhancers, no use of preventive medicines and no use of genetic engineering. Air-freighting of fish imports is prohibited, which means that organic fish and shrimps have to be imported deep-frozen. With a total of 45 products, Coop stocks the world's largest range of organic seafood products. 33% of Coop's seafood currently stems from certified, sustainable alternative sources. For the remaining 67% of the range, Coop's obligation as a member of the WWF Seafood Group is to ensure that no products from endangered fish stocks are sold.

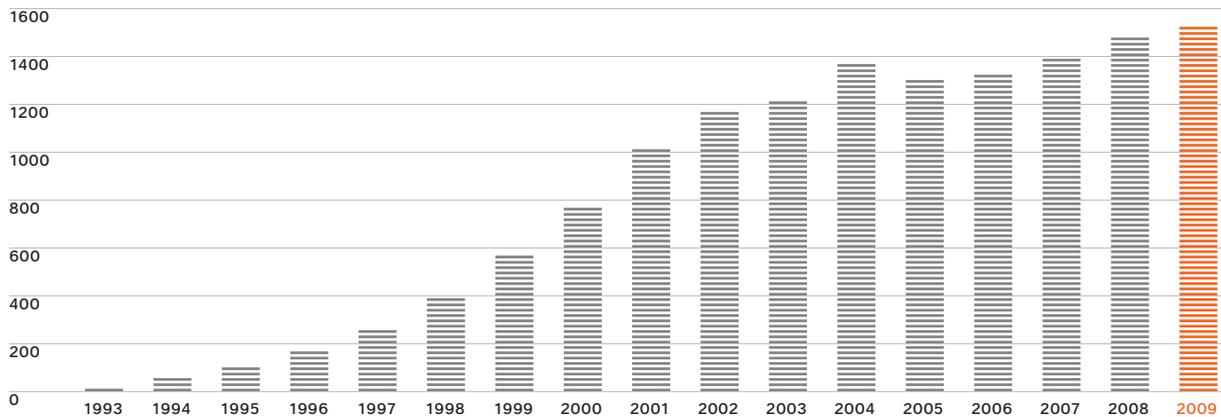
>> [www.msc.org](http://www.msc.org)

#### **Genetic and crop diversity**

In the light of global warming, it is of crucial importance for the world's population that there should be sufficient varieties and species of plants and animals that can cope with environmental change. The genetic diversity of crop plants is thus a guarantee of our continued existence. Coop supports the work being done by grain producer Peter Kunz and the Sativa cooperative in the cultivation and seed propagation of organic wheat and spelt. The aim is to develop

### Sales trend of the environmentally and socially responsible flagship labels

Coop Naturaplan, Coop Naturafarm, Coop Naturaline, Coop Oecoplan, Max Havelaar, Pro Specie Rara, Slow Food, Pro Montagna  
Sales in CHF millions



healthy, robust varieties that are particularly suitable for organic farming and offer good yields. In April 2010, Coop is to launch a Sativa bread loaf made almost exclusively from organically produced seed. It also promotes the Pro Specie Rara foundation set up to protect the diversity of native livestock and crop plants. Coop stocks numerous fresh products and seed and seedling varieties from Pro Specie Rara.

>> [www.gzpk.ch](http://www.gzpk.ch), [www.sativa-rheinau.ch](http://www.sativa-rheinau.ch),  
[www.prospecierara.ch](http://www.prospecierara.ch)

### Promoting food culture

As a long-standing partner of the international, non-profit Slow Food association, Coop makes an important contribution to culinary diversity in Switzerland. Founded in 1986, Slow Food aims to rediscover long-forgotten flavours and to preserve traditional regional products, original production methods, and customs passed down over generations. The organization now has over 85,000 followers in 132 different countries all round the world. Coop provides financial support for Slow Food and stocks a carefully selected range of Slow Food products at some 140 points of sale throughout Switzerland. The commitment of Coop and Slow Food Switzerland centres round the development of further presidia groups in Switzerland, each of which is dedicated to the preservation of a traditional product.

>> [www.slowfood.ch](http://www.slowfood.ch)

### ANIMAL WELFARE

#### Stringent animal welfare rules not just for Naturafarm operations

Coop's commitment to animal welfare continues to be of great strategic importance and is evident above all in the animal-husbandry programmes of the Naturafarm flagship label. Coop, together with Swiss Animal Protection (SAP) in particular, is working on developing a set of guidelines for this area. In the animal-husbandry programmes Naturafarm Porc, Veal, Chicken and Eggs at least one unannounced audit a year is carried out to monitor the systematic implementation of animal-welfare requirements. These audits are conducted by independent, state-accredited organizations such as the Swiss Animal Protection (SAP) service. Coop also voluntarily goes further than the legal requirements in its standard range and, for instance, has not stocked any liver products from force-fed geese or ducks since 2003. In the Christmas range, articles that were questionable in terms of animal welfare were delisted at the end of 2008. This applies, for instance, to festive-season capons that are not castrated painlessly, and festive-season geese that are plucked while still alive. In addition, Coop announced in 2009 that rabbit meat would in future be restricted to products of particularly humane animal husbandry sourced in Switzerland (BTS standard).

#### Establishing young-boar fattening

As of 1 July 2009, i.e. six months before the legal obligation came into force, Coop banned piglet castration without pain relief in the Naturafarm pig-breeding programme. Coop Naturafarm also prevents boar taint by using the animal-friendly vaccine method, the only such programme in Switzerland to do so. In

addition, young boars are being fattened on Natura-farm pilot farms entirely without castration. The aim is to gain, together with the scientific, animal-trade and meat-processing sectors, far-reaching practical experience that establishes entire-boar fattening as the most natural rearing method.

**Natura Veal – veal from suckler-cow husbandry**  
Coop played a key role in the “Veal from Suckler-cow Husbandry” project through the Coop Sustainability Fund and, together with the Suckler Cow Switzerland association, launched this natural form of production in November 2008. The Natura Veal brand name was selected with reference to the successful sister brand Natura Beef, which requires compliance with the same production conditions: suckler-cow husbandry, maternal milk straight from the udder as the main source of food, daily grazing on pasture in summer and daily access to range in winter. For calves, rearing in the suckler-cow herd is the most natural form of husbandry. The cows live together with their calves and usually also with a bull as a family community and can move about freely. The use of Swiss meadows and pastureland to produce veal is particularly sustainable and, through largely dispensing with concentrated feed, also saves resources. Trial sales of veal sold under the Natura Veal label began at selected Coop points of sale in autumn 2009.  
>> [www.mutterkuh.ch](http://www.mutterkuh.ch)

## HEALTH AND NUTRITION

### Going further than the legal requirements

Diet always plays a crucial role in shaping our sense of personal well-being. Coop therefore actively promotes a varied and balanced diet for the inhabitants of Switzerland and offers a wide choice of products that meet the most diverse dietary needs. Coop supports a responsible and needs-based approach to the use of additives and goes further than the legal requirements on their use. As well as dispensing with the use of critical additives, Coop decided in 2008 that it would no longer employ artificial colouring agents and that all Coop own-brand products would be gradually brought into line with this decision.

### Study: “Focus on Eating Trends”

In February 2009, with specialist support from the SGE (Swiss Nutrition Society), Coop initiated a series of studies entitled “Focus on Eating Trends”. Regular representative surveys of eating habits and dietary awareness are carried out and the results then published. Following an initial survey on “A healthy diet: attitudes, knowledge and behaviour” in February

## actionsanté – eat better and exercise more

“An increase in sedentary activities, lack of exercise and an unbalanced diet are leading to a rise in the occurrence of ‘diseases of civilization’ and take a heavy toll on the Swiss healthcare system. In connection with the National ‘Nutrition and Physical Activity 2008–2012’ Programme, the Federal Office of Public Health decided to take a new approach to prevention, launching the ‘actionsanté’ initiative. The private sector has a key role to play in the drive to persuade the public to ‘eat better and exercise more’: by undertaking voluntary commitments, the participating companies help create an environment that is conducive to a healthy way of life.

We welcome the commitment Coop has made in the framework of actionsanté to lower the salt content of bread and frozen potato products and the sugar content of various dairy products and to further improve the fat content of ready-to-serve meals. Coop also takes its responsibility seriously outside the framework of actionsanté by engaging in additional activities that promote a healthy lifestyle. The public sector is dependent on good cooperation with responsibly-minded companies in the manufacturing, retail and catering sectors.”

*Roland Charrière, Deputy Director  
of the Federal Office of Public Health (FOPH),  
Head of the Consumer Protection Directorate*

2009, subsequent surveys examined what people understood by fast, healthy food and to what extent food and health were associated in the minds of Swiss people. The results provide a wide range of players with a solid foundation for promoting a balanced diet with the right offering and the right kind of communication.  
>> [www.sge-ssn.ch](http://www.sge-ssn.ch)

### Affordable cooking for people with diabetes

The number of people falling ill with type 1 and type 2 diabetes is rising steadily, and they face a particularly great challenge in preparing a healthy, balanced meal that is also inexpensive. The Coop member press’s new cookery book entitled “Affordable Cooking for People with Diabetes” contains more than 60 recipes and is aimed at people who want a healthy diet at relatively low cost. The recipes are geared to the needs of people with diabetes and are rounded out with precise nutritional data on protein, fats, carbohydrate and calories. The cookery book was produced in close cooperation between the Coop Nutrition Unit and the Swiss Diabetes Society and contains a general section providing information on a healthy diet in addition to the recipes.

### Balanced diet in childhood

The 50 or so food products of the Jamadu own brand are designed to meet the specific needs of children, and their ingredients have to satisfy stringent requirements. Internal nutrition experts are involved in developing them. The food products are made from high-quality ingredients and have as little fat, sugar and salt as possible. The use of additives is avoided wherever possible, and sweeteners and artificial colouring and flavouring agents are not permitted. To ensure that the products also taste good, they are tested and judged by a jury of children before being launched. Jamadu is designed to accustom children to naturally tasty food at an early age and to win them over to a healthy lifestyle. To underpin these values, Coop sponsors various events in the nutrition and physical activity field under its Jamadu own brand.

### NON-FOOD RANGE

#### 20 years of Oecoplan: new logo and packaging design

When the Oecoplan label was launched in 1989, food products such as potatoes from integrated crop management were still included, as well as packaging materials of particular ecological value. Biodegradable cleaning agents, organic gardening products and recycled toilet and household paper were added in 1991. On launching the Coop Naturaplan organic label in 1993, Coop switched the entire Oecoplan range to ecological non-food articles and implemented numerous improvements in product packaging to bring it into line with the Oecoplan concept. A substantial part of the wood-product range at the Building & Hobby centres was switched to FSC-certified Oecoplan products in 2000. To mark its 20th anniversary in 2009, Oecoplan was given a new look and a modern logo. The new, uniform packaging acts as a signpost directing customers to ecological products. The main ecological added value with its eye-catching pictogram can be rapidly discerned on the front of the packaging. Detailed information on the benefits of Oecoplan is provided in a green section on the back of the packaging. Oecoplan products are being gradually switched to the new packaging.

The approximately 1,400 environmentally friendly non-food articles and additional services marketed under the Coop Oecoplan label offer distinct ecological added value. Oecoplan does not use ingredients that are harmful to health and it guarantees product traceability. The Oecoplan guidelines define the ecological basis for the range, and the product-specific requirement profiles guarantee the concrete eco-

#### Minimum energy consumption in Minergie P houses

Since the end of 2007, Coop has ensured that all newly built or remodelled stores comply with the ecologically valuable Minergie low-energy standard. Coop decided in 2009 to have Building & Hobby enter the energy-efficient housing business and offer turnkey houses built to the Minergie P standard. Minergie P is a quality label awarded by the Minergie Switzerland organization. It guarantees what is currently the highest standard of energy efficiency. A Minergie P house has efficient user-comfort ventilation and, thanks to its highly insulated, airtight building shell, requires hardly any additional supply of heat. Minergie P turnkey houses from Coop with a floor area of 128 or 154 square metres offer a high level of comfort and minimum energy consumption. The energy consumption of a Minergie P house corresponds to roughly 1.5 litres of oil per square metre – 80% less than that of conventional houses.

logical added value of the individual products. The product requirements are adjusted from time to time and, wherever possible, comply with recognized eco-labels and standards such as FSC. In many cases, however, Oecoplan requirements are even stricter than these. Supplier compliance with Oecoplan product requirements is periodically monitored by independent external organizations.

#### Energy-saving products and ecological services

It is not only at the corporate ecology level that Coop attaches great importance to saving energy and CO<sub>2</sub>. For instance, Coop stopped selling matt light bulbs in September 2009, thereby opting for advanced and voluntary compliance with an EU directive that will also come into force in Switzerland in 2010. At the same time, Coop launched a new series of Oecoplan energy-saving light bulbs that use up to 80% less energy than traditional light bulbs and have a guaranteed life of at least 15 years. The energy efficiency of the electrical appliances in Coop's Satrap own brand is optimized, and some of them are given top rankings on Topten, an independent, consumer-friendly Internet search tool for energy-efficient products. In addition, Coop, Interdiscount and Fust have concluded a formal agreement with Topten under which appliances that satisfy Topten's requirements can be labelled as such in advertisements and at the points of sale. In October 2009, Coop, Interdiscount and Fust, in cooperation with the Federal Office of Energy (SFOE), participated – for the second time – in the "Energy Day". Numerous campaigns, informa-

tion and comprehensive measures at the points of sale succeeded in raising awareness of the topic of energy-saving among large numbers of consumers. Building & Hobby now offers an additional year-round service in the form of an energy analysis that identifies the energy weak points in customers' homes and provides them with suggestions for appropriate corrective action.

>> [www.topten.ch](http://www.topten.ch)





A photograph of a white laboratory freezer cabinet. The cabinet has a control panel on the right side with a small digital display and several buttons. A clipboard with a blue and white document is attached to the door. The cabinet is set against a light-colored wall.

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IF WE ARE ALL TO BENEFIT FROM  
ORGANIC FARMING, WE HAVE  
TO DO RESEARCH ON IT. THAT'S  
WHY COOP SUPPORTS THE FIBL.

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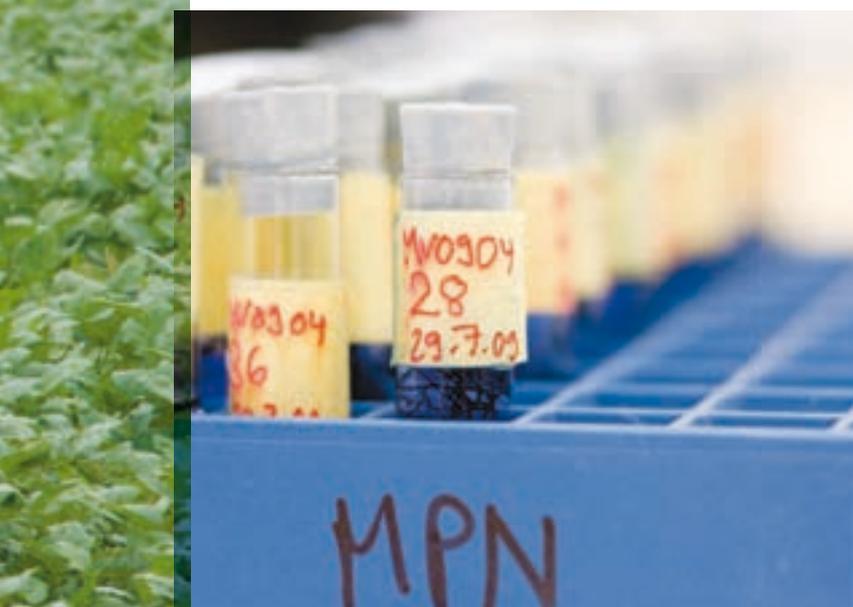
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**FIBL IS ONE THE WORLD'S LEADING RESEARCH ORGANIZATIONS IN THE FIELD OF ORGANIC FARMING. COOP HAS BEEN COOPERATING WITH FIBL SINCE 1992, PROMOTING RESEARCH PROJECTS IN SWITZERLAND AND INDIA, FOR INSTANCE.**

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Isabell Hildermann, doctoral student at the Research Institute of Organic Agriculture (FiBL) in Frick (Canton of Aargau), is carefully examining the roots of a soya plant. To be precise, her interest is concentrated on the numerous whitish-brown nodules in the roots. The plant has, with help from bacteria, fixed nitrogen from the atmosphere, converted it into fertilizer and stored it in these nodules. The cultivation of soya and other legumes is thus a natural alternative to the production of synthetic nitrogenous fertilizers, which is energy-intensive and also harmful to the climate.

Investigating the effects of green fertilizers on soil fertility, climate and economic criteria is only one of many research projects being realized at the FiBL. The Institute has been engaging in research, consulting and training activities in the field of organic farming both in Switzerland and all over the world for 35 years. Biodiversity is key to organic farming. Healthy, biodiverse soil is the starting point for the production of well balanced, tasty foodstuffs. This is one more reason why Coop has been supporting FiBL and promoting its innovative projects, particularly with money from the Coop Sustainability Fund, for just under 20 years. For instance, Coop is investing in long-term system comparisons in India that measure input and output of organic methods in direct comparison with conventional techniques for growing cotton. The aim is to develop a resource-saving and therefore sustainable farming system that ensures a guaranteed income and healthy nutrition. The comparative study is being carried out on land belonging to the bioRe Association India, a foundation set up by Coop and the Swiss company Remei AG. Remei is the supplier of fair-trade organic cotton for Coop Naturaline textiles.



WHETHER ON THE FIELD OR IN THE LABORATORY,  
IN SWITZERLAND OR IN SOUTHERN COUNTRIES,  
THE RESEARCH INSTITUTE OF ORGANIC AGRICULTURE  
ENGAGES IN A WIDE RANGE OF ACTIVITIES.

A woman with brown hair, wearing a white lab coat, is holding a small potted plant with both hands. She is looking at the plant with a focused expression. In the background, there are several other potted plants on a shelf, and a whiteboard with some blue markings. The setting appears to be a laboratory or a greenhouse.

**“ PROMOTING AND FURTHER  
DEVELOPING ORGANIC FARMING  
IS CRUCIAL FOR THE CONSERVATION  
OF BIODIVERSITY.”**

ISABELL HILDERMANN, RESEARCH  
INSTITUTE OF ORGANIC AGRICULTURE

Coop aims to be CO<sub>2</sub>-neutral by 2023. A package of measures to achieve this vision, with ambitious goals to reduce CO<sub>2</sub> and energy consumption, is in place. It enables Coop to save costs of about 70 million francs and shows that profitability and environmental protection are not a contradiction in terms.

### **Long-term goal of reducing energy consumption**

Repairing the damage caused to date by climate change will cost up to 20% of world economic product – this was the conclusion drawn in 2007 by the scientific commission headed by former World Bank director Nicholas Stern in its report on the economic impact of global warming. In contrast, the preventive measures we are taking today are up to ten times less costly. According to the Swiss Energy Statistics of the Federal Office of Energy, there is great potential in Switzerland for reducing consumption of motor fuel, combustibles and electricity and for thus contributing to climate protection. Coop can rise to this challenge, having undertaken its first measures to reduce energy consumption as far back as thirty or so years ago. Its next significant step was in 2004, when it became the first major retailer in Switzerland to conclude a concrete CO<sub>2</sub> target agreement with the Federal Government. The Business Energy Agency (EnAW) was appointed as an independent consultancy by the Federal Government to support companies' efforts to achieve their CO<sub>2</sub> and energy targets. Under this mandate, the Business Energy Agency helps Coop with the data surveys needed for monitoring and with the evaluation and planning of corrective measures. In the knowledge that the measures resulting from the target agreements with the Federal Government are not in themselves sufficient, Coop

is constantly seeking ways of further exploiting its potential for reduction.

>> [www.energieschweiz.ch](http://www.energieschweiz.ch), [www.enaw.ch](http://www.enaw.ch)

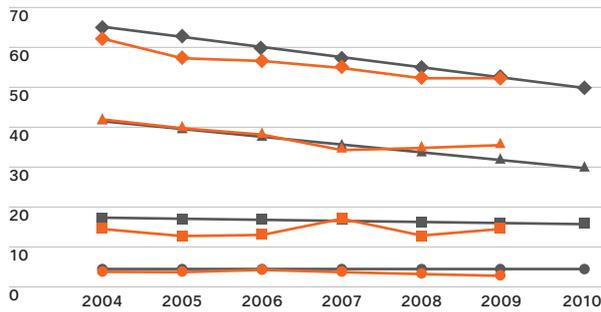
### **CO<sub>2</sub> NEUTRALITY: FROM VISION TO PRACTICE**

#### **The vision**

Coop took the bold decision in 2008 to achieve CO<sub>2</sub> neutrality within fifteen years, i.e. by 2023, wherever it could influence such emissions directly. For Coop, this target above all means undertaking all technically possible and financially justifiable measures to bring about a steady reduction in the CO<sub>2</sub> emissions that it generates. Since CO<sub>2</sub> emissions can also be reduced by saving on energy, Coop has additionally set itself the target of lowering its overall energy consumption wherever possible. CO<sub>2</sub> emissions that can be avoided only at disproportionately high cost or not at all are to be offset by financing suitable projects at home and abroad. The CO<sub>2</sub> vision applies to the Coop parent company, all sales formats and divisions, Dipl. Ing. Fust AG and all business travel in Switzerland and elsewhere. Included are all points of sale and distribution centres, administrative units, the manufacturing companies, travel for customer-service purposes and all shipments of goods owned by Coop, thus including shipments by Swiss Federal Railways (SBB) or other carriers.

### Achievement level of CO<sub>2</sub> target agreements with Federal Government

CO<sub>2</sub> emissions in thousands of tonnes



- ◆ Total of CO<sub>2</sub> target agreements ACTUAL
- ◆ Total of CO<sub>2</sub> target agreements TARGET
- ▲ Sales Outlets ACTUAL
- ▲ Sales Outlets TARGET
- Distribution centres ACTUAL
- Distribution centres TARGET
- Manufacturing companies ACTUAL
- Manufacturing companies TARGET

#### Comments of graph:

- The overall level of CO<sub>2</sub> emissions reported for the voluntary target agreement on sales outlets was higher than targeted. The main reason for this was the substantial expansion of over 8% in the sales area of supermarkets and megastores due partly to the takeover of large Carrefour outlets in Switzerland. In connection with the CO<sub>2</sub> vision, sales outlets with much lower energy consumption and CO<sub>2</sub> emission levels will be built or remodelled in the next few years.
- The more rigorous measures taken at the distribution centres and manufacturing companies not only kept their emissions well below target, they also offset the excess emissions at the sales outlets. As a result, the total emissions for the CO<sub>2</sub> target agreements are slightly lower than the target value.

### The Business Energy Agency's feasibility study

The goal of "CO<sub>2</sub> neutrality by 2023" meant that Coop had to closely examine its use of energy and evaluate the scope and measures for achieving CO<sub>2</sub> CO<sub>2</sub>-efficient energy provision. It therefore commissioned the Business Energy Agency in autumn 2008 to draw up a feasibility study of the "Coop CO<sub>2</sub>-Vision 2023". This study documents all technically feasible potential for reducing CO<sub>2</sub> emissions and also takes economic viability aspects into account. It builds on the CO<sub>2</sub> reduction targets that Coop had already drawn up with the Business Energy Agency in 2002 and on Coop's commitment to the Federal Government to meet these targets from 2004. Coop uses a decision matrix to assess the measures proposed by the Business Energy Agency, primarily with regard to technical feasibility and commercial viability. The measures must exhibit long-term cost efficiency and take account of any tightening of the regulatory framework and of rising energy prices. Coop's goal is "CO<sub>2</sub> neutrality". This means that the offsetting costs expected to accrue as of 2023 play a key role in any assessment of the measures. Coop has to consider which is financially more viable in the longer term: reduction measures of its own or carbon offsetting projects.

### Programme of specific measures for the period up to 2023

The vision has now been transformed into a concrete programme that defines targets on the road to CO<sub>2</sub> neutrality. Implementation of the CO<sub>2</sub> vision will lower CO<sub>2</sub> emissions by over 50% in 2023 and reduce overall energy consumption by almost 20%. Coop ap-

proved an initial set of measures in early 2009 for the points of sale, distribution centres, manufacturing companies, shipments and electricity procurement. It has set up a special energy/CO<sub>2</sub> unit to coordinate the implementation of the CO<sub>2</sub> vision and two energy/CO<sub>2</sub> centres of excellence. One of the key measures is the systematic implementation of the reduction measures already initiated at Coop sales outlets. These include applying the Minergie standard to all newly built or remodelled stores and the installation of measuring systems for monitoring energy consumption. Since the points of sale are the dominant consumers of energy and thus generate the most CO<sub>2</sub>, this is where Coop can achieve the strongest leverage effect. The focus at the distribution centres and manufacturing companies is on expanding waste-heat recycling and using renewable energies to generate heat. In the transport sector, Coop is making greater use of biodiesel and biogas as motor fuel. As an overarching measure, Coop has decided that its power needs as of 2010 will be covered entirely by largely CO<sub>2</sub>-free electricity from hydroelectric power originating in Switzerland and the EU, enabling it to reduce CO<sub>2</sub> emissions triggered by electricity consumption by 50%, which corresponds to a volume of about 9,000 tonnes of CO<sub>2</sub>. With this catalogue of efficient measures to implement the "CO<sub>2</sub> neutrality by 2023" vision, Coop will save not only tonnes of CO<sub>2</sub> but also costs amounting to some 70 million francs. This will ultimately benefit customers in the form of lower prices – which again goes to show that profitability and environmental protection need not be a contradiction in terms.

**On the road to CO<sub>2</sub> neutrality**

“CO<sub>2</sub> neutrality! This is an ambitious goal for Coop to set itself – ambitious because many processes and activities require energy from fossil fuels, thereby causing CO<sub>2</sub> emissions. But it is a goal that Coop can achieve. In the next fifteen years it can take various measures to eliminate two thirds of all emissions – and it may even exceed this target. The remaining emissions would have to be offset by means of emission credits.

By concluding target agreements with the Federal Government and with help from the Business Energy Agency, Coop has shown great commitment in previous years to reducing CO<sub>2</sub> emissions. CO<sub>2</sub> neutrality is a logical continuation of these activities. By achieving this goal, the Coop Group will be demonstrating credibly that it takes responsibility for the environment!”

*Thomas Weisskopf, Section Head, Business Energy Agency (EnAW)*

**Data survey in accordance with the Greenhouse Gas Protocol**

Coop’s previous data survey as part of its CO<sub>2</sub> target agreements with the Federal Government referred solely to emissions of CO<sub>2</sub>. It did not cover other greenhouse gases or emissions resulting from generation of electricity used by Coop. Coop was again a step ahead when, in the framework of the Coopernic international sourcing alliance, it decided in 2009 that it would in future use a more comprehensive, internationally recognized system for surveying greenhouse gas emissions: the Greenhouse Gas (GHG) Protocol. The GHG Protocol expands the scope of the survey to other sources of emissions and to all greenhouse gases governed by the Kyoto Protocol. Besides emissions generated directly by manufacturing, points of sale, administrative units and shipments in Coop vehicles, Coop will henceforth also survey emissions associated with the generation of the electricity it consumes. In addition, outsourced services such as all transport of people and goods in non-Coop vehicles will be included in the survey.  
 >>[www.ghgprotocol.org](http://www.ghgprotocol.org)

**SPECIFIC CO<sub>2</sub>-REDUCTION PROJECTS**

**Setting standards with LED lighting**

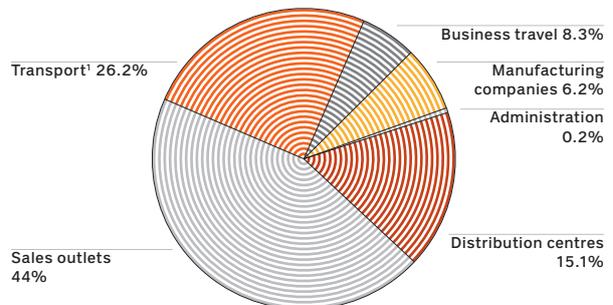
Coop’s 1,864 points of sale account for by far the largest part of its overall energy consumption: 76%. Eleven sales outlets currently enjoy Minergie certifi-

cation. In the other 86 stores that have been newly built, expanded or refurbished since the beginning of 2008, the interiors, i.e. the technical installations, have been completed to Minergie standard. Full Minergie certification is, however, not possible in these cases as the buildings are, for instance, not owned by Coop, and therefore only the technical installations but not the shell of the building can comply with the Minergie standard. Coop is constantly looking for ways of optimizing even Minergie-standard buildings. Measures that are successful in pilot projects are applied on a wider scale and incorporated into the internal standards. One such example is Coop’s new Muripark shopping centre, which is setting new standards in both waste-heat recycling and lighting. With LED lamps already being used in selected parts of the sales outlets, Muripark now has the first Coop Restaurant to have LED lighting everywhere. The clear advantages of LED lighting are the long life and the fact that it consumes over 40% less electricity, and so the lamps are also economically attractive. In addition, the light from the diodes does not emit heat and therefore does not impair the freshness of goods. Coop is the Swiss-wide leader in this field. As a further measure for achieving CO<sub>2</sub> neutrality, Coop envisages extending LED technology to spotlighting.  
 >> [www.minergie.ch](http://www.minergie.ch)

**Implementation of Minergie standards at Coop points of sale, December 2009**  
 Number

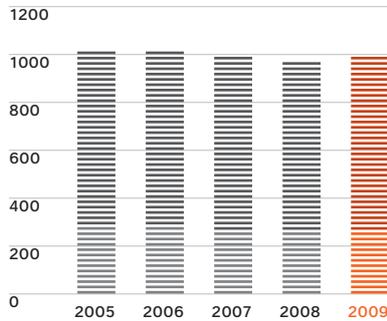
	2008	2009
Points of sale with Minergie certificate	7	11
Points of sale with interior (technical installations) built to Minergie standard	36	86

**Share of CO<sub>2</sub> emissions**  
 Overall emissions: 82,619 tonnes



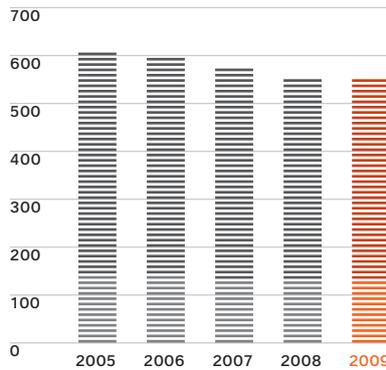
<sup>1</sup> From distribution centres to sales outlets

**Total energy consumption<sup>1</sup>**  
in gigawatt-hours



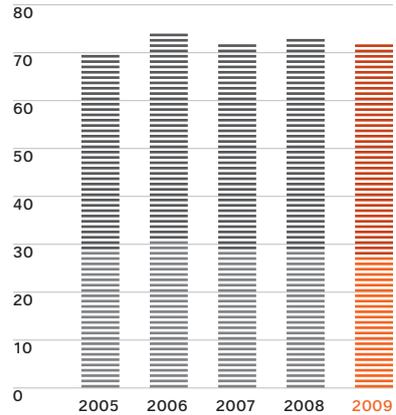
Electricity  
Heating

**Specific energy consumption per sales area**  
in kilowatt-hours per square metre



Electricity  
Heating

**Energy consumption of manufacturing companies**  
in gigawatt-hours

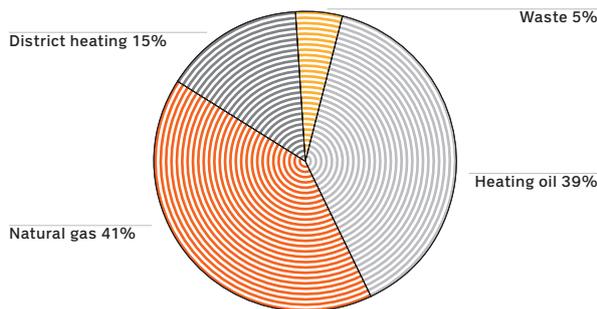


Electricity  
Heating

<sup>1</sup> Manufacturing companies, distribution centres, sales outlets (supermarkets, Coop City, Building & Hobby) and administration

**Heating energy sources<sup>1</sup>**

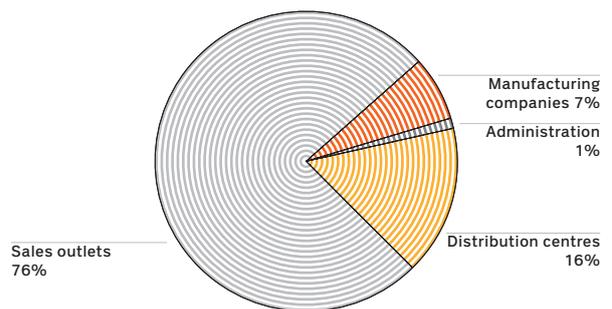
Total consumption: 277 gigawatt-hours



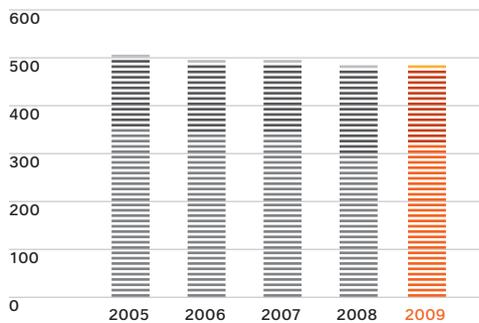
<sup>1</sup> Manufacturing companies, distribution centres, sales outlets (supermarkets, Coop City, Building & Hobby) and administration

**Share of total energy consumption**

Total consumption: 992 gigawatt-hours

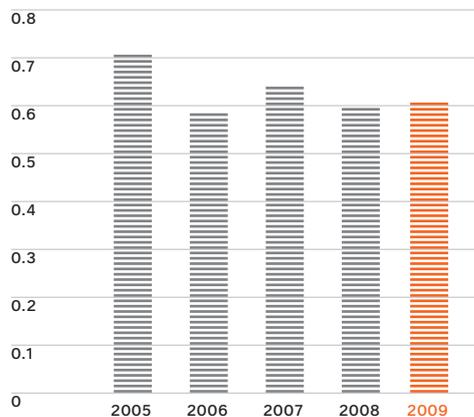


**Water consumption in manufacturing companies, distribution centres and administration**  
in thousands of cubic metres



Administration  
Manufacturing companies  
Distribution centres

**Specific water consumption per sales area**  
only sales outlets with a measuring system  
in cubic metres per square metre



### **Use of CO<sub>2</sub> as a refrigerant**

The cooling systems required for refrigerated and frozen products at the points of sale also have a large impact on greenhouse gas emissions. The choice of refrigerant can make quite a difference in this context. Although modern refrigerants such as R-404A no longer harm the ozone layer, their effect on the climate is 3,800 times greater than that of CO<sub>2</sub> if they escape. With help from new technology it is now possible to employ CO<sub>2</sub> as a natural refrigerant and thus help protect the climate. In addition, modern CO<sub>2</sub> refrigeration systems use less electricity than conventional ones. This makes a difference, as cooling systems account for almost half the electricity used at the points of sale. Coop has been using CO<sub>2</sub> as a refrigerant for frozen foods since early 2008. Since January 2010, CO<sub>2</sub> has been used in all cooling systems at all newly built or refurbished sales outlets. At the sales outlet in Kerzers, for instance, the new technology reduced the potential greenhouse gas emissions of all the refrigerant used by a factor of 4,500. And even if all the CO<sub>2</sub> were to escape from the system – which is technically almost impossible – this would only have the same impact on the climate as the consumption of 60 litres of petrol. In addition, the new technology saves 100,000 kWh of electricity a year, which is equivalent to the average consumption of 20 to 30 households.

### **Practical use of waste heat at over 2,000 metres above sea level**

Cooling systems and other processes constantly produce waste heat in the sales outlets and distribution centres in particular. The CO<sub>2</sub> vision is shifting the focus increasingly to utilization of this waste heat. The remaining energy requirements are, wherever possible, to be covered by renewable energy sources. The Minergie-compliant store on Bettmeralp, 2,000 metres above sea level, is systematically implementing this measure. Waste heat from the cooling systems covers not only the store's entire requirements for heating and warm water, but also supplies most of the heating for the Hotel Walliserhof, which is located in the same building. The Gossau distribution centre is another good example: since January 2009, about two thirds of the heating requirements have been supplied by using waste heat from the thermal oil and cooling process, which corresponds to a reduction of 160,000 litres of heating oil and around 400 tonnes of CO<sub>2</sub> a year. The next step planned is to use wood firing to supply the remaining heat requirement. This will lower CO<sub>2</sub> emissions at the Gossau distribution centre to around zero.

### **Use of beneficial organisms as natural pesticides**

Pests such as grain weevils or flour moths eat their way through tonnes of stored cereals and flour every year. And they do not spare the stores of Coop Bakeries or Coop's own grain mill, Swissmill. But instead of controlling them with synthetic-chemical insecticides, Coop has opted for a sustainable alternative: beneficial organisms.

Most beneficial organisms are spiders or insects. They are the natural enemies of pests and therefore eat them or use them as hosts. Beneficial organisms have to be deployed preventively, i.e. before the pests become active. The Trichogramma wasp, for instance, lays its eggs in those of the parasite, effectively preventing it from reproducing.

Over a period of three years Coop provided financial support from its Sustainability Fund for a research project on the use of beneficial organisms in the protection of storage supplies. The first pilot trials were conducted in 2006. Since early 2009, Coop has deployed these biological assistants to control insect pests in four of its industrial bakeries – and with great success. The method is to be extended to four other locations in 2010.

### **Vinegar production without fossil fuels**

It is not only in the sales outlets and distribution centres that potential savings are being identified and exploited at Coop. The Coop manufacturing company Nutrex in Busswil, for instance, will henceforth use no more fossil fuels. For the last year, two heat pumps have been employed to make optimum use of the heat generated in vinegar production: not only does the waste heat warm up the vinegar in the pasteurizer to 70 degrees, it also heats the offices and other working spaces at Nutrex. The old oil burner, which uses up 65,000 litres of oil a year, is therefore obsolete. As a flanking measure to save energy, Nutrex no longer heats the warehouse spaces and has replaced the oversized boilers with smaller ones. In this way, the plant emits almost 200 tonnes less CO<sub>2</sub> a year and saves over 450 MWh of energy, thereby substantially reducing costs.

### **Monitoring – an effective measure**

New Coop sales outlets have for some years been equipped with measuring systems that continually and automatically record key figures on energy and water consumption, thereby identifying any potential for savings. Monitoring and any corrective measures are undertaken internally by the Coop sales region involved. All older Building & Hobby centres, Coop City department stores and large Interdiscount stores

that did not have measuring systems were retrofitted in 2008 and 2009. These 54 points of sale are intensively monitored in collaboration with an external partner by continually comparing target values with actual measurements. This enables functional problems such as having the emergency cooling system on in cold weather, failure to turn off a manual light switch or having the heating on in summer to be identified and corrected. In addition, staff at the points of sale periodically undergo awareness training and are taught how to conserve energy and water. The result is a decline of over 10% in energy consumption and savings of over 800 tonnes of CO<sub>2</sub>.

## TRANSPORT

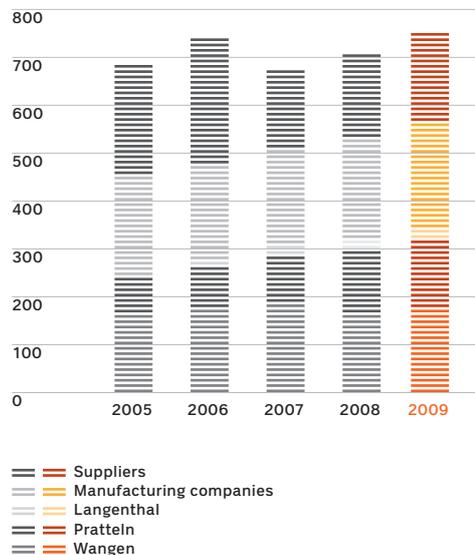
### Further shift of freight from road to rail

Coop was again able to shift freight from road to rail in 2009. The number of road freight shipments from the national distribution centres in Wangen and Pratteln to their regional equivalents fell by over 8%, while the volume of goods forwarded by rail on the same routes rose by about 5%. Rail thus accounts for over 60% of long-distance freight shipments. As the Swiss Federal Railways' freight company SBB Cargo is increasingly approaching the limits of its capacity, there was only a very slight increase in the number of freight wagons used. The shift from road to rail is therefore due primarily to improvements in Coop's Logistics. Capacity utilization of wheeled containers and transport vehicles was substantially increased by improvements in ordering, delivery and order-picking processes and by complete integration of the Wanko route planning software into the regional distribution system.

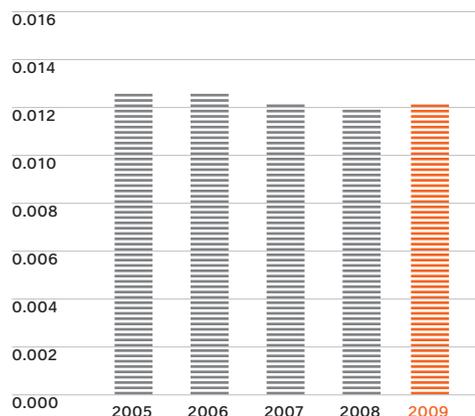
### No more Euro 3 class trucks by 2012

Coop operates the densest network of sales outlets in Switzerland and supplies even the most remote villages. It therefore continues to rely on trucks to distribute goods locally from the distribution centres to the points of sale. With an eye on its CO<sub>2</sub> neutrality target, Coop also invested in the ongoing renewal of its fleet of trucks in 2009. About 50% of the 400 or so heavy-goods vehicles comply with the currently most efficient exhaust emission standard, Euro 5, which above all reduces air pollution. The remaining 50% are mostly Euro 3 or Euro 4 class trucks. As of 2010, Coop is to replace all Euro 3 class trucks an average of two years earlier, and so they will all be exchanged for Euro 5 class vehicles by 2012.

**Rail transport**  
in thousands of tonnes  
Total: 748,203 tonnes



**Specific diesel consumption by trucks**  
in litres per tonne-kilometre



## WASTE AVOIDANCE AND RECYCLING

### First reduce, then recycle

Energy is used not only to produce and transport goods but also to dispose of them. For both ecological and economic reasons, therefore, it is good to deal circumspectly with waste. Coop seeks primarily to avoid many forms of waste before they can even accrue – whether by reducing packaging material, for instance, or putting organic waste to productive use. The company also supports a large number of recycling programmes and thus ensures that packaging and products are reused. Coop can report a remarkably high waste recycling rate of 70%. This means

### Investing in five biogas-powered Coop trucks

Kompogas AG recycles more than 6,000 tonnes of green waste from Coop a year. Transformed into biogas, this amount would replace about 420,000 litres of diesel fuel, enough to cut CO<sub>2</sub> emissions by 1,100 tonnes. Powered by this climate-friendly green fuel, a Coop truck could drive an average of 1.4 million kilometres or 35 times the Earth's circumference. Coop purchased its first biogas-powered test vehicle in November 2008 and, after using it for just over a year, rated it positively. This vehicle is powered by a blend of biogas and natural gas and does not burn a single litre of diesel fuel. The positive effects on climate, air quality and public health are uncontested. Coop will be operating a further five biogas-powered trucks in 2010.

### Optimum tyre pressure helps save on fuel

Coop drivers have been taking Eco-Drive courses for over ten years in order to learn a safe, environmentally friendly and cost-effective driving technique. Besides this, however, other factors such as optimum tyre pressure have a significant impact on fuel consumption. In 2008 and 2009, Coop Mineraloel AG conducted a very successful campaign to persuade customers to have their tyre pressures checked and, if necessary, corrected free of charge at Coop filling stations. The campaign made the customers concerned more aware of the importance of optimum tyre pressure. A total of 15,650 vehicles were checked in the entire 333 days of the campaign – about 47% of them were being driven at an air pressure lower than the manufacturer's specification. The tested vehicles alone could save about 116,000 litres of fuel a year if they followed the manufacturer's recommendation. Optimum tyre pressure would enable these vehicles to save about 522,000 litres of fuel a year. Extrapolated to all private cars in Switzerland, optimum tyre pressure could save 132 million litres of motor fuel a year.

that less than a third of all waste accruing at the points of sale, manufacturing companies, distribution centres and administrative departments ends up as refuse. Organic waste accounts for only 1 to 2% of this amount.

### Prevention of organic waste

Meticulous planning, accurately calculated order quantities and efficient merchandise management enable Coop to effectively counter the accrual of organic waste at the points of sale. For instance, Coop consistently applies the FIFO (first in – first out) and FEFO (first expired – first out) principles, thus helping ensure that, wherever possible, older goods that are stored longer and have a closer "best before" date are sold first. The next step is for these food products to be reduced in price – by 25 or 50% as a rule. Coop employees can also buy the cut-price goods when the store closes. A large part of the food offering that has passed its sell-by but not its best-before date is donated to the social projects "Tischlein deck dich" (Table Be Set) and "Schweizer Tafel" (Swiss Table). Coop's commitment therefore benefits society as well as the environment.

>> [www.schweizertafel.ch](http://www.schweizertafel.ch), [www.tischlein.ch](http://www.tischlein.ch)

### Kompogas: ecological recycling of green waste

About 18,000 tonnes of spoilt fruit, shrivelled vegetables and restaurant left-overs no longer fit for human consumption accumulated at Coop's distribution centres in 2009. This part of Coop's organic waste does not end up as refuse either. Some of the fruit, vegetables and bread goes to local farmers for use as animal feed. About half of the green waste is used in a special process by Kompogas AG to obtain high-

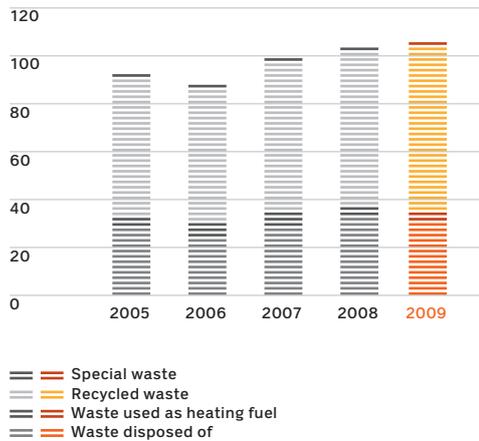
energy biogas. This biogas can either be transformed in a combined heat and power plant into electricity and heat or it can be processed for use as CO<sub>2</sub>-neutral, climate-friendly green fuel for heavy-goods vehicles. It can also be fed into the natural gas network. The digestate created in the fermentation process can be used as valuable fresh compost or liquid fertilizer in organic farming.

>> [www.axpo-kompogas.ch](http://www.axpo-kompogas.ch)

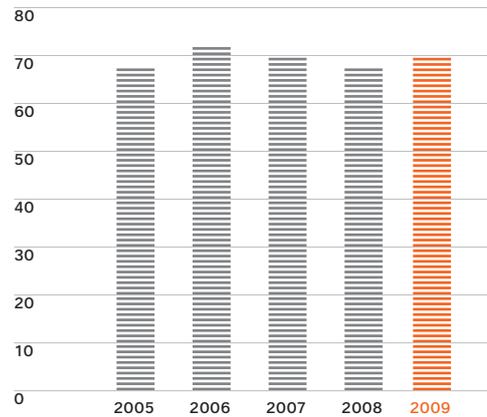
### Reducing product packaging

In spring 2009, Coop initiated the packaging-screening project designed particularly to identify any need for action to be taken on the packaging of Coop own brands. The aim is to identify materials and composite packagings that are ecologically harmful and find possible alternatives. In addition, the contents and the weight of the packaging material are compared. Where the relation is clearly disproportionate, Coop looks for more environmentally compatible solutions that also take the protective function of the packaging into account. In 2009, for instance, Coop switched the packaging of rotisserie chicken from plastic trays to bags, thereby reducing the volume of packaging by 37%. This measure alone can save about 6,000 kg of packaging material a year. Coop's manufacturing company Chocolats Halba is proving to be a pioneer in the use of sustainable packaging material. It is switching its entire corrugated-paper

**Total waste production**  
in thousands of tonnes



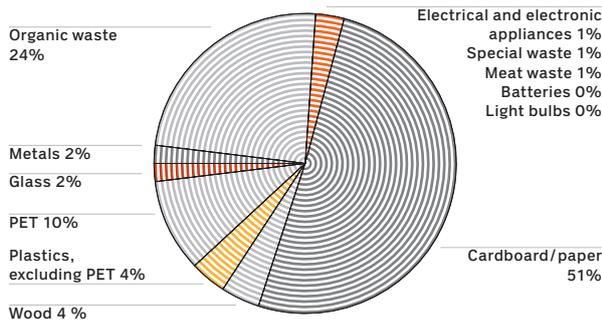
**Waste recycling rate<sup>1</sup>**  
in %



<sup>1</sup> Manufacturing companies, distribution centres, sales outlets (supermarkets, Coop City, Building & Hobby) and administration

**Share of recycled waste**

Total: 75,097 tonnes, excluding use as fuel



waste-to-energy incinerator facilities. In particular, efforts to collect paper and cardboard separately, including smaller amounts, paid off: compared with the previous year, the volume of paper and cardboard collected rose 6% in 2009. The proportion of waste wood collected separately and re-used for heating purposes in 2009 was 17% up on the year-back figure. Moreover, recycling of plastic waste also increased in 2009, with 24% more foil and 12% more milk containers being recycled than in 2008.

>> [www.swissrecycling.ch](http://www.swissrecycling.ch), [www.petrecycling.ch](http://www.petrecycling.ch)

packaging range to environmentally friendly, recycled or FSC-quality material, affecting a volume of about 2.2 million pieces a year.

**Recycling means identifying reusable materials**

Many types of waste can be sorted and then recycled into new raw materials. At Coop, recycling of reusable materials begins at the point of sale. In 2009, for instance, all employees received thorough training with the new information brochure "For the environment and for Coop – recycling at the point of sale". The aim of the brochure is to raise employee awareness and thus the recycling rate as well. A high recycling rate not only benefits the environment, it also saves disposal costs. This training already led to a rise in Coop's recycling rate within a year of being initiated. 70% of waste is currently being recycled. Though total waste production at Coop was 5% higher than in the previous year, 5% less of it was disposed of in

#### Retail's essential contribution to PET recycling

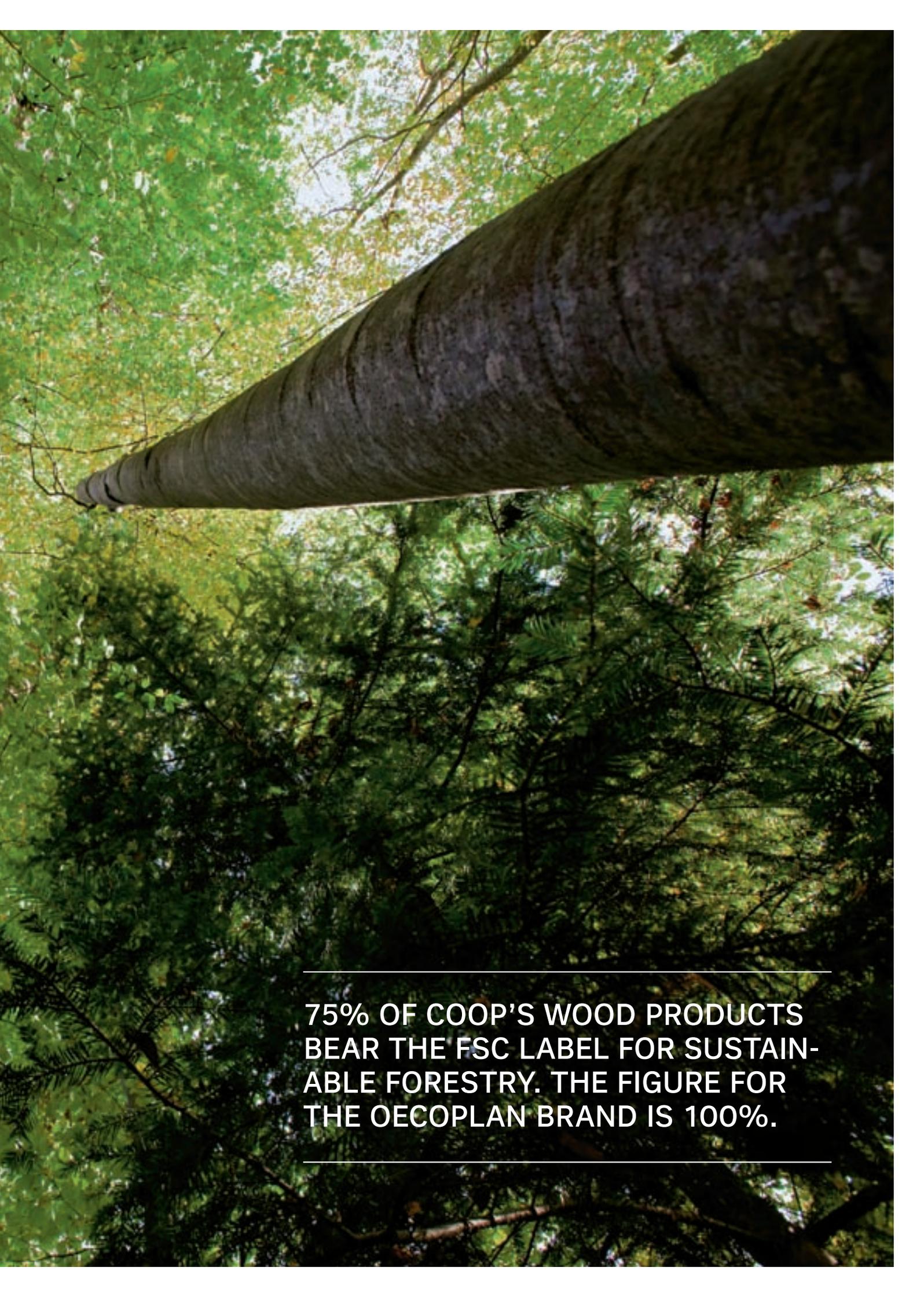
"An average of six out of ten PET bottles in Switzerland are taken back by retailers. This amounts to more than 600 million PET bottles a year. The considerable logistic services of the retail sector are provided free of charge in order to keep the prepaid recycling charge as low as possible, and so Switzerland can operate one of the cheapest PET recycling systems in Europe.

Coop's contribution is enormous: overall, every fifth PET bottle is returned to a Coop sales outlet, thereby avoiding some 6,000 tonnes of waste a year. The collected PET bottles are recycled rather than incinerated, which prevents the emission of 18,000 tonnes of greenhouse gas (mainly CO<sub>2</sub>) and achieves energy savings of just under 50%.

For the future, we would like to see Coop using its influence to ensure that new PET bottles are made with the highest possible proportion of recycled PET material. Studies show that recyclability is the strongest image factor of a drinks container, considerably increasing the purchasing incentive. And the more recyclable PET bottles sold, the greater the contribution to our environment."

*René Herzog, Managing Director, PRS PET Recycling Switzerland Association*





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**75% OF COOP'S WOOD PRODUCTS  
BEAR THE FSC LABEL FOR SUSTAIN-  
ABLE FORESTRY. THE FIGURE FOR  
THE OECOPLAN BRAND IS 100%.**

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## HEALTHY FORESTS ARE VITALLY IMPORTANT FOR OUR CLIMATE AND THE EARTH'S BIODIVERSITY. THE FSC LABEL STANDS FOR FOREST PRODUCTS OBTAINED UNDER ENVIRONMENTALLY, SOCIALLY AND ECONOMICALLY RESPONSIBLE FOREST MANAGEMENT CONDITIONS.

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Forests mean life – and not just for countless species and varieties of flora and fauna, but for human beings as well. As the “Earth’s green lungs”, they produce oxygen, regulate the climate and supply many different kinds of raw material. Woodland currently accounts for about 30% of the Earth’s surface. To protect and preserve this natural habitat, the advancing destruction of tropical forests has to be stopped. But forests are also at risk elsewhere as a result of overexploitation and poor management.

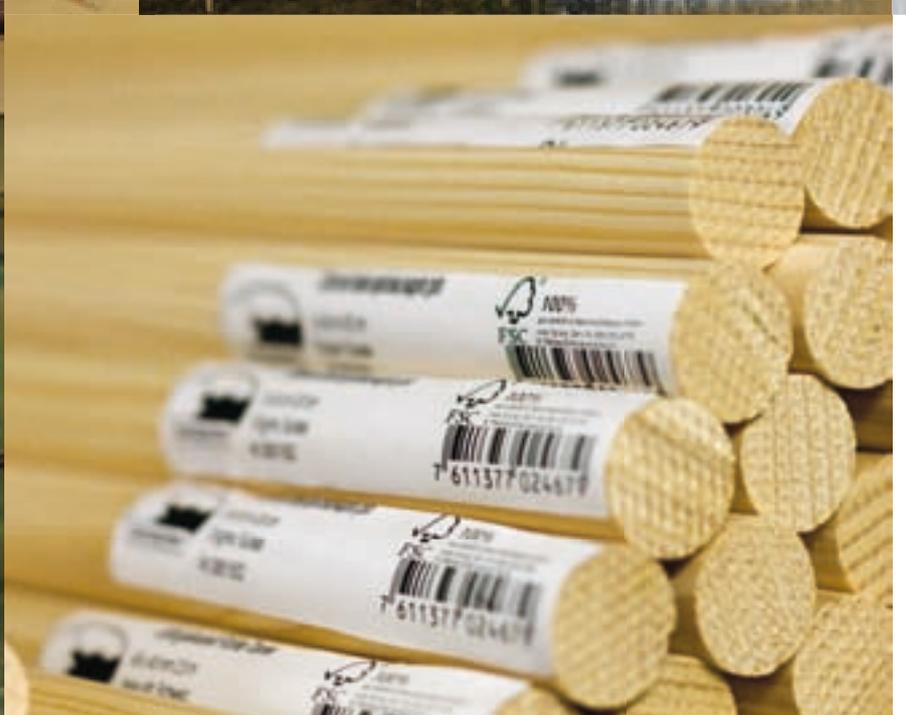
The Forest Stewardship Council (FSC) is an international, non-profit, member-based organization established in 1993 to promote environmentally, socially and economically responsible management of the world’s forests. The FSC laid down ten internationally applicable principles that can be defined more precisely in accordance with conditions prevailing in each country and which provide a basis for certifying forestry operations. Independent certification organizations audit compliance with FSC criteria and monitor the entire merchandise flow from the actual forest to the finished end product. With the certification procedure, FSC aims on the one hand to ensure sustainable forest management and, on the other, to improve opportunities for marketing wood produced in compliance with environmentally and socially accountable standards. At the present time, just under 50% of the entire forested area of Switzerland, i.e. 617,500 hectares of woodland, is FSC-certified. For Swiss woodland to receive FSC certification, 10% of it must be treated as a “protected forest area” and be excluded from commercial exploitation. Besides other conditions, natural deadwood must account for a sufficiently large proportion of the wood. Deadwood provides a habitat for countless insects, which serve in turn as food for a wide range of bird species.

As an active member of the WWF Global Forest & Trade Network (GFTN), Coop supports and promotes the use of FSC wood. In addition, all wood products available under the Coop Oecoplan brand bear the FSC label and thus enable customers to shop with a clear conscience.



68% OF WOOD HARVESTED IN SWITZERLAND COMES FROM AN FSC-CERTIFIED FOREST. HOLZ ZOLLHAUS AG IN PLAFFEIEN ALSO PROCESSES FSC-CERTIFIED WOOD – FOR INSTANCE TO PRODUCE DO-IT-YOURSELF ARTICLES FOR COOP BUILDING & HOBBY.





A man with short brown hair, smiling, wearing a dark blue zip-up jacket over a red polo shirt, blue jeans, and a brown belt. He is standing in a forest with green trees and a ground covered in brown leaves. The text is overlaid on the lower part of the image.

“ THE FSC LABEL SHOWS  
CONSUMERS THAT A PRODUCT  
CONTAINS ADDED VALUE  
THAT BENEFITS BIODIVERSITY. ”

GUIDO FUCHS, MANAGING DIRECTOR FSC SWITZERLAND

## SUPPLIERS

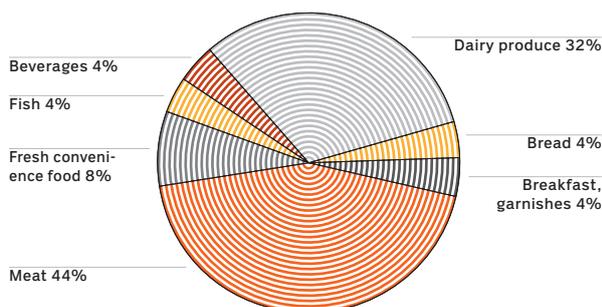
The GRASP project enables Coop to send out a signal on social standards in agriculture. Coop implements new sustainability commitments in the framework of Eurogroup and Coopernic. The BSCI Code of Conduct now applies to all suppliers of non-food products from risk countries.

### QUALITY STRATEGY

#### General political conditions for business

Quality and quality strategies were a focus of public debate in 2009, not least in connection with the introduction of the Cassis-de-Dijon principle (which allows unrestricted import of products produced under less stringent conditions in the EU) and with the discussions about a possible farming agreement between Switzerland and the EU. It became evident that all parties involved had a different understanding of quality and that the allocation of roles between the state and the private sector was not clear. Coop made a constructive contribution to the debate through IGAS, an association representing the interests of Switzerland as a centre of agriculture, in which various organizations and companies work

**Breakdown of quality audits of producers**  
by product category  
Total number: 25



together to create a future farming and food industry that is geared towards quality and sustainability. In November 2009, the Federal Department of Economic Affairs presented a quality strategy for the Swiss farming and food industries based on three main thrusts: safeguarding general supplies and services, economical use of increasingly scarce natural resources and strengthening competitiveness.  
>> [www.igas-cisa.ch](http://www.igas-cisa.ch)

#### From organic farming and animal welfare to fruit and vegetables

Part of Coop's quality strategy is its clear commitment to organic farming as an integrated form of production that is economical with resources. Coop's commitment ranges from promoting basic research with contributions from the Coop Sustainability Fund, specific product development and production planning in conjunction with, for instance, organic vegetable producers, through to communication of organic farming in the sales outlets, the Coop member press or the organics magazine "Verde". In the area of animal welfare, a quality strategy means that Coop does not stock critical products such as shark fins or paté de foie gras, that the guidelines for Coop Naturafarm are drawn up in cooperation with Swiss Animal Protection (SAP), that producers are given clear information on market changes and the further development of the guidelines at the Producers Meetings they attend, and that added value is also remunerated through prices. Products imported

**Alliance for boosting  
Swiss vegetable production**

“To ensure that Swiss fresh vegetable producers can hold their own on the market in the long term, we have to exploit our efficiency potential in full, and guarantee the highest quality at every level of the production chain. Our alliance makes this possible. By cooperating closely with Coop, we can assure the regular exchange of important information and raise the availability of high-quality fresh vegetables in all parts of the country. After the good experience we have had in western Switzerland, we will now be stepping up the partnership with Coop throughout Switzerland. With Coop, we are more than just suppliers, we are partners. Together, we create synergies and potential that enable us to keep on improving the quality and freshness of our vegetables. And thanks to this nationwide cooperation, we can specialize, become more competitive over imports and in this way safeguard the competitiveness of Swiss vegetable production”

*Jacques Blondin, Secretary of L'Alliance Romande*

from abroad have likewise to comply with animal-welfare requirements. Under Coop's quality strategy, all suppliers of fruit and vegetables from abroad and increasingly those from Switzerland have to be certified to the comprehensive GlobalGAP standard. Regardless of where production is located, Coop lays down product specifications, risk-based test protocols and supplier audits, it checks incoming fruit and vegetables for external and internal quality criteria and it has product samples analysed and tested in its own accredited laboratory using a spot-check, risk-based approach.

>> [www.globalgap.org](http://www.globalgap.org)

**Quality along the entire product chain**

Coop's quality strategy applies to the entire value chain. It begins with the producers, who have to comply not only with the legal requirements but also with Coop's own specific guidelines. It continues with the manufacturers, who have to further process the high-quality raw materials. It includes the activities of the retailers – ranging from logistics, a seamless cold chain and hygienically flawless open sale, through to effective communication of added value and attractive display of the merchandise. And it takes the consumers into account, who, by their purchasing choices, decide which products will be offered and in what quality.

**SOURCING ALLIANCES**

**Eurogroup: defining common standards**

Through the Eurogroup alliance, Coop has been buying fruit and vegetables from Spain and Italy together with Germany's Rewe Group since the 1990s. On the basis of the GlobalGAP standard, which is the minimum requirement for both sides, they drew up and coordinated a check list for assessing the current situation, laying down measures to improve it and checking the progress made. While Coop sent out a signal by initiating the GRASP project on social accountability in agriculture, Rewe and WWF set up a pilot project in the field of sustainable water management. The findings will be taken into account in the GlobalGAP list of criteria. The efforts to achieve sustainable, partnership-based, high-quality fruit and vegetable production are underpinned by a joint purchasing office and locally based quality service. As from 2010, Leclerc in France will also obtain a growing proportion of its imports from Spain and Italy through Eurogroup.

**Cooperation in the non-food sector**

Coop and its partners also subscribe to sustainability in the non-food sector. Since October 2008, the joint Eurogroup Purchasing Office in Hong Kong employs a staff member who works exclusively on implementing social standards in production facilities in China, Vietnam, Bangladesh and other countries. When Rewe signed up to the “Business Social Compliance Initiative” (BSCI) at the beginning of 2008, the conditions were in place for a joint approach to sourcing. Eurogroup is also involved in school projects in all major production countries. The inauguration of a primary school in a mountain village in southern China in 2009 was followed by the completion of a new canteen and a new dormitory building for a regional secondary school. In addition, grants are to be made available to enable talented schoolchildren to continue their education at a higher level.

**Multiplying the effectiveness of measures**

Joint quality and sustainability criteria have to be drawn up for every sourcing alliance. Within the framework of the Coopernic alliance, quality and sustainability managers from Coop, Colruyt, Conad, Leclerc and Rewe meet regularly to define comprehensive joint specifications for quality and to exchange views and experience on implementation in the different companies. The collective efforts enable cross-company synergies and specialist knowledge to be exploited. Besides, joint sourcing projects are more effective in terms of ensuring systematic implementation of sustainability requirements.

### Every drop of water is valuable

Water shortage is one of the environmental issues that need to be addressed most urgently. Agriculture is the biggest consumer of water, accounting for 70% worldwide. The problem is particularly serious for the rural populations of developing countries, where water is scarce and artificial fertilizers are becoming increasingly expensive. Harvests are steadily declining while the population continues to grow. One solution is the use of simple devices for micro irrigation combined with liquid organic fertilizers. They ensure larger harvests that not only cover the needs of the family but can also be sold at the local market. The Coopernic sourcing alliance together with the International Fund for Agricultural Development (IFAD), a specialized agency of the United Nations, initiated the SCAMPIS micro irrigation project in 2009. The aim of the project, to which Coopernic is donating three million euros, is to train and advise farmers on installing and using the systems, developing local sales markets and maintaining the equipment. The project should create a basis for sustainably successful farming for a total of 30,000 households in India, Madagascar and Central America by the end of 2011.

## SOCIAL STANDARDS

### Important steps in the BSCI process

In 2009, Coop extended the application of its Guideline on Socio-ethical and Ecological Sourcing to all non-food suppliers with production facilities in risk countries, using the social standard SA 8000 and the BSCI Code of Conduct as a basis. A first important step is the creation of transparency regarding the precise production location. In the Far East, the Eurogroup Purchasing Office in Hong Kong helps producers implement the BSCI process. The next step is self-assessment, which gives the facility manager an overview of the level of compliance in his factory and the need for change. The self-assessment also clarifies whether a facility can be audited directly or whether prior training in social management is needed. However, many of Coop's business partners also decide to become members of the BSCI themselves and to independently drive forward the audit of their production facilities. Their number grew from 17 to 34 in 2009.

>> [www.bsci-eu.org](http://www.bsci-eu.org)

### Implementation of socio-ethical sourcing in non-food sector according to BSCI Database, status December

Number of

	2008	2009
Producers audited to BSCI	85	193
Of which producers with completed BSCI process	13	66
Suppliers which are BSCI members	17	34
Producers certified to SA8000	13	19

### Special training in social management

Coop performed 84 initial audits and 99 re-audits in 2009. Currently, 66 production facilities working for Coop already satisfy all BSCI requirements and have successfully completed the BSCI process. Nineteen production facilities are also certified to SA 8000, which is the strictest social standard at the present time. Since the initial audits and re-audits are an important step in the BSCI process, suppliers can benefit from training activities that prepare them efficiently for the process. In 2009, Coop arranged for a total of 29 suppliers in China, India, Vietnam, Bangladesh and Turkey to attend workshops organized by the BSCI. In addition, Coop, together with Rewe and Eurogroup, organized special training activities that comprehensively honed the social management skills of approximately 30 suppliers from China. However important audits are, they reflect only a particular moment in time. It is much more important for management to recognize that motivated and healthy employees are a precondition of reliable, high-quality production and that measures benefiting the workforce are therefore also good for business.

### Active involvement in BSCI at national and international levels

The BSCI platform is gaining in importance throughout Europe, as is shown by the growing numbers of members – 384 at the end of 2009, of which 21 are Swiss-based. In 2009, Coop also played an active role in the BSCI's Swiss contact group, which it currently chairs. Besides member meetings and training activities for new members, in 2009 the Swiss BSCI contact group organized a well attended event dealing with "Entrepreneurial Responsibility in the Supply Chain" and a member workshop on "Audits: Optimum Preparation and Follow-up". At the international level, Coop is active in various BSCI bodies and thus contributes to the continuing improvement of the BSCI system.

### Implementing social standards in agriculture

“On behalf of the German Federal Ministry for Economic Cooperation and Development, we have already been working closely with the private sector on drawing up and implementing standards for several years. The development policy goal is to apply social and ecological standards along the entire value chain in order to foster sustainable globalization. The development of the GRASP Module in cooperation with GlobalGAP and Coop is a significant milestone in efforts to improve working conditions at agricultural facilities in developing countries. By way of a simple document check, buyers and producers can respond to possible social abuses at the production level by undertaking corrective measures. GRASP’s user-friendly, low-cost and results-oriented approach promises to be widely effective, as is already suggested by the great interest producers and suppliers are showing. Cooperation with the private sector is crucial not only for the development but also for the implementation of the GRASP Module. Through this experience we have come to appreciate Coop as an innovative, constructive and goal-oriented partner.”

*Carsten Schmitz-Hoffmann, Head of Social and Ecological Standards Programme, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH*

### GRASP – a project bears fruit

In 2005, Coop, together with GlobalGAP (the world’s largest standards organization in the agricultural sector) and the German Society for Technical Cooperation (GTZ) initiated the GRASP (GlobalGAP Risk Assessment on Social Practices) project. The aim was to give social criteria the importance they deserve in the agricultural sector in the conviction that fair remuneration and securing of occupational health and safety for farm workers is a key condition of high-quality production. In the first phase, completed in 2007, criteria were drawn up and discussed in stakeholder workshops. Over 30 test audits were performed in five countries (Spain, Morocco, Vietnam, Kenya and Brazil), and the first implementation tools were created. The findings of this initial project phase were partly integrated into the 2007 revision of the GlobalGAP Standard. They also form the core of the voluntary GRASP module, which can be audited in the framework of a normal GlobalGAP audit. Unlike a social audit, GRASP is largely confined to auditing of documents and is concerned with issues such as proper employment contracts, working hours and social benefits.

### Outstanding achievements for fair trade

“The Max Havelaar Foundation (Switzerland) has been cooperating intensively with Coop for over 17 years. In our relations with Coop, we value the openness and trust, which motivate both sides to go for outstanding achievements on behalf of fair trade. There is a good reason why Coop is now the most important distribution channel in Switzerland for products marketed under the Max Havelaar quality label. The cooperation generates a steady flow of market opportunities for generally improving the fair-trade system, in the flower market for instance, where we are working with Coop on a project to further reduce the use of pesticides on flower farms in Ecuador. Among other benefits, this project will provide a basis for further developing the fair-trade environmental standards of FLO (Fairtrade Labelling Organizations International).”

*Martin Rohner, CEO, Max Havelaar Foundation (Switzerland)*

In the second project phase, additional retailers have been involved in further developing GRASP. Using a range of methods, Coop has raised awareness of social requirements among its suppliers in selected risk regions and then trained them to implement the requirements. At the end of 2008, vegetable suppliers from the Almeria region were the first to be audited for compliance with GRASP requirements. The purpose of this second project phase is primarily to adapt GRASP to local conditions, train the auditors, help more producers with implementation and, lastly, assess the value of GRASP. Local experts and NGOs are also involved in this phase. Eight regional or national interpretations in the different languages are already available. Cooperation with the BSCI has also been stepped up in this phase. Coop has played a key role in ensuring that the experience gained in manufacturing and non-food is successfully integrated into the agricultural sector with the help of the primary production module.

With GRASP and the BSCI’s primary production module, two instruments are now available for implementing social standards in agriculture, resulting in a marked improvement in awareness among facility managers. But there is also a greater need for retailers to use their purchasing and pricing policies to help ensure that fruit and vegetable producers fulfil their social accountability obligations.

>> [www.globalgap.org](http://www.globalgap.org), [www.gtz.de](http://www.gtz.de)

### **Participation in the revision of the Fairtrade standard**

The international fair-trade standards, i.e. the FLO (Fairtrade Labelling Organizations International) standard, define the economic, social and ecological criteria for sustainable production in the South. At the beginning of 2009, new trade criteria were introduced that harmonize the previous product-specific requirements. They are generally binding on such matters as traceability and procurement planning and strengthen the producers' right to information. At the ecological level, preparations were underway for a review of the general environmental standards. In cooperation with Max Havelaar, Coop drew up an issue analysis, the results of which will be taken into account in the revision process. It will indicate how further targeted improvements can be made to the already stringent ecological standards. The focus is on topics such as the use of crop protection agents and fertilizers. Moreover, as part of a Coopernic project, instruments were created for systematically reducing the use of plant protection agents on roses and for documenting sustainable corporate practices.

### **Effects of fair trade in the South**

Marketing of fair trade products supports small producers of agricultural products in the South and improves their living conditions. Some 650,000 small producers, farm workers and their families currently benefit from the sale of products bearing the Max Havelaar label at Coop. They receive a guaranteed minimum price for their products that provides them with an income sufficient to safeguard their livelihood, and a Fairtrade premium that, among other things, enables them to develop local infrastructures, and healthcare and safety systems. The earnings of Fairtrade producers, including premiums, are thus much higher than if their products were to be sold at conventional prices. The premium volume generated by Coop amounts to about three million francs a year.

>> [www.fairtrade.net](http://www.fairtrade.net), [www.maxhavelaar.ch](http://www.maxhavelaar.ch)

## **PROMOTING INNOVATION**

### **Natura Prize: for sustainable innovations in the value chain**

To fulfil its commitment to sustainability, Coop relies on substantial and continuing innovations that also satisfy the requirements of environmental and social compatibility and economic viability. To stimulate the innovative energy of its business partners, Coop awards the Natura Prize every two years for excep-

tional achievements in the field of sustainability. The original intention was to reward innovations within the product ranges of Coop's ecologically and socially responsible flagship labels, i.e. the VIVA labels. In the year under review, the Natura Prize was awarded for the first time for activities aimed at promoting sustainability in Coop's standard range.

The designation as "Best VIVA Company" in 2009 went to Ajotex SA. Impressive for the completely original approaches it takes, this textile producer launched a new, organically produced lingerie collection made partially of bamboo for Coop Naturaline. Henkel & Cie AG was the "Best Promoter of Sustainability". Its ecological products are used millions of times every day and thus have a particularly strong leverage effect. Coop awarded the prize for "Best VIVA Product or Service" to Hansjürg Imhof for his success in growing organic poinsettia for the Coop Oecoplan label.

### **CO<sub>2</sub>-neutral Naturaline collections made with organic cotton**

Coop is pursuing the ambitious goal of making all Naturaline cotton-based textiles and cotton-wool products CO<sub>2</sub>-neutral by 2013. This means that CO<sub>2</sub> emissions throughout the entire value chain – from cultivation and production through to transport – must be either reduced or offset. To achieve this goal, every single step in the production chain must be transparent, and the energy required must be precisely calculable. Any remaining CO<sub>2</sub> emissions are offset exclusively by projects within the same production chain. With this goal in mind, Coop produced the first 80,000 CO<sub>2</sub>-neutral Naturaline T-shirts in 2008 by offsetting the CO<sub>2</sub> emissions triggered. The second CO<sub>2</sub>-neutral collection was launched in April 2009. This time, the T-shirts had been produced with organic cotton entirely in Tanzania. The 30 tonnes of CO<sub>2</sub> accrued are being offset within one year with the help of 30 efficient ovens in Tanzania, which are financed by the bioRe Foundation set up by Coop and Remei. Coop launched a third pilot project featuring CO<sub>2</sub>-neutral knitwear in September 2009. The organic cotton used comes from India, but the articles were produced in Switzerland. By making a number of technical changes, the old-established Swiss company Traxler AG, which specializes in knitwear, was able for the first time in 2009 to produce articles that were CO<sub>2</sub>-neutral. CO<sub>2</sub>-neutrality is still being achieved largely by financing carbon offsetting projects in India. But in 2010, this innovative company will be able to further reduce its already very low CO<sub>2</sub> emissions by using renewable energies, thereby adding a new dimension to "fashion with a clear conscience".

>> [www.biore.ch](http://www.biore.ch)

### **Pro Montagna: promoting products from mountain regions**

The 100 or so products sold under the Pro Montagna flagship label are not only made from raw materials sourced in Swiss mountain regions, they are also processed there. Consequently, inclusion of new products in the Pro Montagna range can only occur through existing producers and processors in the mountain regions. These come to Coop's attention in quite different ways. Besides the contact networks maintained by Coop buyers, trade magazines also often direct Coop towards new producers and their products. Because of the fast-growing familiarity and popularity of the Pro Montagna label, potential suppliers now often contact Coop directly and offer their authentic products from mountain regions on their own initiative. Cooperation with Coop depends on the producer being able to supply good quality and an agreed minimum quantity. Pro Montagna does not search for off-beat or weird ideas but promotes producers who operate sustainably, are passionate about what they do and are not afraid of innovation. Take the small producer Novena, for instance: thanks to its commitment to innovation and the production of Pro Montagna mountain ravioli and pasta products, it was able to secure 19 jobs in the Obergoms high valley, an area threatened with depopulation.

### **Organic poinsettia as well**

Poinsettias are the most popular and best-selling potted plant before and during the Christmas period, and until recently were available only from conventional production. Thanks to the extraordinary determination, great patience and excellent skills of the Imhof market garden in Schwerzenbach, they have been available at Coop in outstanding organic quality for three years now. The innovative Coop supplier is very probably the first market garden in the world to cultivate poinsettia without using synthetic plant protection agents, artificial fertilizers or hormonal growth regulators. Their optimum plant quality and long life made the organic poinsettias a bestseller right from the outset. Imhof market garden produced 50,000 organic poinsettias for Coop in 2009 and was awarded the 2009 Coop Natura Prize for its innovative achievement.

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## EMPLOYEES

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Coop increases the payroll – employees on lower wages benefit. 67% of apprentices are offered jobs by Coop after completing their training. Coop finances a total of 58,826 internal training days.

### TERMS OF EMPLOYMENT

#### **Systematic pay rise for lower wage-earners**

On 31 December 2009, the Coop Group employed a workforce of 52,974 throughout Switzerland. Some 37,500 employees paid monthly or hourly are currently covered by Coop's nationwide collective employment agreement. The collective employment agreement governs such provisions as working hours, special pay rates, notice of termination, equal opportunities, holiday entitlement and maternity rights. It guarantees fair working conditions that are in many ways more generous than those of the regional collective agreements such as those demanded by trade unions, for instance in connection with the extension of shop opening times.

Coop sent out a clear signal when – despite a fall in its overall prices, pessimistic forecasts for the economy and growing competitive pressure in the retail sector – it increased the payroll as of 1 January 2010. The increase is the outcome of constructive and frank pay negotiations between Coop and its social partners KV Schweiz (Swiss commercial association), Syna/OCST and UNiA (trade unions), and VdAC (Association of Salaried Employees of Coop). Coop is continuing its policy of systematically raising the pay of lower wage-earners. All full-time employees on a gross monthly wage of up to 4,499 francs receive a flat-rate rise of 40 francs a month on 13 monthly salaries a year. Employees on a gross monthly wage of between 4,500 and 5,999 francs benefit from individual pay rises totalling 0.75% of the payroll for that particular segment. Upward adjustments were also made to the reference wages defined in the collective employment agreement and to the minimum wage (both

monthly and by the hour). All employees, apprentices and pensioners of the Coop Group benefit from many staff discounts such as a 10% discount on all non-food products or a 20% discount on the purchase of Reka cheques.

#### **Jobs for a large number of successful apprentices**

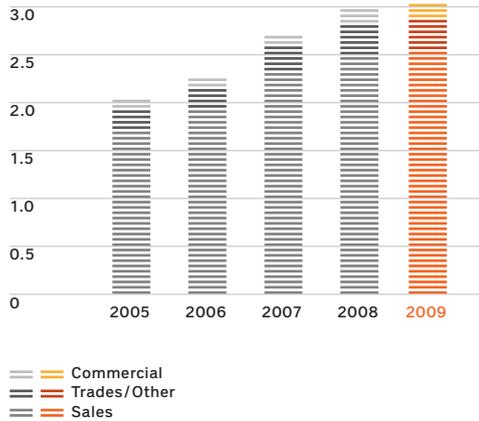
As one of the largest providers of vocational training in Switzerland, Coop also feels responsible for its over 3,000 apprentices after they have passed their final examinations. It seeks not only to provide young people with full training but also to give them an opportunity to benefit from a wide range of career and further training opportunities at Coop. In view of the economic crisis, this was a major challenge for the Group in 2009. Thanks to far-sighted planning, Coop was able to maintain the continued-employment rate of 60% envisaged in the Personnel Strategy 2012+ and offer a total of 605 apprentices a job at Coop on completion of their training in summer 2009. For this purpose, Coop deliberately refrained from filling a number of vacancies, deciding instead to keep them free for its own successful apprentices.

### EMPLOYEE SURVEYS

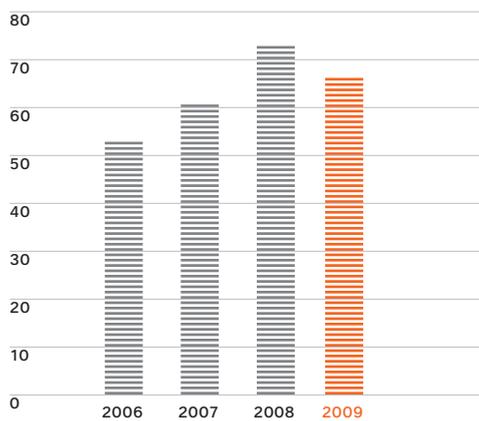
#### **Veritas: employees are more satisfied than in 2006**

In spring 2009, Coop Group employees again provided information on their current work situation in their responses to the Veritas employee survey. On a scale from 6 (very good) to 1 (very poor), they rated co-workers, supervisors, information, say in decision-making, management and general topics – and proved on the whole to be more satisfied than in the

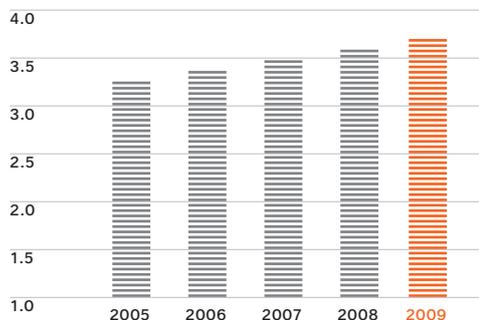
**Nuber of apprentices in thousands**



**Continued employment after apprenticeship**  
Continued employment as %



**Trend of minimum wage for unskilled employees in CHF thousands**



last survey, which was conducted in 2006. The average overall rating for all topics was 4.75, which was 0.19 points higher than three years previously. The

**Looking at a secure future**

“For many Coop employees, the money they have in the pension fund represents the greatest part of their assets. It is therefore all the more important for this money to be sustainably managed by the CPV/CAP. For us, this means that we have to give full consideration to such aspects as a long-term approach to investments, risk management and achievement of profits in line with market conditions. But it also means that we have to handle the money entrusted to us cost-consciously and always in the interests of the insureds, and we have to provide them with the best possible service and communicate with them on a basis of openness and transparency. If we do so, we can, in conjunction with a well designed insurance plan, help Coop employees look confidently towards the future and enjoy their retirement in the third stage of life.”

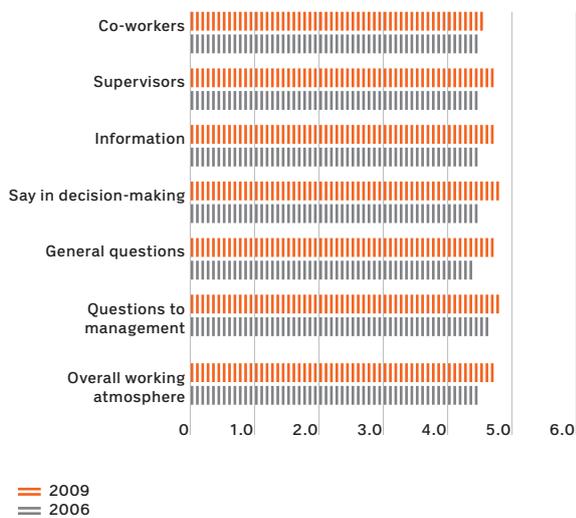
*Michael Dober, CEO,  
CPV/CAP Pensionskasse Coop*

“Say in decision-making” category scored the highest mean rating at 4.81, while the lowest was “Co-workers”. Coop distributed 43,897 questionnaires in nine different languages for the 2009 survey. Of these, responses were received for just under half. About 21% of participating employees completed the questionnaire online, the first time this option was offered. The data were evaluated by an independent external body under guaranteed anonymity.

**Findings provide basis for improvement measures**

Coop uses the findings of the employee survey to draw up specific measures for further improving the working atmosphere and job satisfaction. On the basis of the 2006 survey data, for instance, it introduced a second performance review for the autumn. The value of this measure is evident from the Veritas 2009 findings: the mean rating for satisfaction with supervisors rose in comparison with 2006 and is now 4.79. The 2009 findings also show that the systematic pay rises for lower wage-earners in the last few years have been taken on board by employees and rated positively. To sum up: the atmosphere at the workplace and within Coop as a whole has improved overall. Employees see potential for improvement in the areas of cooperation within teams and mutual support. In addition, they indicate a need to receive more information on matters that concern them directly. Despite an objective increase in pressure and growing productivity, employees are more satisfied with regard to the hectic pace of work than

**Employee satisfaction in various areas**  
Results of 2009 Veritas employee survey  
1 = lowest rating, 6 = highest rating



in 2006. Coop has obviously succeeded in improving and simplifying processes and procedures to such an extent that subjective pressures have not increased.

**Importance of sustainability within the Group**

By instituting its 14 sustainability principles that are mandatory for all parts of the Group, Coop firmly established its social and ecological commitment at the highest strategic level. In order to involve the individual employees to a greater extent in the sustainability process, the company carried out a representative survey among its workforce in 2009. The survey addressed the following three topics: the significance of sustainability in general, the development of personal attitudes to sustainability, and assessment of and identification with Coop's commitment to sustainability. The findings show that sustainability means many different things to the respondents – from consideration for the environment and cutting down on packaging to socially accountable working conditions. Coop's assumption of social and ecological responsibility was given an average rating of 7.8 on a scale from 1 (not at all important) to 10 (very important). In general, over 85% of respondents consider Coop's social and ecological commitment to be important or very important. The ecologically and socially responsible flagship labels, particularly Naturaplan and Max Havelaar, achieved especially high levels of identification. Coop's efforts in the energy field were also highly rated. Surprisingly, employees seem to be relatively unaware of the Coop Sustainability Fund. 34% of respondents cannot identify any particular shortcomings in Coop's

sustainability programme, but wish to receive more frequent information on it.

**TRAINING AND CONTINUING EDUCATION**

**Specific training projects in the regions**

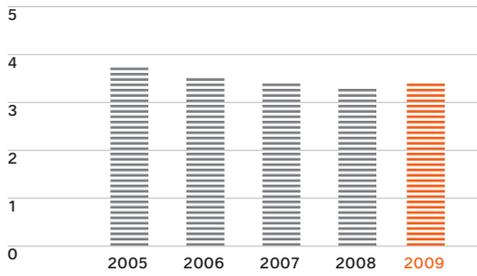
For Coop, the training and continuing education of its workforce represents an important investment in the Group's competitiveness. Its aim is to develop employees, apprentices and managers in a way that is consistently needs-oriented, individual and job-based. This approach is enshrined in the Training Strategy. In 2009, Coop organized over 4,400 courses for its employees and financed a total of 58,826 internal training days. A similar number of external courses were also held. Besides its nationwide internal training programmes, Coop also organizes numerous regional projects. In the year under review, its Ostschweiz-Ticino Sales Region continued a course entitled "Simply friendly" for POS staff. A total of 3,343 participants gained insights into the connection between performance, personal job satisfaction, team work and customer satisfaction, and the course was a success. It was followed by a notable increase in friendliness at the check-out points of many sales outlets. The "Quality and Service" training project in the Suisse Romande Sales Region also met with great interest. Three different types of course provided management, sales outlet, category management and administrative staff with a better understanding of the importance of quality and service. The material was communicated in a seminar, a practical experience setting or a workshop, depending on the employee group. A total of 2,613 employees from the Suisse Romande region participated in this project.

**More effective communication of sustainability**

The internal Coop survey on sustainability has shown, on the one hand, how much the employees support Coop's commitment to sustainability and, on the other, how differently they define the actual concept. It is therefore all the more essential for Coop to undertake further measures that make every single employee more aware of environmental issues and communicate the importance of sustainability. The provision of information on sustainability in the CoopForte staff magazine and the series of instructive posters dealing with multiple aspects of the topic have proved to be effective. The posters are sent to all points of sale and other operations once a month and supply input on many different aspects of sustainability for stand-up staff meetings. An evaluation has now identified potential improvements with regard to the visual design of the posters, selection and

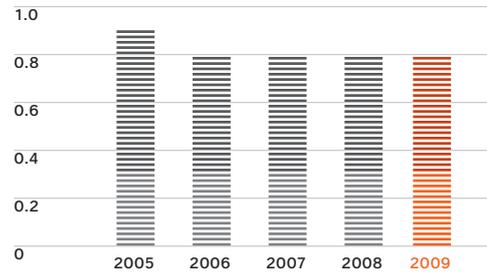
### Sickness rate

Absences as % of total working days



### Accident rate

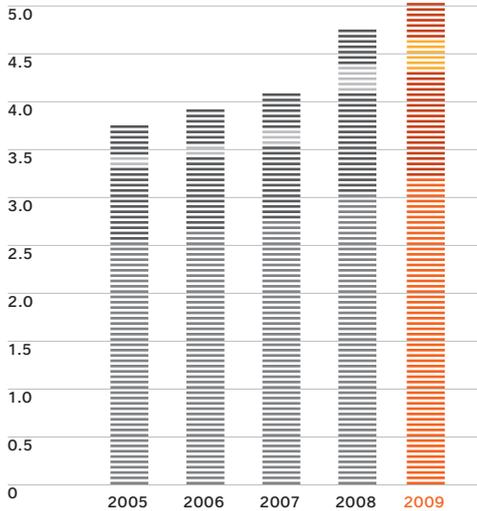
Absences as % total working days



Legend: Non-occupational accidents (dark grey), Occupational accidents (orange)

### Distribution of added value

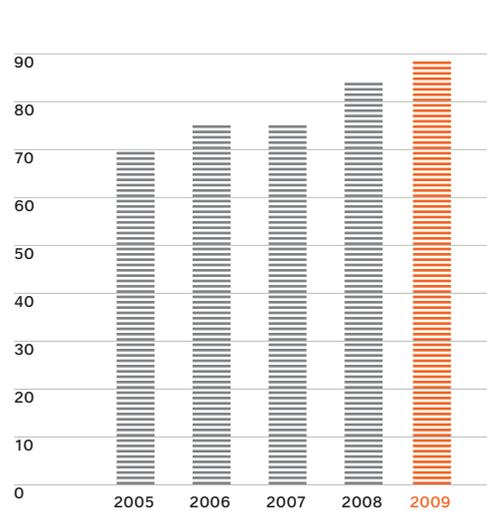
in CHF billions



Legend: Creation of reserves (orange), Investors (yellow), Public sector (grey), Employees (dark grey)

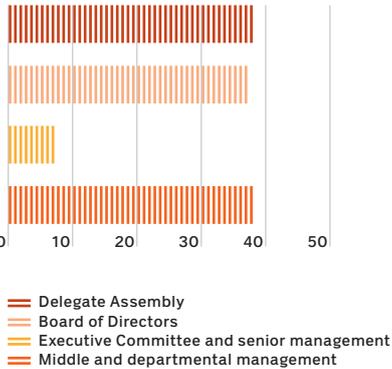
### Hourly productivity

Sales per hour worked, in CHF



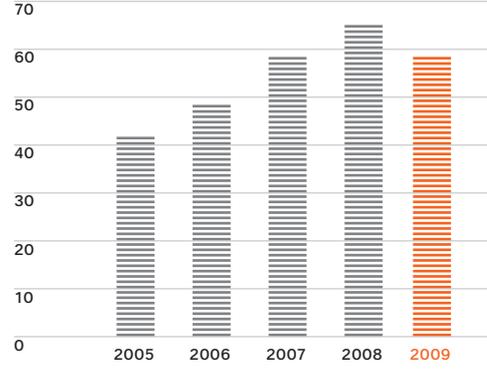
### Women in governing bodies and management positions

in %



### Internal training and continuing education

in thousands of participant days



handling of topics, and ease of implementation in the everyday routine. In addition, the topic of sustainability is to be integrated more fully into Coop's training activities in the form of consistent and systematic communication and training. A set of concrete measures to this end is to be drawn up by the end of 2010.

#### **Targeted development of older employees**

Given the demographic changes that are taking place, the potential residing in older employees in particular is emerging as a future success factor for companies. Coop is aware of this and therefore initiated the "Project 50+" in 2007, which has two main focuses of action: promoting the health and performance of older employees and retaining strategic know-how and experience-based knowledge for the future. As part of the "50+" project, Coop organized its first workshops on nutrition and physical activity in logistics in June 2009. The content of the courses was drawn up by Coop's own Nutrition Unit. Coop also provides courses for experienced store managers as part of a pilot project. Under the motto "Fit for the future", job-specific know-how is examined, brought up to date and extended. In the "Self-management" course, participants also learn how to identify their personal "pressure points" and how to devote their time to what really matters. These measures help employees to deal more effectively with the growing demands being placed on them, and thus to achieve a better quality of life outside of work.

#### **Health check-ups motivate employees**

Under the motto "I feel great", Coop's Zentralschweiz-Zürich Sales Region set up numerous projects designed to motivate employees to adopt a healthy diet and engage in more physical activity. For the fifth year in succession, a health check was carried out in spring 2009. Among other tests, the pulse, heart rate, cholesterol level and body-mass index were measured. The average of 500 participants from sales, logistics and administration each received a data sheet showing their personal values plus the respective normal values. This triggered discussions about health and motivated people to do better in the following year's check-up.

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**VERY SPECIAL CEREAL GRAINS  
GROW HERE – WITH HELP FROM THE  
COOP SUSTAINABILITY FUND.**

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NR 3601 in separate  
die anschreiben mit NR  
ihren einzeln dreschen +

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## IT CAN TAKE UP TO 15 YEARS TO BREED NEW ORGANIC VARIETIES OF CEREAL. THEY ARE IMPORTANT FOR BIODIVERSITY. COOP HAS BEEN PROMOTING ORGANIC CEREAL BREEDING SINCE 2003.

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It is obvious at first sight: these fields in the Zurich Oberland region are no ordinary wheat fields. Dozens of different varieties of wheat are growing in the same field, each bearing a differently coloured label. This field is a cereal cultivar garden of Getreidezüchtung Peter Kunz, a grain-producing association that has been developing and breeding varieties of cereal for organic farmers for 25 years. Suitable varieties are submitted to the authorities who evaluate them with a view to granting regulatory authorization. The company Sativa Rheinau AG is responsible for seed multiplication of these varieties and for distributing them to farmers.

Most of the cereal varieties developed in the last hundred years are designed for conventional farming and use with nitrogenous fertilizers. Because artificial fertilizers, herbicides and synthetic pesticides are banned in organic farming, the yield of these varieties is lower under such conditions. In addition, the concentration on a limited number of large seed producers and the issuing of patents on seeds are a growing threat to the diversity of crop varieties. What organic farming needs are its own varieties of cereal that are adapted to its specific requirements and produce outstanding quality even under difficult growing conditions. Breeding of new organic varieties of cereal is labour-intensive, costly and painstaking. Peter Kunz and his team create between 100 and 200 new crosses each year. Because they have to satisfy demanding criteria, only one or two potential crop varieties survive the 15 or so years of selection, evaluation and multiplication. One important selection criterion that the potential varieties of cereal have to satisfy is that they can be used to produce high-quality dough and tasty baked goods.

With contributions from the Coop Sustainability Fund, Coop has been supporting the work of Getreidezüchtung Peter Kunz and Sativa Rheinau AG since 2003. It invests, for instance, in the development of new varieties of organic wheat and spelt and sells organic bread made from Sativa cereals under its Naturaplan label.



PETER KUNZ AND HIS TEAM WORK BOTH IN THE FIELDS AND IN THEIR OWN LABORATORY IN HOMBRECHTIKON.





A photograph of Peter Kunz, a cereal breeder, standing in a field of golden wheat. He is wearing a patterned shirt and has his hand near the wheat stalks. The background is a vast field of wheat under a bright sky.

**“ BREEDING OF ORGANIC  
VARIETIES ADAPTED TO ITS SPECIFIC  
REQUIREMENTS IS IMPORTANT FOR  
THE FUTURE OF ORGANIC FARMING. ”**

PETER KUNZ, CEREAL BREEDER

The Coop Sustainability Fund promotes innovation and generates direct benefits for society. A total of over 3 million francs worth of donations go to Swiss mountain farmers through Coop Aid for Mountain Regions. The Coop Municipality Dual encourages 144 municipalities to engage in more physical activity.

### COOP SUSTAINABILITY FUND

#### **Direct benefits for society**

The Coop Sustainability Fund is of great strategic importance for the company. As stipulated in Coop's sustainability principles, it is a key tool for promoting innovation in the field of sustainable consumption. It enables Coop to initiate innovative approaches to problem-solving in socially relevant and challenging thematic areas before the solutions become marketable or commercially profitable. This commitment benefits not only Coop, its suppliers and business partners, but also the general public, whether through the results of research and development, awareness-raising projects such as exhibitions, or an offering of sustainable products or services. Coop endows the Sustainability Fund with 13 million francs a year, and also provides human resources, valuable partner networks and structures, and communication tools. The Fund promotes innovative projects throughout the entire value chain. These projects can be assigned to four strategic areas of sustainability: climate, water, plants/animals/soil and people. The focuses within these strategic areas include renewable resources, biodiversity, overfishing and regional value creation.

#### **Focus on biodiversity**

The preservation and promotion of biodiversity as a basis for an intact eco-system and diverse source of food is a key concern of Coop. It has been working with the Research Institute of Organic Agriculture (FiBL) since 1992, supporting such efforts as exploiting the potential for improving organic farming in terms of efficiency of resources and compatibility with climate protection. The "Cool Farming" project, for instance, seeks to identify how farmers can deploy ploughless soil tillage and nitrogen-fixing plants to lower energy requirements and CO<sub>2</sub> emissions substantially while improving yields. It would be good if the results also benefited conventional farming as well, thereby making a broad-based contribution to compatibility with climate protection and promotion of soil fertility. In addition, FiBL is also working on efforts to prolong the season and extend cultivation of Swiss organic strawberries. The aim of this project is to be able to offer customers regionally sourced organic strawberries in greater quantities and for a longer period. This means on the one hand that valuable cultivated land is preserved, upgraded and tilled using near-natural methods and, on the other, that imports of strawberries, with their long transport routes, can be reduced.

>> [www.fibl.org](http://www.fibl.org)

## Coop Sustainability Fund: 2009 projects

### Climate

#### Naturafarm Biogas50

Partners: producers, Federal Office of Energy, Swiss Energy | Support for the construction of a total of 50 biogas plants at the farms of Coop Naturafarm and organic producers (2005–2012).

#### Green electricity

Partners: IWB, Swiss Hydro, BKW | Promotion of electricity produced from water, wind and sun under the “nature made star” label by funding environmental added value and purchasing green electricity to cover part of Coop’s own needs (2003–2012).

#### Carbon offsetting

Partner: WWF | Offsetting of CO<sub>2</sub> emissions caused by air freight, business travel and coop@home deliveries with WWF projects in compliance with the Gold Standard (2007–2012).

#### Sustainable consumption

Partner: Swiss Federal Institute of Technology (ETH) | Compiling eco-audits of the entire product life cycle of specific product categories to enable informed purchasing decisions to be made (2008–2009).

#### Wind parks

Partner: SwissWinds GmbH | Support for a study of the potential value of wind power in Switzerland though the construction of wind measurement masts (2008–2009).

#### Coop Naturaline CO<sub>2</sub>-neutral

Partner: Remei AG | Climate-neutral production of Coop Naturaline organic cotton textiles and organic cotton-wool products by reducing CO<sub>2</sub> emissions and offsetting unavoidable CO<sub>2</sub> emissions with support for selected projects (2009–2013).

#### WWF Climate Group

Partner: WWF | Contribution to climate protection by reducing CO<sub>2</sub> emissions particularly in the fields of appliances and products, own CO<sub>2</sub> emissions, green electricity and transport/traffic (2006–2012).

#### WWF Global Forest Trade Network Switzerland

Partner: WWF | Performance improvement and communication of a responsible policy on wood and paper purchasing; increasing the FSC share of wood and paper sales (2006–2012).

#### Tropenhaus Wolhusen exhibition

Partner: Tropenhaus Wolhusen AG | Devising and implementing an exhibition on sustainable food production, sustainable consumption and enjoyment, and reducing environmental impact through regional production (2009–2013).

### Plants, animals, soil

#### FiBL research projects

Partner: Research Institute of Organic Agriculture FiBL | Basic research on climate-neutral crop cultivation and vegetable production, minimizing of concentrated feed in cattle feeding and the effect of this on animal health, ecology and product quality (2003–2011).

#### Sativa

Partners: Sativa Rheinau AG, Getreidezüchtung Peter Kunz | Promoting the cultivation and seed propagation of varieties of organic wheat and organic spelt (2003–2011).

#### Organic farming in tropical regions

Partners: Research Institute of Organic Agriculture FiBL, Swiss Agency for Development and Cooperation SDC, BioVision, Agricultural Information Centre LID | Comparative study of the contribution of organic farming to securing the food supply, combating poverty and preserving eco-systems in tropical and subtropical regions (2006–2012).

#### Pro Specie Rara demonstration network

Partner: Pro Specie Rara | Promoting Pro Specie Rara diversity gardens, orchards and “arks” and raising public awareness of endangered species and varieties (2003–2009).

#### Krax

Partner: Swiss Animal Protection (SAP) | School project to raise awareness of animal welfare issues among children and adolescents (2007–2010).

#### Promoting the sourcing of organic products

Partner: Research Institute of Organic Agriculture FiBL | Sourcing-oriented FiBL projects aimed at improving existing and introducing new organic products (2003–2011).

#### Pro Specie Rara product development

Partner: Pro Specie Rara | Promotion and communication of Pro Specie Rara products (2003–2009).

#### Promoting regional organic products

Partner: Bio Suisse | Developing and promoting the “Regional organic specialities” line (2004–2009).

#### Promoting flagship labels

Internal Coop project | Strengthening marketing communication of Coop flagship labels (2003–2012).

#### Promoting standard fruit trees

Partner: Hochstamm Suisse | Maintaining and fostering endangered standard fruit trees as a traditional landscape feature by developing a range of Hochstamm Suisse products and flanking communication measures (2008–2010).

#### Start-up help for project on young-boar fattening

Partners: Juchhof organic farm, Bell AG | Investigation of the key factors in successful, practicable young-boar fattening as a natural and the most animal-friendly alternative to piglet castration (2009–2010).

#### Natura Prize

Partners: Coop business partners | Award to Coop business partners for innovative and exceptional achievement in the sustainability field (2000–2014, every two years).

#### Sustainable cocoa sourcing in Honduras

Partners: Chocolats Halba, Helvetas Honduras | Project for the comprehensive sustainable sourcing of cocoa from Honduras in conjunction with ecological and social commitments (2009–2010).

### Water

#### Tropenhaus Frutigen exhibition

Partner: Tropenhaus Frutigen AG | Devising and implementing an exhibition on (organic) aquaculture, a healthy, balanced diet and sustainable consumption (2007–2012).

#### WWF Seafood Group

Partner: WWF | Stepwise conversion of the fish and seafood range to sustainable sources and refusal to stock endangered fish species. (2006–2012).

#### Energy-efficient fish farms for regional production

Partner: Ichthys Ltd | Development of energy-efficient, closed-cycle systems for regional fish breeding to promote a new line of business for Swiss agriculture, generate regional added value and transfer expertise to developing countries (2009–2011).

#### Alternatives to fish meal for feeding in sustainable aquaculture

Partner: Research Institute of Organic Agriculture FiBL | Production of feed for sustainable fish farming that is nutritionally optimized but does not impact on marine resources. (2009–2012).

### People

#### bioRe projects

Partner: bioRe Foundation | Promotion and safeguarding of innovative social projects in the training, health and nutrition fields for some 10,300 bioRe cotton producers and their families in India and Tanzania (2007–2011).

#### Slow Food

Partner: Slow Food Switzerland | Partnership with Slow Food to promote food culture and protect biodiversity and high-quality, artisanal products through Swiss presidia groups (2006–2011).

#### Small-scale projects

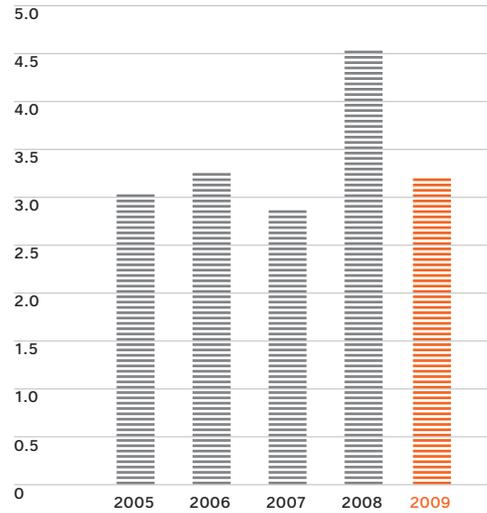
Partners: Include sanu Partnership for Environmental Training and Sustainability, Biofarm Genossenschaft Kleindietwil, PUSCH (Practical Environmental Protection in Switzerland), foodward Food Business Academy | Raising public awareness of sustainable consumption and sustainable development by means of various initiatives (2005–2012).

**Innovative projects promoting sustainable consumption**

“The activities of the Coop Sustainability Fund are unusual and far-reaching. They embrace all levels of development, from projects promoting sustainable development in society to the development of sustainable products and services and promotion of their consumption. The Fund thus not only takes existing offerings into account and helps make them better known, it also fosters the development of new and future offerings in areas in which no acceptable alternatives currently exist. Coop thereby helps promote sustainable consumption at the point at which it enjoys the greatest scope for action as a large retailer: the interface between production and consumption.”

*Prof. Thomas Dyllick, Director, Institute for Economy and the Environment, University of St. Gallen and member of the Coop Sustainability Fund's core team*

**Total donations  
Coop Aid for Mountain Regions**  
in CHF millions



**Coop Sustainability Fund  
Funding, by strategic area**  
in Swiss francs

Strategic themes	2008	2009
Climate	4 098 547	4 336 025
Water	300 000	400 166
Plants, animals, soil	6 442 866	7 550 923
People	1 158 587	713 346
<b>Total</b>	<b>12 000 000</b>	<b>13 000 460</b>

**Ecological and social commitment in Honduras**

Working in close cooperation with the Coop manufacturing company Chocolats Halba and the Helvetas development organization, Coop is actively involved in efforts to develop fully sustainable sourcing of cocoa in Honduras. The aim is to apply both ecological and social criteria in the local area. This means, on the one hand, implementing reforestation measures for the rain forests and organic and water-saving production methods that have a positive impact on biodiversity. On the other, it means improving the living conditions of the local cocoa producers by means of training courses, infrastructure projects and long-term fair trade. Certified by Bio Suisse and Max Havelaar (FLO), the chocolate obtained from this project should be available from Coop as of 2012, enabling consumers to combine enjoyment with a clear conscience.

**COOP AID FOR MOUNTAIN REGIONS**

**Helping people to help themselves**

Coop Aid for Mountain Regions has been actively engaged for 68 years in efforts to improve the living and working conditions of inhabitants of the Swiss mountain regions. It supports mountain farming families in particular and helps them achieve sustainable improvements in their livelihoods. Because of the need to comply with legal provisions on animal welfare and protection of waterways, many mountain farms have had to be substantially refurbished in the last few years. The income from mountain farming is generally insufficient to pay for urgently needed investments such as modernization of livestock housing or the provision of a liquid manure pit without third-party financial assistance. In their plight, many families neglect their personal housing situation and live very modestly, sometimes even without electricity, water, sanitation or heating. This is where Coop Aid for Mountain Regions steps in and provides mountain farmers and their families with financial support for essential modernization or conversion work. In doing so, it creates new prospects for the young people living there and slows down depopulation of the Swiss mountain regions.

**Token of solidarity via Pro Montagna**

Coop Aid for Mountain Regions is a non-profit organization whose administrative overheads are paid for by Coop. This means that every franc donated is spent in its entirety on forward-looking self-help projects. In 2009, Coop Aid for Mountain Regions had

**There'll still be cheese at Alp Bel thanks to record bread-roll campaign**

Coop's customers surpassed themselves on the occasion of the Swiss National Day "Weggen" (bread roll) campaign for the benefit of people living in mountain regions. The sale of over 290,000 bread rolls generated 111,000 francs worth of donations, which Coop then doubled and rounded up, yielding the proud sum of 225,000 francs for Coop Aid for Mountain Regions. In 2009, the money was donated to farmers in the Upper Valais to restore the Bel mountain pasture. As the campaign was more successful than ever before, Coop is also able to finance another three sustainable follow-up projects of the alpine dairy farm: covering the roof with natural stone tiles, purchasing a cheese smear machine and installing a milk pipeline from the pasture cowshed to the dairy.

a total of over 3 million francs worth of donations at its disposal, of which 700,000 francs came from the sale of Pro Montagna products. Under its Pro Montagna label, Coop offers high-quality products from Swiss mountain regions, a portion of whose retail price is donated to Coop Aid for Mountain Regions as a token of solidarity. This contribution enabled Coop to provide start-up funding for projects such as the construction of housing for Pro Specie Rara dairy goats in Appenzell.

**FURTHER COMMITMENTS**

**Partnership with Tropenhaus in Frutigen and Wolhusen**

The construction of the 34.6 km-long Lötschberg base tunnel between Frutigen and Raron opened up a source of about 100 litres of warm water per second. November 2009 saw the inauguration of Tropenhaus Frutigen, a sustainable and innovative project that will make full use of this mountain water, with its temperature of up to 20°C, to breed sturgeon in accordance with state-of-the-art sustainable fish breeding practices, and to produce tropical fruit. Coop is both the principal partner and main investor in Tropenhaus Frutigen and its similar sister project, Tropenhaus Wolhusen. The latter uses waste heat from the only Swiss gas compression station on the natural gas pipeline between the North Sea and Italy. Tropenhaus Wolhusen opened in March 2010 and is designed primarily for the production of tropical fruit as well as for breeding tilapia, an edible fish of tropical origin. Both "tropic houses" are accessible to

**Coop Aid lays foundations for the future**

"I'm a mountain farmer with all my heart – a fully-fledged Pro Montagna farmer from Val Lumnezia. I've been the new face of Pro Montagna posters for the last year and I'm rather proud of this. I'm happy that I'm able for once to do something for Coop Aid for Mountain Regions in return. I know how much Coop Aid helps us in Lumbrein. It began with the milk pipeline that was laid between the Staviala Vedra pasture and the Lumbrein dairy in 2002. Then in 2009 our dairy was also renovated with the help of money from Coop Aid. This laid the foundation for our future. It means that our 15 cows, along with the 127 or so Alpine pasture cows belonging to the other farmers, can now keep the Lumbrein dairy supplied with milk. That's where the organic Graubünden summer pasture cheese and the all-year-round mountain cheese of the Coop Pro Montagna line are made."

*Daniela Capaul, mountain farmer from Lugnez*

the public through an exhibition that focuses, among other topics, on all-round aspects of sustainable consumption.

>> [www.tropenhaus-frutigen.ch](http://www.tropenhaus-frutigen.ch),  
[www.tropenhaus-wolhusen.ch](http://www.tropenhaus-wolhusen.ch)

**Targeted investments in research projects**

In 2005, Coop sent out an important signal on promoting Switzerland as a centre of innovation: it granted an interest-free, ten-year loan of ten million francs to the ETH Zurich Foundation, an independent, non-profit foundation governed by private law. Fifty percent of the interest earned by the ETH Foundation is allocated to its Strategic Fund to finance further strategic projects. The remaining 50% is being spent on promoting sustainability projects through an earmarked fund. The first such project to receive support was the "Center for Climate Change Modelling" in 2008. This new centre of excellence carries out coordinated research activities in the field of climate modelling to achieve a better understanding of climate change.

>> [www.eth-foundation.ch](http://www.eth-foundation.ch)

**Coop helps get Switzerland moving**

With the aim of encouraging the general Swiss public as a whole to engage in more physical activity in the long term and to raise awareness of the benefits of a healthy diet, Coop established the Coop Municipality Duel in 2009. Between 5 and 12 May 2009, a total of 144 sports-minded municipalities competed

against one another to earn as many physical activity minutes as possible. In the eight-week run-up to the event, Coop provided optimum preparation for it on the Internet by publishing tasty recipes, useful tips and background information on all aspects of a balanced diet. The Coop Municipality Duel is one of Switzerland's biggest mass-participation sporting events and is organized in the framework of "schweiz.bewegt", the national programme for the promotion of physical activity, under the aegis of the Federal Office for Sport and the Swiss Foundation for Health Promotion.

>> [www.schweizbewegt.ch](http://www.schweizbewegt.ch)

#### **Advice on budgeting helps in financial matters**

Budgetberatung Schweiz, the Swiss budget-advice association, is the umbrella organization of some 35 non-profit budget advice groups. It advises people from all income groups on how to handle their personal finances and helps them behave with greater awareness in financial matters. For instance, it draws up and distributes up-to-date material needed for private-household budgeting purposes, e.g. budget forms and information leaflets. Coop decided in 2009 to provide the non-profit organization with financial support for a period of several years. As a first step, Coop developed a website on which the Swiss budget-advice centre could advertise its valuable services free of charge.

>> [www.budgetberatung.ch](http://www.budgetberatung.ch)

#### **Five years of support for "Swiss Table" and "Table Be Set"**

Up to 250,000 tonnes of food have to be thrown out each year by producers and retailers in Switzerland – yet much of it is still edible. Because Coop regards food as "the stuff of life", it wants to do something about such waste. It therefore donates over 1,000 tonnes of food a year to the social-welfare organizations "Schweizer Tafel" (Swiss Table) and "Tischlein deck dich" (Table Be Set). The products in question have passed their sell-by, but not their use-by, date and are therefore of impeccable quality. "Schweizer Tafel" distributes the food free of charge to around 500 social institutions such as soup kitchens, residential homes or care facilities. "Tischlein deck dich" shares it out directly to needy people at 67 distribution points throughout Switzerland.

In 2009, Coop supplied just under 20% of the food collected by "Tischlein deck dich" and for as much as 50% of that collected by "Schweizer Tafel". Coop also supports each organization to the tune of 150,000 francs a year to help them expand their infrastructure and distribution points – thus ensuring that, in future, even less food will be thrown out and even more people can benefit.

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## REPORTING IN ACCORDANCE WITH UNGC AND GRI

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### **The Ten Principles of the UNGC**

Coop signed up to the United Nations Global Compact (UNGC), a voluntary business initiative, in summer 2009. In doing so, it undertook to embrace, support and enact – within its sphere of influence – a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. The UNGC's Ten Principles are based on widely recognized standards of good corporate management and are formulated as follows:

#### Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and  
Principle 2: make sure that they are not complicit in human rights abuses.

#### Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. They should also promote:  
Principle 4: the elimination of all kinds of forced and compulsory labour,  
Principle 5: the effective abolition of child labour; and  
Principle 6: the elimination of discrimination in respect of employment and occupation.

#### Environment

Principle 7: Businesses are asked to support a precautionary approach to environmental challenges;  
Principle 8: undertake initiatives to promote greater environmental responsibility; and  
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

#### Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The present Sustainability Report of the Coop Group is a communication on progress as proposed by the UNGC. Coop's website includes a detailed overview of where and how the reporting provides information on compliance with the UNGC's principles.

>> [www.unglobalcompact.org](http://www.unglobalcompact.org),  
[www.coop.ch/sustainability](http://www.coop.ch/sustainability)

### **Internationally recognized GRI guidelines**

In its approach to reporting in the Annual and Sustainability Reports, the Coop Group aims to provide the fullest possible information on its ecological, economic and social achievements.

Reporting is based closely on the indicator list of the Global Reporting Initiative (GRI). The GRI is an international organization that draws up widely recognized guidelines for sustainability reporting. It attests an Adherence Level of B to the present report. In the reports the Coop Group publishes each year, it does not break down its sustainability performance by GRI indicator, but by the most important areas in which it is active. This approach is intended to improve the readability of the publications and to clearly identify Coop's priorities and interests. On key points, Coop's reporting goes further than the GRI requirements.

Coop's website includes a detailed overview showing where and how the present reports provide information on GRI indicators.

>> [www.globalreporting.org](http://www.globalreporting.org),  
[www.coop.ch/sustainability](http://www.coop.ch/sustainability)

### **Content**

Coop  
Quality/Sustainability  
Sibyl Anwander Phan-huy  
Tel. +41 61 336 71 00  
E-mail: [nachhaltigkeit@coop.ch](mailto:nachhaltigkeit@coop.ch)



## **Publishing details**

Any statements in this report that do not refer to historical facts relate to the future and do not constitute guarantees of future products and services. They incorporate risks and uncertainties including, but not exclusively, future global economic conditions, exchange rates, statutory regulations, market conditions, competitors' activities and other factors beyond the company's control.

This report is published in German, French, Italian and English. The German version is authoritative. An online version can be downloaded from [www.coop.ch/report](http://www.coop.ch/report)

## **Print-run**

10,500 Ge / 2,500 Fr / 1,000 It / 1,200 En

## **Published by**

Coop Cooperative  
Thiersteinallee 12  
Postfach 2550  
4002 Basel  
Tel. +41 61 336 66 66  
Fax +41 61 336 60 40  
[www.coop.ch](http://www.coop.ch)

## **This report can be ordered from**

Coop  
Info Service  
Postfach 2550  
4002 Basel  
Tel. +41 61 336 66 66  
[www.coop.ch](http://www.coop.ch)

Editing: Coop, Public Relations  
Concept / Design: Hotz & Hotz, Steinhausen  
Realization: Victor Hotz AG, Steinhausen  
Photography: Marius Born, Winterthur  
Coop portrait photos: Peter Tillessen, Zürich  
Printing: Birkhäuser+GBC AG, Reinach  
Binding: Grollmund AG, Reinach



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