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CHRIS



Coop Group
Sustainability Report

2012





About the report

Like its predecessors, this eighth Coop Group Sustainability Report underscores the great importance Coop attaches to sustainability in its corporate strategy. In addition, it constitutes a review of the progress Coop has made in achieving the Group's sustainability goals in 2012.

The Coop Group Sustainability 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.

Key sustainability figures are summarized at the end of the report. The figures section is structured in line with the three pillars of Coop's sustainability

strategy: sustainable products & services, resource efficiency & climate protection, and employees & society. Current figures cited in the body of the text usually refer to 2012.

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. A list of additional subjects is therefore provided at the end of each section, together with links to the Coop website. Basic information on Coop's commitment to sustainability can be found at:

 www.coop.ch/sustainability

The Coop Group Sustainability Report is published every year together with the Annual Report. The copy deadline for Coop's 2012 Sustainability Report was 8 February 2013.



Coop Naturaplan

Organically produced food bearing the Bio Suisse bud label, including regional organic specialities. Uncompromisingly organic, uncompromisingly tasty.



Coop Naturafarm

Swiss meat and eggs from animals and poultry reared subject to very rigorous animal husbandry standards, with stalls designed to meet the animals' needs and feed that is free from genetically modified plants.



Coop Oecoplan

Environmentally friendly products for home and garden, flowers and plants with the Bio Suisse bud logo, timber products with the FSC label, products made from recycled materials, energy-efficient appliances and ecological services.



Coop Naturaline

Textiles made from organically grown cotton and produced according to socially and environmentally responsible methods, and plant-based cosmetic products.



Pro Montagna

Products produced and processed in the Swiss mountain areas – with a donation to the Coop Aid for Mountain Regions scheme.



Pro Specie Rara

Heirloom native plants and animal breeds that have almost sunk into obscurity.



Slow Food

Traditional, sustainably manufactured specialities for rediscovering the pleasures of real food.



Fairtrade Max Havelaar

Products with the Fairtrade seal of quality from the Max Havelaar Foundation (Switzerland), which has a global commitment to fair trade and improving the position of producers in developing countries.



Bio Suisse

Organic products with the bud logo, manufactured according to the rigorous Bio Suisse guidelines and processed with care.



MSC

Fish and seafood from sustainable wild-catch – to protect the oceans and for sustainable enjoyment of fish.



FSC

Timber and paper products from environmentally, socially and economically responsible forestry.



Topten

Appliances with the lowest energy consumption, low environmental impact and good serviceability, hand-picked by Topten.ch.

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2012

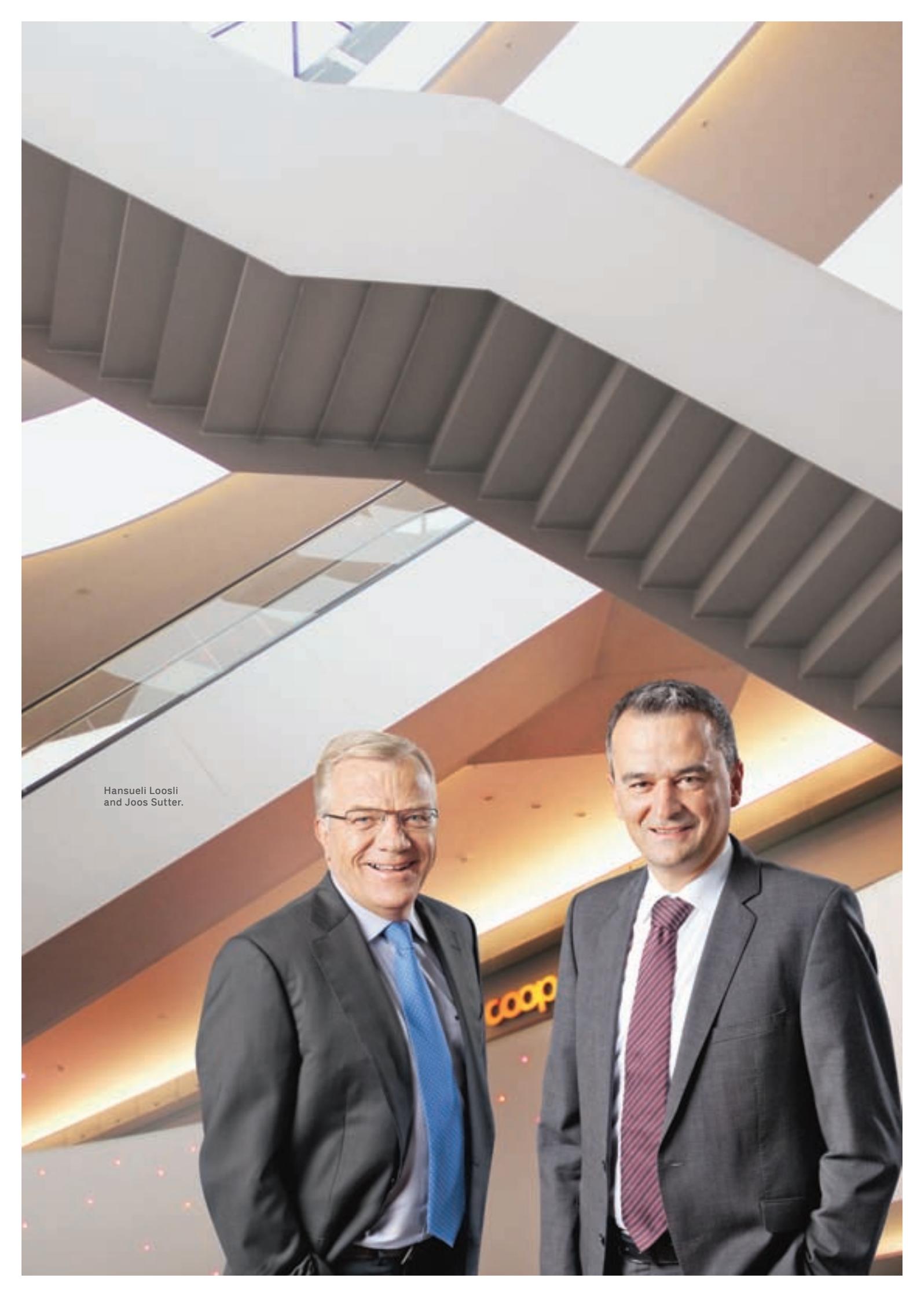
5	Foreword	25	Sustainable purchasing
6	Company structure	25	Non-food supply chain
7	Milestones	25	Responsibility above and beyond legal requirements
8	Strategic integration of sustainability	26	Setting up a new environmental standard
8	Sustainability strategy	26	Partner-based supplier relations
8	Comprehensive approach to sustainability	26	Intensive support for training
8	Pillar 1: Sustainable products and services	26	Implementing national legislation
8	Pillar 2: Resource efficiency and climate protection	27	Food supply chain
8	Pillar 3: Employees and society	27	Three-pronged approach for fruit and vegetables
9	Changes in wholesale	27	Improving working conditions
9	Sustainability Fund an important tool	27	Sustainable water management
9	Strategic and operational controlling	27	Reducing pesticide usage
9	Sustainable objectives	28	Systematic risk analysis
10	Focusing efforts	28	Dealing with air freight
10	Stakeholder dialogue	28	Systematic declaration and reduction
10	Important discussions with stakeholders	28	Gold-standard offsetting projects
11	Targets and degree of attainment	28	Conclusions drawn from five years of commitment
17	Sustainable consumption	28	Coop Natura Prize
17	Sustainable meat production	28	Coop recognizes involvement of business partners
17	Requirement for humanely reared meat	29	Production and wholesale
18	Sustainable Naturafarm products	29	Comprehensive purchasing project for rice
18	Efforts across the entire range	29	Transgourmet France promotes regional buying
18	Manufacturing company Bell AG included	31	Resource efficiency and climate protection
19	Life-cycle assessment for meat	31	Energy and climate policy context
19	Promoting sustainable soya	31	New CO ₂ law for Switzerland
19	Less concentrated feed in animal feedstuffs	32	Swiss Energy Strategy 2050
19	Quality strategy for Swiss agriculture	32	Comprehensive energy management
19	Improving competitiveness	32	Updating the energy / CO ₂ vision
20	Long-term commitment to Swiss agriculture	32	Achievement honoured
20	Optimizing and reducing packaging	33	Group-wide energy and climate targets
20	Ambitious targets	33	Reducing energy consumption
20	Lighter mineral-water bottles	33	Targeted measures in sales outlets
20	Innovative salad bowl packaging	33	More efficient lighting in distribution centres
20	Coop recognizes extraordinary service	33	Swissmill invests in new steam system
21	Sustainable non-food range	33	Bell significantly reduces energy requirements
21	Largest range of energy-efficient appliances	34	Reduction measures at Transgourmet
21	Positioning Building & Hobby as a green DIY superstore	34	Using renewable energy sources
21	Naturaline honoured as futuristic sustainable solution	34	Generating more solar power
22	Production and wholesale	34	Wood-fired heating for Jegenstorf distribution centre
22	Good chocolate from Chocolats Halba	34	Biomass heating for planned industrial bakery
22	Reismühle Brunnen exports sustainability	34	Efforts at rented premises too
22	Sustainable efforts at Transgourmet	34	New photovoltaic systems at Transgourmet
23	More sustainable ranges at Rewe Foodservice		



35	Environmentally friendly goods transport
35	Nationwide rail freight
35	Expansion in shipments via Railcare
35	Pearlwater Mineralquellen opts for rail
35	Innovative routing software at Rewe Foodservice
35	Waste avoidance and recycling
35	Less waste thanks to optimized packaging
35	Proper sorting increases recycling rates
36	Milestone in recycling organic waste
36	Federal Supreme Court judgment on littering
36	Transgourmet Group measures
39	Employees
39	Terms of employment
39	Higher wages in a challenging environment
40	Safeguarding health in the workplace
40	Simpler retail processes
40	Field coaching as a training tool
41	Young people and working life
41	Wide range of occupations for trainees
41	Investing in the quality of basic training
41	Preparation for the world of work
41	Sustainable staff management
41	Nutrition and physical activity workshops
41	Smoking cessation courses
42	Integrating people with disabilities
42	Sustainability training
42	Implementing the new training strategy
42	Production and wholesale
42	Staff development in manufacturing companies
42	Health management at Fegro/Selgros
43	Selgros Romania: dialogue with trade unions
43	Selgros Russia and Poland focus on training
43	Sustainable staff management at Rewe Foodservice

45	Society
45	Coop Sustainability Fund
45	Promoting sustainable consumption
46	Kick-starting sustainable innovation
46	Sourcing projects and basic research
46	Public awareness-raising
46	Main partner for Umwelt Arena
46	Sustainable mobility management
46	Promoting home deliveries by bicycle
48	Pilot project in Langenthal
48	Sustainable mobility in north-west Switzerland
48	Avoiding food waste
48	At the centre of public discussion
48	Supporting social organizations
48	Production and processing measures
49	Clear information for consumers
49	Initiatives at manufacturing companies and Transgourmet
49	Protecting young people
49	Internal test purchases for added safety
49	Legal basis for test alcohol purchases
50	Young people and electronic media
50	Other activities
50	70 years of commitment to Swiss mountain regions
50	Five years of Coop and Pro Senectute
51	Howeg encourages budding young chefs
53	Key sustainability data
60	Reporting in accordance with UNGC and GRI
60	The Ten Principles of the UNGC
60	Internationally recognized GRI guidelines
60	Content



A photograph of two men in business suits standing in a modern, brightly lit interior space. The man on the left is wearing glasses and a blue tie, while the man on the right is wearing a red striped tie. They are both smiling. In the background, there is a large, curved architectural structure and a sign that says "coop" in orange letters. The lighting is warm and modern.

Hansueli Loosli
and Joos Sutter.

Foreword

Putting credible sustainability into practice

Market differentiation and profiling by means of credibly sustainable products and services are ways of ensuring customer loyalty, especially in economically challenging times. They also lead to long-term partner-based relationships being established along the value chain.

Over 20 years ago, Coop started intensively and strategically getting to grips with the issue of sustainability. Our goal was to create a distinct profile and set ourselves apart in the market. Consciously addressing customer requirements and talking to possible producers and suppliers of sustainable products resulted in the advent of our substantive own-label sustainability brand programmes. They make Coop's commitment unmistakable, bear witness to its innovation and promote customer loyalty. At the same time, they have given Coop a broad range of expertise and an extensive network covering many different aspects of sustainability. An ability to undertake joint partner-based ventures with businesses and organizations along the entire value chain is a defining characteristic of our corporate culture. In the current economic climate, attributes such as these are vitally important. These days, virtually every company is proclaiming its sustainability, once again raising the issue of differentiation.

Coop stands out from the competition first and foremost due to the breadth, depth and considerable credibility of its commitment to sustainability. We are constantly increasing the number of own-label sustainability brands in our range, either by developing innovative products, funding research and purchasing projects via the Coop Sustainability Fund or by systematically promoting the marketing and sales of sustainable products and services. Coop also stands out due to its in-depth knowledge of production systems, which underpins our conscious decision to buy direct from the point of origin. The expertise we have gained helps us today in conducting risk analyses for our products and services, and in our wide-ranging quest for innovative and results-oriented solutions.

Sustainability initiatives are particularly credible if they also make sense from an economic point of view and focus on the company's core processes. In the spirit of our comprehensive commitment to sustainability, we are not only developing our product ranges but also taking action in the areas of resource efficiency, climate protection, employees and society. One noteworthy example of this is our expansion of rail transport via Railcare, and also our ongoing reduction of energy consumption. To ensure sustainability is firmly integrated within the company, Coop includes sustainability criteria in all its strategies. Moreover, the responsibility for meeting sustainability targets lies with the same people who make investment and marketing decisions. Credibility also means an openness to criticism and suggestions for improvement, clear targets and reporting, and consistent implementation across the entire company. In particular, the expansion of the Coop Group to include Transgourmet has generated new momentum in this respect.

Living and breathing credible sustainability has been our aspiration for 20 years now. We have already achieved a good deal and have no intention of letting our efforts flag in the future!



Hansueli Loosli
Chairman of the Board of Directors



Joos Sutter
Chairman of the Executive Committee

Company structure

As at 31 December 2012



Milestones

2012	<ul style="list-style-type: none"> – Receives the EHI Energy Management Award and the Swiss Solar Prize. – Coop Naturaline honoured by “Sustainia” as one of the world’s 100 most sustainable forward-looking solutions. – Over 98% of the seafood range (fish and seafood) switches to sustainable products. – Frutigen and Wolhusen Tropical Houses acquired including dining facilities, exhibition space and production capacity. – Rewe Foodservice receives the German Call Centre Association’s Quality Award for the Transgourmet Contact Centre following its “work and family” audit.
2011	<ul style="list-style-type: none"> – Declared the world’s most sustainable retailer by Oekom Research AG. – Fairtrade offensive launched to convert strong-selling Coop Qualité & Prix product ranges to Fairtrade raw materials. – Founding member of Soy Network Switzerland. – Switzerland’s first wood-burning furnace for an industrial bakery commissioned. – Coop manufacturing company Chocolats Halba introduces the first ever carbon-neutral chocolate.
2010	<ul style="list-style-type: none"> – Coop transfers numerous freight shipments from road to rail as part of its Logistics and Bakery Strategy 2015+ by acquiring Railcare AG. – Conversion to 100% low CO₂-emission hydroelectric power from Switzerland and Europe. – First Coop supermarket exclusively lit by LED lighting.
2009	<ul style="list-style-type: none"> – Coop sustainability strategy agreed and integrated into strategic controlling.
2008	<ul style="list-style-type: none"> – “CO₂-neutral by 2023” vision agreed for all areas within Coop’s direct sphere of influence. – The Coop Naturaplan Fund becomes the Coop Sustainability Fund and is gradually built up to 15 million francs per year.
2007	<ul style="list-style-type: none"> – Coop own-label sustainability brands Naturafarm and Pro Montagna introduced. – “By Air” logo introduced to denote and offset air-freighted goods. – First Coop supermarket to conform to the Minergie standard.
2006	<ul style="list-style-type: none"> – Founding member of the Round Table on Responsible Soy (RTRS). – Strategic partnership with WWF Switzerland focusing on forests, oceans, fish and the climate.
2005	<ul style="list-style-type: none"> – Partnership initiated with “Schweizer Tafel” and “Tischlein deck dich”. – Joins the Business Social Compliance Initiative (BSCI) and adopts its code of conduct.
2004	<ul style="list-style-type: none"> – The Coop Group publishes its first Sustainability Report. – The Coop code of conduct is introduced. Its aim is to ensure business partners are dealt with fairly. – “Regional organic products” are launched as part of Coop Naturaplan. – Joins the Roundtable on Sustainable Palm Oil (RSPO). – “Basel criteria for responsible soya cultivation” drawn up with WWF Switzerland. – Coop is the first major retailer in Switzerland to enter into binding CO₂ target agreements with the government.
2003	<ul style="list-style-type: none"> – Coop Naturaplan Fund launched (now known as the Coop Sustainability Fund).
2002	<ul style="list-style-type: none"> – Coop Naturaline awarded the UN environment prize for sustainable partnership. – Comprehensive and binding Guideline on Sustainable Sourcing produced. Revised in 2008 and 2011. – The Coop manufacturing company Reismühle Brunnen introduces the first Fairtrade rice for retail sale.
2001	<ul style="list-style-type: none"> – For the first time, sales of Coop own-label sustainability brands and quality labels top the one-billion-franc mark. – The Coop manufacturing company CWK-SCS launches the Maya ecological wholesale cleaning project range. – With the restructuring of Coop, a progressive nationally applicable collective employment contract is signed for 36 000 employees.
2000	<ul style="list-style-type: none"> – The first Coop Natura Prize is awarded to business partners for outstanding sustainable products and services. – Coop becomes the first Swiss retailer to introduce MSC-certified seafood products.
1996	<ul style="list-style-type: none"> – Coop’s Swissmill grain mill commissions the first solar plant in the city of Zurich.
1993	<ul style="list-style-type: none"> – Coop own-label sustainability brands Naturaplan and Naturaline are introduced.
1989	<ul style="list-style-type: none"> – Coop’s first ever own-label sustainability brand Oecoplan is introduced.
1973	<ul style="list-style-type: none"> – Environmental protection is enshrined in Coop’s Articles of Association.
1942	<ul style="list-style-type: none"> – Coop Aid for Mountain Regions is founded to support the inhabitants of Swiss mountain regions.

On course for goals – measures proving effective

Coop has either achieved or is well on the way to achieving most of its medium-term goals for 2011 to 2013. The Coop Sustainability Fund is an effective tool for initiating innovative projects. And stakeholders are also taking a positive view of the many measures being taken to promote more sustainability. Coop will be stepping up its efforts – particularly in the areas of resource efficiency, minimum standards in the supply chain and consumer communications.

Sustainability strategy

Comprehensive approach to sustainability

Coop firmly believes that sustainability is an important basis for the company's long-term success. For this reason, Coop has firmly enshrined sustainability in its Articles of Association, its Corporate Profile and its missions. Sustainability goals are also incorporated into the overall goal-setting process, employee training and operational processes and procedures, as well as being included on balanced scorecards by means of various sub-strategies. With its comprehensive approach to sustainability, Coop is not only setting itself apart in the market by providing added value, but also ensuring that increasing social and political demands for sustainability are implemented across all business activities in an efficient and credible manner. Sustainability is incorporated into all Coop corporate strategies by means of the sustainability strategy, which is based on three pillars.

Pillar 1: Sustainable products and services

Moving towards sustainable consumption and resource efficiency is important for Coop. It supports the adherence to stringent minimum requirements along the entire value chain. It is also involved in pioneering sourcing projects and long-term partner-

ships to promote organic farming, fair trade and animal welfare. Coop is promoting sustainable consumption by selecting products responsibly, developing ranges purposefully and providing customer information comprehensively.

Pillar 2: Resource efficiency and climate protection

As well as helping to protect the environment, the efficient use of resources and energy also helps to reduce costs. Coop's efforts in this regard focus on the consistent implementation of its "CO₂-neutral by 2023" vision and the associated reduction in energy consumption and greater use of renewable energy. Other important topics include avoiding waste, optimizing packaging, recycling and also managing water resources responsibly. Coop is making particular efforts in the field of logistics and goods transport by avoiding and offsetting air freight and by transferring freight from road to rail.

Pillar 3: Employees and society

Training apprentices, a uniform and progressive collective employment agreement for the whole of Switzerland, and a generous pension scheme are among Coop's important accomplishments as an employer. Coop supports the integration of people with disabilities into the work process, for example by placing orders with disabled workshops. Coop

Sustainability strategy



is also the only Swiss retail business to support the “Schweizer Tafel” (Swiss Table) and “Tischlein deck dich” (Table Be Set) organizations, not only with food but also financially. For 70 years now, Coop Aid for Mountain Regions has supported efforts to improve the living and working conditions of Swiss mountain farmers.

Changes in wholesale

The companies that make up the Transgourmet Group are also due to have drawn up a sustainability strategy by the end of 2013. This will be based on the sustainability strategy developed in 2009 for the Coop parent company. Adopting this approach will enable synergies to be exploited in processes, training and communication as well as facilitating the sharing of experiences across the entire Group. At the same time, it will provide sufficient leeway to reflect the specific requirements of individual markets, and also country-specific social and legal expectations. Prodega/Growa, Howeg, Rewe Foodservice and Fegro/Selgros finished drawing up their sustainability strategies during the year under review.

Sustainability Fund an important tool

The Coop Sustainability Fund acts as a central tool for fostering innovation and raising public awareness of sustainable consumption. The Fund enables Coop to initiate innovative solutions in environmental and socially relevant areas and thus promote pioneering services in the field of sustainability. Coop invests CHF 15 million each year through the Sustainability Fund, as well as supplying communication tools, human resources and valuable partner networks and structures.

Measurable success



Thomas Vellacott
CEO WWF Switzerland

“We know what’s needed – less environmental impact and more resource efficiency. But that decisive step

from knowing to doing is often lacking. In this respect, companies are no different from individuals. So players who lead the way are all the more important. Players who demonstrate that resource efficiency and environmental protection represent opportunities. Players who show that environmental goals can be incorporated into core business operations. And players who know what the most important drivers are and how to measure sustainability. So when Coop and WWF develop joint approaches to sustainable tuna fishing or implement climate protection projects, these are not simply good one-off projects, but an integral part of a pioneering overall strategy.”

Strategic and operational controlling

Coop strategically monitors the implementation of its sustainability goals via specific key performance indicators on balanced scorecards. Achieving these goals is therefore the direct responsibility of management in the business segments concerned. Coop manufacturing companies and individual companies within the Transgourmet Group have already been included in the balanced scorecard reporting system. Since 2012, Coop has been using a new SAP IT tool that enables it to monitor the energy consumption at individual Group sites. Alongside this, it is developing a comprehensive supplier database in order to implement value chain guidelines, including those relating to quality and sustainability, into supplier evaluations.

Sustainable objectives

Coop has defined detailed medium-term goals for 2011 to 2013 and recorded them on balanced scorecards in the form of measurable targets. Together with economic goals, these are included in the Coop Group’s established annual goal-setting process. Management profit-sharing also depends on these sustainability goals being achieved. In 2012, Coop was in particular able to further reduce the percentage of its freight transported by air, obtain almost 100% of its fish and seafood range from sustainable sources and make significant material savings through optimizing packaging. Environmental problems are on the increase worldwide, competition in procurement markets is becoming keener, and it is becoming increasingly difficult for Coop, as a small company in global

terms, to ensure specific standards are met. Despite huge efforts and many new projects, Coop has therefore not yet quite fully achieved all of its sustainable procurement objectives. In the fields of energy and climate protection, Coop is reporting very good results. With regard to buildings development there is still potential for improvement; activities will be stepped up in 2013. And in the field of employees and society, the degree to which targets have been met is high in almost all cases. It is only in occupational health management that measures are taking effect more slowly than planned.

Focusing efforts

Coop's sustainability efforts focus on those areas where it can achieve significant leverage when carrying out its core business. These key areas involve aspects where internal analysis has revealed a high degree of social, environmental or economic relevance. When establishing its priorities, Coop uses a large number of tools such as life-cycle assessments, risk monitoring and product range evaluations. Social expectations also play an important role in the selection of key areas.

Stakeholder dialogue

Important discussions with stakeholders

For many years, Coop has maintained a regular targeted dialogue with its stakeholders. This dialogue essentially takes place at two different levels. Firstly, Coop involves relevant stakeholders in joint projects, maintaining a regular exchange of knowledge and experiences. And secondly, Coop holds an annual stakeholder forum, thus systematically recording its stakeholders' strategic expectations. In 2010, together with relevant stakeholders, Coop compiled the 2011 to 2013 targets published in the Coop Sustainability Report. In 2012, Coop invited over 30 stakeholders to a briefing session on the progress made towards these targets. The companies that make up the Transgourmet Group also hold regular discussions with a variety of public bodies, associations and organizations as well as with their employees, customers and suppliers.

Additional topics on the internet

Sustainability principles	www.coop.ch/principles
Memberships	www.coop.ch/memberships
Coop Sustainability Fund	www.coop.ch/fund
Stakeholder dialogue	www.coop.ch/stakeholder

Targets and degree of attainment

Goals for 2011–2013	Measures taken in 2012	Goal achievement level
Strategy and management		
Integrate sustainability goals into the Coop goal-setting process	<ul style="list-style-type: none"> – Key sustainability goals extrapolated from strategy monitoring and 2011–2013 medium-term goals – Key sustainability goals agreed by Executive Committee and integrated into the 2013 goal-setting process – Interim review of progress towards 2011–2013 medium-term goals conducted at stakeholder forum in September – Integrated SAP sustainability IT tool established 	High
Demonstrate commitment to the environment and sustainability in industry associations and policies	<ul style="list-style-type: none"> – Decision taken to continue with WWF partnership in 2013–2015, focusing on over-fishing, forestry and energy – Quality strategy for Swiss farming and food industries signed – European Soy Event held to promote European soya buying from sustainable sources – Involvement in developing the Business Environmental Performance Initiative (BEPI) – Chairmanship of the BSCI steering committee – Involvement in the Swiss Federal Office for the Environment (FOEN) working party on environmental product declarations and sustainable consumption 	High
Manufacturing companies: Integrate sustainability goals into strategic controlling in manufacturing companies	<ul style="list-style-type: none"> – All manufacturing companies integrated into the goal-setting process since 2011 – Comprehensive sustainability strategy created for Chocolats Halba 	High
Transgourmet: Draw up a top-level sustainability strategy taking account of site-specific challenges	<ul style="list-style-type: none"> – Principles drawn up for defining goals and reduction schedules for energy and CO₂ in operational areas – Sustainability strategies including goals and measures prepared for Prodega / Growa, Howeg, Rewe Foodservice and Fegro / Selgros 	Medium
Sustainable consumption		
Consolidate Coop's leadership in own-label sustainability brands and quality labels in all formats	<ul style="list-style-type: none"> – Sales of own-label sustainability brands and quality labels increased by 3% – Entire Naturaline range carbon-neutral thanks to construction of biogas plants and efficient wood-burning ovens – Continuation of Coop growth strategy with Fairtrade products; conversion of own-label Qualité & Prix coffee varieties to Fairtrade – Peat no longer used in any own-label brand soils – FSC natural rubber products launched 	High
Expand the range of regional and seasonal produce	<ul style="list-style-type: none"> – “Organic – fresh from the region” programme expanded to cover 801 sales outlets, sales increased by 54% – All Coop Qualité & Prix apple juice converted to standard Swiss fruit – Coop member press and seasonal calendar used to raise awareness of consuming seasonal fruit and vegetables – Sales activities focused on seasonal offers 	High
Maintain leadership in products involving particularly humane animal husbandry	<ul style="list-style-type: none"> – Joint project with agricultural college launched to evaluate meat from uncastrated male pigs (young-boar fattening) – Swiss Animal Protection SAP commissioned to conduct a study on animal welfare in commercial fish farming – Trials started on Naturafarm pig farms to reduce the use of antibiotics 	High
Maintain leadership in sustainable seafood range	<ul style="list-style-type: none"> – 98% of fish and seafood sales recommended or deemed acceptable by WWF – Proportion of MSC-certified wild fish in the range increased to 52% – 35% of farmed fish Bio Suisse-certified – Swiss farmed perch introduced nationwide – Sustainability Fund project trialling the energy-efficient farming of tilapia in Switzerland completed 	High

Goals for 2011–2013	Measures taken in 2012	Goal achievement level
Screen the entire food and non-food range for environmental and social risks	<ul style="list-style-type: none"> – Food and non-food screening measures implemented (e.g. water management, meat life-cycle assessment, development of environmental module, review of building and chemicals range, etc.) – Risk monitoring carried out to assess and control political, social, economic and environmental risks in food purchasing 	High
Reduce the environmental impact along the value chain, focusing in particular on energy, water and biodiversity	<ul style="list-style-type: none"> – Agroscope commissioned to prepare a meat life-cycle assessment – Joint “Feed no Food” Sustainability Fund project with FiBL concluded – “Naturafarm biogas plants” Sustainability Fund project concluded: eleven plants constructed, supplying enough electricity for 1 800 households in total – Sustainability Fund project to improve water efficiency in Fairtrade rose cultivation in Kenya – 490 hectares of strawberry production in Huelva (Spain) and 1 330 hectares of vegetable production in Morocco certified in accordance with the Coop water and soil standard 	High
Continue to reduce, declare and offset CO ₂ emissions generated by air freight	<ul style="list-style-type: none"> – Quantities of lamb, horse meat and beef from new sources increased by 252 tonnes – Several airfreight sources for fish discontinued; switch to sea freight for pangasius, 25% of cod deliveries switched to land transport – In-setting compensation projects implemented in Kenya, and feasibility studies on bananas (Central America and Senegal) and sugar (Paraguay) conducted with WWF – Certificates withdrawn from Nepal and Madagascar projects and from recycling project in Brazil 	High
Reduce the use of materials in packaging	<ul style="list-style-type: none"> – Packaging material for various fruit and vegetables reduced by 33 tonnes – 140 tonnes of PET saved by using lighter PET bottles for Coop own-label brand mineral water – Optimized packaging for salad bowls introduced and material consumption in manufacturing reduced by 33% – Reismühle Brunnen, Nutrex and Chocolats Halba to switch to using FSC corrugated cardboard 	High
Develop and promote new environmentally friendly products and services	<ul style="list-style-type: none"> – 100 new Naturaplan products, 50 new Max Havelaar products and 50 new Oecoplan products introduced – Sales of LED lighting doubled – Extensive e-bike range introduced – Prototype process for home deliveries by bicycle created jointly with social projects; pilot project successfully implemented in Langenthal 	High
Manufacturing companies: Expand and promote a sustainable range of products	<ul style="list-style-type: none"> – Chocolats Halba manufacturing “Good Chocolate” to support the Plant for the Planet project – New Swissmill year-round range of crusty organic bread made from organically grown Swiss seed (bioverita) – Ecocert-certified range of Naturaline Natural Cosmetics developed by CWK-SCS 	Medium
Transgourmet: Promote and expand the range of organic and sustainably produced products	<ul style="list-style-type: none"> – Customer acceptance of organic fruit and vegetables tested by Selgros in Russia – Range of regional specialities at Prodega/Growa expanded to cover 1 500 products – Farmyard poultry reared in controlled humane conditions included in Rewe Foodservice range 	Medium

Goals for 2011–2013

Measures taken in 2012

Goal achievement level

Business partners/purchasing

<p>Take systematic account of environmental and social criteria when evaluating suppliers at manufacturing company level</p>	<ul style="list-style-type: none"> – BSCI systematically implemented in food and non-food processing – Supplier relationship management expanded in supplier portfolio area – Target agreements concluded with five business partners regarding the implementation of social standards in fruit and vegetable cultivation; these account for 32% of fruit and vegetables bought from high-risk countries in terms of value 	<p>Medium</p>
<p>Ensure sustainably produced raw materials and products are purchased, particularly for own-label sustainability brands</p>	<ul style="list-style-type: none"> – 28% of the palm oil used in own-label food products is physically sustainable, and the remainder is covered by certificates (Book&Claim) – Sustainability Fund budget for organic farming projects increased to establish and expand new regions, producers and farms in the process of conversion, in collaboration with FiBL – Joint project with FiBL to curb citrus greening disease in Cuba 	<p>Medium</p>
<p>Improve manufacturing company working conditions in high-risk countries and in primary agricultural production</p>	<ul style="list-style-type: none"> – Number of BSCI-audited direct suppliers falls from 343 to 240 – 163 direct suppliers have achieved a “good” or “improvement needed” BSCI audit, or a SA8000 or ICTI audit – Five round tables and GRASP training courses held in Spain, Italy and Morocco – Number of producers in the GRASP process increased from 16 to 47 – Three major fruit and vegetable producers in Morocco and Peru are involved in the BSCI PP implementation process – Support provided for four schools and seven well projects, 6 700 patients treated in mobile health bus as part of Biore social projects in India and Tanzania 	<p>Medium</p>
<p>Exploit synergies with Eurogroup and Coopernic in relation to sustainable sourcing</p>	<ul style="list-style-type: none"> – Coopernic project launched to promote integrated pest management (IPM) and organic pest control in the cultivation of Fairtrade roses in Kenya – Coopernic sustainable Spanish strawberry project implemented – Coopernic partners involved in implementing GRASP in Spain and Italy – Joint irrigation project with Coopernic completed, resulting in positive impact on income and nutrition for 10 000 families in India, Madagascar and Guatemala respectively – FSC point-of-origin range expanded with support from Eurogroup Far East 	<p>Medium</p>
<p>Promote innovative approaches and projects to improve resource efficiency in production</p>	<ul style="list-style-type: none"> – Active involvement in establishing the Business Environmental Performance Initiative BEPI based on the GSCP under the auspices of the FTA – Pilot SCORE training project for Coop suppliers carried out in China by the ILO 	<p>Medium</p>
<p>Manufacturing companies: Ensure sustainably produced raw materials are purchased locally</p>	<ul style="list-style-type: none"> – Sustainability Fund project for sustainable cocoa cultivation and switch to 100% Fairtrade cocoa beans at Chocolats Halba – Joint Sustainability Fund project with Reismühle Brunnen, Helvetas and Max Havelaar to improve water efficiency and reduce greenhouse gases in Fairtrade rice cultivation in Thailand and India – Cultivation of organic-quality flowers in the Swiss Alps for natural cosmetics – Partnerships established in Austria to meet Swissmill's organic grain requirements 	<p>Medium</p>
<p>Transgourmet: Develop common quality agreement and sourcing guidelines</p>	<ul style="list-style-type: none"> – Initial analysis complete 	<p>Low</p>

Goals for 2011–2013	Measures taken in 2012	Goal achievement level
Corporate ecology		
Reduce energy consumption in sales outlets, distribution centres and manufacturing companies	<ul style="list-style-type: none"> – An additional 54 sales outlets converted or constructed to the Minergy standard, of which eight have gained certification – LED lighting installed in 54 stores – A further 54 sales outlets equipped with CO₂ cooling systems – Installation of new gas-fired boiler and energy optimization of steam system at Swissmill – Lighting optimized at three distribution centres; energy consumption reduced by 1 200 MWh 	High
Reduce the energy consumed by transporting goods and passengers	<ul style="list-style-type: none"> – New UCT shipments for transporting frozen produce from the Coop industrial bakery in Basel to the national frozen produce distribution centre in Givisiez, supplying the first Coop City department stores and transporting fruit and vegetables from the import hub at Stabio TI to regional distribution centres – 90% of shipments from the Coop-owned Pearlwater Mineralquellen AG company routed by rail 	High
Increase the use of renewable energy sources for heating and fuel	<ul style="list-style-type: none"> – Existing gas and oil-fired heating at the Jegenstorf distribution centre replaced by wood-pellet-fired heating – Four new photovoltaic systems installed – Coop trucks used 940 739 litres of biodiesel 	Medium
Promote sustainable customer and employee mobility	<ul style="list-style-type: none"> – Measures implemented as specified in the EnergieSchweiz “Mobility management in companies” programme – Sales outlet planning principles for bicycles modified – Trial home delivery by bike project carried out – Swiss delivery by bicycle association jointly founded 	Medium
Develop and implement a standard for the sustainable landscaping of sales outlets and production facilities	<ul style="list-style-type: none"> – Working group formed to define standards 	Low
Transgourmet: Reduce energy consumption in stores and logistics centres	<ul style="list-style-type: none"> – Lighting optimized and LED lighting introduced – Waste heat from cooling system in Rewe Foodservice's Riedstadt logistics centre used to heat the premises 	Medium
Transgourmet: Reduce the energy consumed by transporting goods and passengers	<ul style="list-style-type: none"> – Rewe Foodservice delivery trucks now limited to a maximum speed of 82 km/h 	Medium
Transgourmet: Increase the use of renewable energy sources in stores and logistics centres, and also as fuel	<ul style="list-style-type: none"> – Photovoltaic systems installed at the Selgros store in Pantelimon (Romania) and the new Rewe Foodservice logistics centre in Riedstadt – Howeg trucks running on up to 20% biodiesel 	Low
Employees and society		
Hold internal training to increase sustainability awareness and expertise	<ul style="list-style-type: none"> – Training strategy for sustainability implemented – The importance of sustainability included in induction days for new employees – National awareness-raising event held for all Coop trainees – Coop employees supplied with new information brochure “Coop – world sustainability champion” – Motivation day held for all store managers and everyone responsible for own-label sustainability brands and quality labels at Coop Building & Hobby 	High
Expand occupational health management with offerings targeted at specific groups	<ul style="list-style-type: none"> – More smoking cessation courses held; new course on nutrition and exercise; activity week continued – Detailed absence analysis conducted, absence management course revised – Ergonomics training course on safe lifting and carrying held in logistics 	Medium
Expand efforts to integrate disabled people into working life	<ul style="list-style-type: none"> – Target of at least 1% of jobs for people with restricted functional capacity met – Contracts worth 3 million francs awarded to sheltered workshops – Approximately 40 000 Christmas cards produced by workshops for the disabled 	High

Goals for 2011–2013	Measures taken in 2012	Goal achievement level
Promote healthy eating by providing information and a range of nutritionally superior products	<ul style="list-style-type: none"> – Gradual reduction in artificial colouring agents in Coop own-brand products – Gradual reduction in salt as part of the Swiss Federal Office of Public Health’s actionsanté initiative – Délicorn, Jamadu and Free From ranges modified and expanded, and sales increased – Updated food pyramid and “free” magazine on the subject of lactose published 	High
Reduce food waste by 50% compared with 2010 and give food to the needy	<ul style="list-style-type: none"> – Twice as much edible expired food collected compared with 2007 – 37 new sales outlets added to the “Schweizer Tafel” (Swiss table) and “Tischlein deck dich” (Table be set) network – Bananas and rice from Coop manufacturing companies donated to Caritas shops – Market research conducted on food waste – Dating guidelines revised with a view to reducing food waste – Round table initiated with Swisscofel to review standards for fruit and vegetables 	Medium
Broaden internal and external awareness of protecting young people	<ul style="list-style-type: none"> – On-the-job training module (TOJ) on protecting young people revised to optimized employee training – Regular internal test purchases conducted 	Medium
Transgourmet: Promote employee training and professional development	<ul style="list-style-type: none"> – Fegro/Selgros Germany employed over half of all apprentices following apprenticeship – 423 Selgros Russia employees broadened their skills in a variety of seminars on management, labour organization and HR management – Training campaign launched at Transgourmet France for 230 employees with low levels of education 	Medium
Transgourmet: Set up health initiatives for staff	<ul style="list-style-type: none"> – Fegro Selgros Germany introduced a comprehensive occupational health management scheme entitled “PIMA” – Regular health examinations and first aid training provided for Selgros Romania staff – Rewe Foodservice: First national health day held with the motto “Mach mit – bleib fit” (Participate and stay fit); national works agreement on the subject of “alcohol and the risk of addiction in the workplace”; Transgourmet contact centres in Berlin and Wildeshausen have become the first call centres in Germany to be certified following “work and family” audits 	High
Transgourmet: Initiate/expand the donation of edible expired food to the needy	<ul style="list-style-type: none"> – Transgourmet Group companies are supporting national food distribution charities in their countries 	High
Communication		
Improve communication on the environmental impact of consumption	<ul style="list-style-type: none"> – “20 years of Coop Naturaplan” campaign launched with new key visual, slogan and TV commercial – Coop is main Umwelt Arena partner, holding its own exhibition on sustainable purchasing – Main sponsor for Natur12 sustainability exhibition – Active participation in energyday12 as a gold partner with seven sales formats – Sponsorship of Pro Specie Rara markets and Slow Food market – Support provided for consumer label courses organized by Pusch – Regular reports in the Coop member press and the organics magazine “Verde” – Promotion weeks held in sales outlets – Special exhibition entitled “Water – tales from the future” held at the Wolhusen Tropical House 	High



Sustainable consumption

Marketing sustainable products for a competitive edge

With every PET bottle and every steak they buy, consumers leave an environmental footprint. The size of this footprint depends not least on how environmentally friendly the products are. Coop is setting benchmarks by launching new own-label sustainability products, expanding its Fairtrade range, continuing to promote seasonal produce, optimizing packaging and supporting research projects that bring about innovation.

Sustainable meat production

Requirement for humanely reared meat

The Swiss attach great importance to animal welfare – a fact that is illustrated by a survey conducted in 2012 by Coop market research in conjunction with the LINK Institute. According to this study, 92% of the Swiss population eats meat at least once a month. 77% of shoppers look for



meat from animals that have been reared humanely. The survey results are also reflected in Coop sales figures: around 60% of all Coop beef and pork revenue comes from Naturafarm own-label sustainability brand products. Coop therefore does all it can to ensure its range meets customer requirements for humanely reared meat.

Sustainable Naturafarm products

The Coop own-label sustainability brand Naturafarm denotes high-quality Swiss meat and egg products from animals reared in humane, free-range conditions. Farms, shipping companies and abattoirs receive regular unannounced visits from independent inspection bodies. Coop has developed guidelines for the Naturafarm animal husbandry programme jointly with Swiss Animal Protection SAP over the past 20 years. These guidelines go well beyond statutory provisions. In addition, Coop has been working with the Suckler Cow Switzerland organization for 34 years and can offer its customers high-quality beef (Natura Beef) and veal (Natura Veal) from humane suckler-cow husbandry. Suckler-cow husbandry is the most natural of all forms of livestock farming. The young animals grow up naturally in their herd, together with the mother cows and usually the bull. They spend several hours each day in fields or, in bad weather, in an exercise yard. The calves feed mainly on milk straight from the udder.

Efforts across the entire range

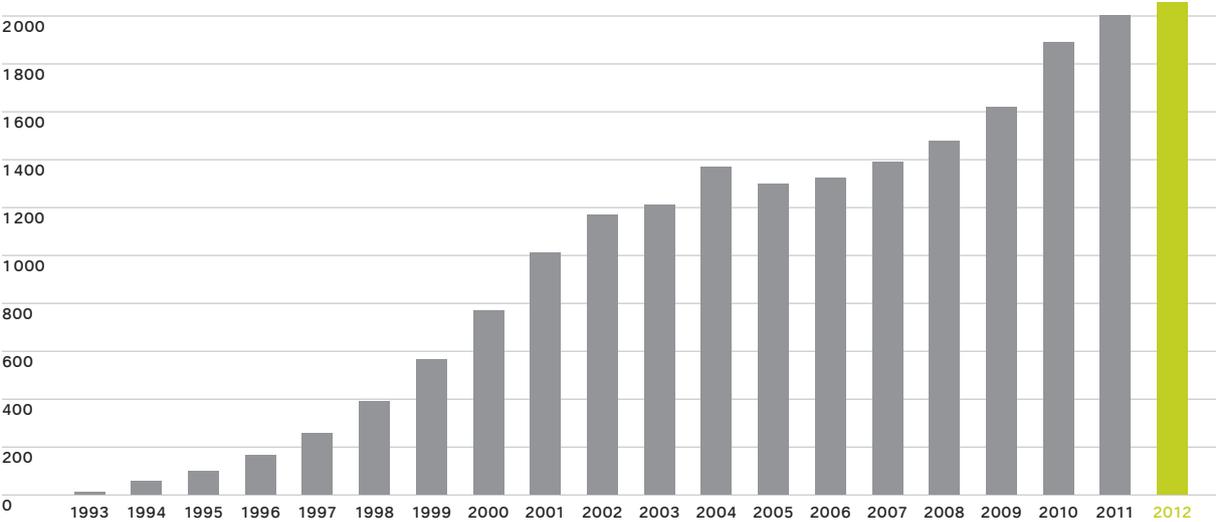
Coop procurement guidelines lay down numerous requirements for sustainable meat production, with a special emphasis being placed on animal

welfare. Since foreign animal welfare guidelines are less stringent than Swiss ones in many respects, Coop goes to great lengths to bring foreign suppliers up to Swiss standards. Where this is not possible, Coop expands its domestic range of sustainable products. Coop usually promotes Swiss meat products too. For example, virtually 100% of its fresh pork comes from domestic sources. In the case of beef, this figure is over 90%. With the “Baltic grasslands beef” project it is conducting with Suckler Cow Switzerland, Coop is focusing on beef that has been suckler-cow reared in the Baltic states in environmentally friendly conditions. This meat is intended to replace prime cuts from Argentina and Uruguay in the medium term and thus reduce air freight. In the case of chicken, around 75% of the entire Coop own-label brand range now meets at least the requirements of the Swiss Federal “Particularly animal-friendly housing” (BTS) programme. This lays down animal welfare requirements that are stricter than those of Swiss animal protection legislation. In fact, 100% of all Coop rabbit meat is particularly humanely reared in Switzerland. The relevant guidelines for this, which are based on the BTS programme, were jointly developed by Coop and Swiss Animal Protection SAP. The most radical way in which Coop is developing its sustainable product range involves the delisting of critical items. For example, Coop is the only major retailer to stop selling frogs legs and paté de foie gras on animal protection grounds.

Manufacturing company Bell AG included

For Coop, animal welfare is crucial not only on farms but also during transport and at the abattoir.

Sales of Coop own-label sustainability brands and quality labels
 Naturaplan, Naturafarm, Oecoplan, Naturaline, Pro Montagna, Pro Specie Rara, Slow Food, Max Havelaar, Bio, MSC, FSC and Topten
 Sales in CHF millions



The Swiss meat processing company Bell AG, in which Coop is the major shareholder, is also working closely with SAP. Since 2011, Bell has been the only Swiss company to use controlled atmosphere stunning on poultry prior to slaughter instead of conventional stunning in an electrified water bath. And Bell too uses clear criteria when seeking suppliers and partners abroad. Adherence to the quality and sustainability requirements defined by Bell is regularly checked during audits.

Life-cycle assessment for meat

In the year under review, Coop supported a life-cycle assessment of beef, pork and poultry conducted by the Reckenholz-Tänikon Agroscope Federal Research Institute (ART), by providing both data and funding. Life-cycle assessments highlight the environmental impact of products throughout their entire life cycle, making it easier to identify optimization potential. The ART study concluded that the crucial factor affecting the environmental impact of meat is the production method. Transport and processing are responsible for a very small proportion of the environmental impact, while agricultural production causes by far the greatest proportion. Air freight is the exception to this rule. Coop identified this fact in an earlier life-cycle assessment, and has implemented measures accordingly.

Promoting sustainable soya

One of the key drivers in making meat production more environmentally friendly is the production and composition of animal feeds. Soya is currently a key raw material for producing concentrated feed and an important plant-based source of protein. Global demand for soya has more than doubled in the last 20 years. The associated expansion in production has led to the widespread clearing of tropical forests and species-rich savanna grasslands. Coop has been actively involved in responsible soya cultivation for many years now, for example through the Round Table on Responsible Soy (RTRS). In 2011, Coop founded Soy Network Switzerland together with key representatives from the production chain. The aim of the network is that, by 2014, Switzerland will be obtaining at least 90% of its soya from responsible, GM-free production. To achieve this, the network sources its soya in accordance with the "Basel criteria". These stringent environmental, social and production requirements are currently met by three standards – the Bio Suisse guidelines, the Pro Terra standard and the RTRS non-GM standard. A study commissioned by Coop in 2012 shows that non-GM raw materials for animal feed are available in sufficient quantities in both the short and medium term.

Coop assumes responsibility for our everyday lives



Walter Schmid
Initiator and Chairman of the Board of Directors of Umwelt Arena AG

“Opened in August 2012, the Umwelt Arena Spreiten-

bach is the world's first exhibition and event centre for modern lifestyle products and services in the fields of food, mobility, housing and sources of alternative energy. It's a total energy and environmental experience. Not a theoretical experience, but one that involves touching, feeling and comparing. As a major retailer, Coop assumes responsibility for our everyday lives, both environmentally as well as economically. The extent to which Coop champions environmentally friendly, animal friendly and socially responsible products is demonstrated by the fact it has been declared the 'world's most sustainable retailer' by an independent agency. This corporate strategy dovetails perfectly into the Umwelt Arena's philosophy. We are proud that Coop is not only our main partner, but also an exhibitor at the Umwelt Arena, showing visitors it is their shopping behaviour that determines what gets put on the shelves.”

Less concentrated feed in animal feedstuffs

As well as developing concentrated feed in a sustainable manner, Coop invested in a project carried out by the Research Institute of Organic Agriculture (FiBL) on reducing the amount of concentrated feed in animal feedstuffs. This study showed that although cows fed almost exclusively on coarse fodder produce less milk, they do end up in better physical condition and with healthier udders. The savings in concentrated feed and the fall in milk yield offset each other financially. The rearing of cattle in accordance with Bio Suisse guidelines is already making optimum use of the coarse fodder that is available in Switzerland. The same applies to the Natura-Beef and Natura-Veal programmes run by the Coop own label Naturafarm. A ban on feeding soya has been in force since November 2012 in these animal programmes.

Quality strategy for Swiss agriculture

Improving competitiveness

Faced with the opening up of markets, the only way Swiss agriculture will be able to maintain its competitive position is by consistently focusing on quality. Coop has been actively involved in drawing up a quality strategy for the Swiss farming and food industries, and signed the associated charter in the presence of the Swiss government in June 2012.

The quality strategy focuses on naturalness and authenticity, a conscious decision to avoid the use of GM animals and plants, and a sound blend of tradition and innovation in order to stand out in the market place with speciality products. The strategy also emphasizes an active market partnership based on transparency, respect and entrepreneurial thinking. Added to this are joint efforts to operate in domestic and international markets on the basis of common values.

Long-term commitment to Swiss agriculture

Very much in the spirit of an active market partnership, Coop has for many years been working closely with farming organizations such as Bio Suisse, the Swiss umbrella organization for organic produce, with which it has been establishing and expanding the market for organic products under the Coop own-label sustainability brand Naturaplan. Launching the Pro Montagna own-label sustainability brand is another example of this partnership. Pro Montagna is synonymous with authentic, top-quality products from the Swiss mountains. Not only are the raw materials produced in Swiss mountain regions, but all the products are manufactured there too. At the same time, each purchase of a Pro Montagna product is supporting pioneering projects in the Swiss mountains. A percentage of the sales revenue goes towards Coop Aid for Mountain Regions, which uses all this money to benefit Swiss mountain farmers. Further examples include Coop's collaboration with the Pro Specie Rara Foundation to maintain the diversity of traditional domestic crop plants and livestock species, and with the "Hochstamm Suisse" organization to promote and market fruit from standard fruit trees. Coop is demonstrating that active market partnerships with farming organizations that focus on sustainability, quality and real customer requirements can create added value for everyone.

Optimizing and reducing packaging

Ambitious targets

In 2011, Coop set itself the target of optimizing a total of 1 000 tonnes of packaging material for its own-label products by the end of 2015. This could be achieved either by reducing packaging or making it more environmentally friendly. Having conducted a comprehensive survey of packaging data for all product groups, Coop defined key optimization drivers and appropriate targets for each product group. The measures that were successfully implemented in 2011 and 2012 resulted in Coop being able to save or environmentally improve 746 tonnes

of packaging material for its own-label products. This motivated the company to increase its original optimization target from 1 000 tonnes of packaging material to 2 000 tonnes.

Lighter mineral-water bottles

One example of successful optimization is the PET bottles used to hold Coop Mineralquelle Pearlwater mineral water. By improving the bottle design and using a flatter screw top, Coop was able to reduce the bottle weight without affecting its stability or user-friendliness. Although the weight of each individual bottle was only reduced by a few grammes, a significant reduction of around 140 tonnes of packaging was saved per year across the entire sales volume.

Innovative salad bowl packaging

Coop broke new ground by redesigning Betty Bossi salad bowls. With the support of its business partner, it optimized the material used from manufacturing right through to disposal. At the same time Coop made the packaging more user friendly, thus meeting a further consumer requirement. The salad bowls are now no longer round, but square. This has resulted in around one third less waste in the manufacturing process. Transport volumes have also decreased due to the new bowls' improved stackability. Specially designed reinforcing ribs have also made it possible to reduce the film thickness. These measures have reduced the amount of material used in the manufacturing process by around one third. The percentage of recycled PET has also been increased. After their contents have been eaten, the bowls can be easily squashed thanks to crumple points, so they take up less space in bin bags. When reducing packaging, it is important not to overlook consumer needs. A trial involving the sale of loose salad leaves had to be cancelled because consumers prefer pre-packed salad for hygiene and convenience reasons.

Coop recognizes extraordinary service

Coop works closely with some of its packaging suppliers. For example, it converted the packaging for its entire milk range to FSC-certified drinks cartons with the help of Tetra Pak. After optimizing individual items in 2010, the FSC MIX label was added to almost 16.5 million additional drinks cartons in 2012. In recognition of this outstanding service, Coop awarded Tetra Pak the Coop Natura prize, for which a "packaging" category was introduced for the first time in 2012.

Sustainable non-food range

Largest range of energy-efficient appliances

With its Fust, Interdiscount and Luminart sales formats, Coop is by far Switzerland's largest supplier of energy-efficient electrical and electronic appliances. Larger Coop sales outlets and Building & Hobby stores also stock a wide range. Energy-efficient appliances generate two-fold benefits. They help to save energy and also reduce the user's operating costs. Particularly energy-efficient appliances are sold within the Coop own-label sustainability brand Oecoplan or bear the "Topten" quality label. In 2012, sales of energy-efficient appliances in Coop sales formats amounted to around 226 million francs. In addition to developing its sustainable product range, Coop is also involved in raising customer awareness. As a gold partner, it supports the annual energyday initiative organized by EnergieSchweiz and energie-agentur-elektrogeräte (eae). This involves companies and organizations getting together to help ensure that appliances use less energy. The initiative's 2012 motto was "Saving by replacing". Inspired by this, the WWF launched a new advice app that tells users when it's worth replacing appliances. During the energyday initiative, Coop customers benefit from attractive offers across all sales formats.

Positioning Building & Hobby as a green DIY superstore

In 2010, Coop Building & Hobby conceived the vision of a "green DIY superstore", which revolves around positioning itself as Switzerland's most sustainable DIY superstore. Building & Hobby is pursuing three strategies in order to realize this vision. First of all, it is consistently expanding its environmentally responsible ranges across all product groups. This includes specifically seeking out new products. In 2012, Coop was the first retailer in Switzerland to introduce FSC-certified fairtrade rubber items in its Building & Hobby stores. In 2011 Coop set itself the ambitious target of reducing the percentage of peat in all its Coop own-brand soils to zero by 2013. The suppliers of branded composts were also issued with strict targets. By 2016, the percentage of peat in all Coop soils is to be radically reduced to a maximum of 5% of their total volume. Coop's second strategy involves the targeted expansion of its employees' technical expertise. In training courses covering subjects such as gardening, staff learn more about the added value of sustainable products and the impact that consumption has on the climate, biodiversity and water quality. An employee motivation day held in spring 2012 aimed to train staff in the

Pioneer in the field of energy-efficient appliances



Thomas Giger
Managing Director
Dipl. Ing. Fust AG

“Since it was founded over 46 years ago, Fust has been promoting the sale of ener-

gy-efficient appliances. Saving water and electricity makes sense. The extra cost of an energy-efficient appliance is spread over its lifetime. And as a customer, you feel good that you are doing something for the environment. The company publishes the Fust-Post energy-saving magazine twice a year, which includes valuable tips and offers enabling customers to actively save energy. Its many years of experience in selling energy-efficient appliances, its communication services and the ongoing training it provides for all its sales advisors make Fust one of the most knowledgeable retailers of energy-saving appliances.”

specific added value of Coop Oecoplan products. The third strategy focuses on making the vision of green DIY superstores a tangible reality in sales outlets. To this end, Building & Hobby has created green "theme worlds" for all its product groups, in which sustainable products are prominently placed. Posters, information leaflets and environmental tips emphasize the added value of these products.

Naturaline honoured as futuristic sustainable solution

The 2012 UN Conference on Sustainable Development in Rio de Janeiro saw the announcement of the first ever "Sustainia 100" awards for sustainable solutions conceived by society and organizations. Coop Naturaline features on this select list of the world's most sustainable projects, and is also the only Swiss project to receive the award. With Naturaline, Coop is the world's largest supplier of textiles made from fair-trade organic cotton. The own-label brand was launched in 1993 with the goal of combining health with the environmentally and socially compatible production of textiles. For Naturaline, Coop uses exclusively cotton from projects run by the organic cotton companies Biore in India and Tanzania. The cotton is produced in direct collaboration with over 8300 small farmers in India and Tanzania. Thanks to these close long-term partnerships, Coop is familiar with every stage of the product chain and cultivates sustainable relationships with suppliers and subcontractors. Compliance with ecological and social standards in each process step is verified regularly by an inde-

pendent auditor. Since spring 2012 – one year earlier than planned – Coop has been producing its entire range of Naturaline organic cotton textiles and organic cotton-wool products carbon-neutrally. The CO₂ generated during cultivation, production and transport is directly offset by the construction of low-emission biogas plants and efficient ovens as part of Biore projects.

Production and wholesale

Good chocolate from Chocolats Halba

The Plant-for-the-Planet children's initiative aims to plant 1 000 billion trees by 2020 to offset CO₂ emissions, thus moderating the consequences of climate change. In 2012, Plant-for-the-Planet and the Coop manufacturing company Chocolats Halba jointly launched their first carbon-neutral Fairtrade chocolate. Chocolats Halba sources the cocoa beans for this "good chocolate" exclusively from Fairtrade cooperatives. For all the emissions generated along the entire value chain, from raw material to consumer, the company and the cocoa farmers plant trees. In addition, Plant-for-the-Planet can afford to buy one seedling for every five bars of chocolate sold. The "good chocolate" has been a resounding success, with over one million bars being sold in less than six months. Retailers and the manufacturer, Chocolats Halba, are forgoing their margins in aid of the initiative.

Reismühle Brunnen exports sustainability

For Reismühle Brunnen just as for Coop, sustainability represents an important part of its corporate strategy. The Coop manufacturing company was quick to establish its buying expertise. It has benefited from this additional knowledge and today plays a pioneering role. Reismühle has an impressive range of sustainable products, including various organic and Fairtrade varieties of rice that are in great demand across Europe. For example, it has manufactured packs of jasmine rice for French retailers and wholesalers, and has developed two new Fairtrade cook-in-the-bag products jointly with Oxfam, one of Europe's leading Fairtrade suppliers. In response to growing demand at home and abroad, Reismühle was able to increase its sales of organic and Fairtrade products from 33.6% of total sales in 2011 to 34.6% in 2012. In so doing, it is gradually edging closer to its goal of becoming Europe's leading supplier of Fairtrade rice.

Sustainable efforts at Transgourmet

In Germany, France and Switzerland, the wholesale companies that make up the Transgourmet Group are increasingly seeing the marketing of sustainable products as a competitive advantage. Although the issue is not yet as significant in Eastern Europe, some initial activity has taken place here too. For example, Selgros Russia is testing customer acceptance of organic fruit and vegetables at its Vnukovo superstore in the Moscow conurbation. If this pilot is successful, there are plans to extend it to other superstores. And Selgros Poland has also expanded its range of organic and environmentally friendly products. Selgros Romania is promoting energy-efficient electrical and electronic appliances via regular flyers and an "energy saving" product award. Sales of MSC fish at Fegro/Selgros Germany increased from 25% of all fresh-fish sales in 2011 to around 37% in 2012.

The Swiss cash and carry company Prodega/Growa uses only those fish and seafood suppliers that are members of the Swiss WWF Seafood Group. In 2012, Prodega/Growa also started to expand its range of regional specialities which now includes 1 600 products. The aim is to promote regional manufacturing companies as well as safeguarding jobs and preserving traditional production methods. At Howeg in Switzerland, gourmets can find a wide selection of products bearing the Max Havelaar Fairtrade, Bio Suisse and MSC quality labels. And at Transgourmet France, sustainability is now more firmly established, being incorporated into processes and strategies. This wholesale supply company has published a special catalogue of organic and environmentally friendly products, and requires all its new sales staff to complete training in organic products. Transgourmet France's product range is proving popular. For example, customers who supply school kitchens see working with Transgourmet as a way of meeting the government target of increasing the number of organic meals on menus.

More sustainable ranges at Rewe Foodservice

In 2012, Transgourmet Group company Rewe Foodservice stepped up the expansion of its sustainable product range and its profiling in this area. It has added a “farmyard poultry” line to its premium own-label “Honneurs” brand for added animal welfare. This line is based on a new approach to conventional poultry production with approved standards that are more stringent than statutory requirements. In 2012, the Rewe Foodservice organic range included approximately 480 products and generated sales of 4.5 million euros. It includes organic pasta products from the Coop manufacturing company Pasta Gala. Rewe Foodservice is showing great commitment with regard to its fish and seafood range. For example, it has discontinued endangered species such as red tuna, skate and scorpionfish. It is also systematically expanding its range of sustainable MSC-certified fish and seafood. In 2012, Rewe Foodservice stocked over 350 MSC products, generating sales of around 14 million euros.



SWITZERLAND
WHITE CABBAGE



APULIA
GRAPES



LAOS
RATTAN



CHINA
COFFEE MACHINE



SPAIN
STRAWBERRIES



MOROCCO
TOMATOES



INDIA
COTTON



KENYA
ROSES



THAILAND
RICE



Sustainable purchasing

Implementing social and ecological standards along the entire supply chain

People and companies worldwide have something in common. They can reduce the size of their environmental footprint – the result of production and consumption – by taking suitable action. Coop is involved in innovative, partner-based projects with its suppliers. It is also actively working to expand and credibly implement voluntary industry standards, even in purchasing markets.

Non-food supply chain

Responsibility above and beyond legal requirements

Coop is responsible for observing statutory provisions in the course of its trading activities. It also enters into numerous voluntary commitments to adhere to social and ecological requirements, for example through its membership of the United Nations Global Compact (UNGC) business initiative. The UNGC obliges Coop to focus its business activities and strategies on ten universally recognized principles in the fields of human rights, labour standards, environmental protection and tackling



Training programme for suppliers in China



Michael Elkin
Head of the “Sustaining Competitive and Responsible Enterprises” (SCORE) training programme run by the International Labour Organization (ILO)

“With SCORE, the International Labour Organization (ILO) has developed a training programme to improve productivity at factory level. The ILO conducted a pilot project together with Coop, small and medium-sized companies from the Coop supply chain and the Coop’s Eurogroup Far East Ltd. purchasing office. The project’s aim was to demonstrate that SCORE is an appropriate training programme for small and medium-sized suppliers in high-risk countries, enabling them to create more and better jobs by improving quality, productivity and staff management. Based on our positive experiences with Coop and the encouraging feedback received from managers and workers, we will be scaling up SCORE in China in collaboration with the BSCI. SCORE was funded by the Swiss and Norwegian governments.”

corruption, and to ensure these are observed throughout the supply chain. In purchasing, Coop achieves this via a comprehensive quality agreement with suppliers, the implementation of sustainable purchasing guidelines and close collaboration in the field of industry standards such as the code of conduct drawn up by the Business Social Compliance Initiative (BSCI).

Setting up a new environmental standard

One major challenge is environmental protection, where no comprehensive international standards exist for non-food products yet, and it cannot even be assumed that suppliers will always observe relevant national legislation. Coop is therefore actively involved in a Foreign Trade Association (FTA) working group that aims to establish a framework for improving the environmental performance of manufacturing companies. Through the Business Environmental Performance Initiative (BEPI), the FTA wants to emphasize harmonized criteria right from the outset, avoid multiple audits, and exploit database and training synergies with the BSCI. The framework is the environmental module of the Global Social Compliance Programme (GSCP), which Coop successfully tested in a pilot project with five non-food suppliers in China in 2011. In BEPI, the emphasis is placed on risk analyses and individual advice and training in the production facilities themselves instead of on audits. A larger pilot project is scheduled to take place in 2013 involving

several companies, advisory bodies and product groups in Vietnam.

Partner-based supplier relations

Introducing and meeting social and ecological requirements in key non-food purchasing markets is proving increasingly difficult. One reason for this is growing cost pressure caused by higher prices for raw materials and, particularly in China, higher wages and social security contributions. Another reason is a shift in the balance of power between retailers and suppliers over recent years. Particularly in the case of household appliances and consumer electronics, the products that are in demand in the Swiss market are being manufactured by only a few providers. Coop is therefore having great difficulty in getting suppliers to adhere to the necessary sustainability requirements. To resolve this issue, Coop decided to set up partner-based relationships. The intention is to actively support suppliers in their efforts, and give them security in the form of long-term agreements. It is crucial that they are able to gain a competitive advantage from implementing these social and ecological requirements.

Intensive support for training

In 2011, Coop launched a public-private partnership project with the International Labour Organization (ILO). The aim of the SCORE (Sustaining Competitive and Responsible Enterprises) project is to provide businesses with training and advice, thus enabling them to gain more expertise in implementing ecological and social requirements while simultaneously increasing their productivity. In the year under review, the pilot project involving three production facilities in China was completed. Intensive support for management and workers led to a greater awareness of optimal workplace design and employee motivation, as well as improving the dialogue between management and workers. At the same time, cost savings were achieved. There are now plans to include additional factories in the training scheme as part of a larger public-private partnership project with the BSCI and the ILO.

Implementing national legislation

There are currently two political campaigns in Switzerland – “Corporate Justice” and the Greenpeace “Detox” campaign – demanding that businesses not only meet applicable legal requirements where their products are sold, but also implement Swiss or European law along the entire value chain. While it goes without saying that imported products conform with Swiss legislation, implementing the restrictions inherent in Swiss environmental and labour law raises a whole range

of fundamental questions. These range from the issue of the sovereignty of production countries to introduce and enforce their own legislation and the question of trade restrictions to the issue of legal equality for companies that produce goods for both domestic and export markets. Against this backdrop, the credible and transparent implementation of voluntary industry standards and partner-based approaches is all the more important. The focus here is on implementing the relevant national legislation and strengthening civil society in production countries.

Food supply chain

Three-pronged approach for fruit and vegetables

The world's population is growing, and demand for food is increasing. At the same time, key resources such as soil, water and energy are finite. Farming and food industries are facing major challenges. Coop has identified a three-pronged approach for the sustainable production of fruit and vegetables – improving working conditions, promoting sustainable water management and reducing the use of pesticides in conventional farming. To tackle these challenges systematically, Coop has chosen to operate integrated projects in the farming areas concerned.

Improving working conditions

To improve working conditions in primary production, Coop is increasingly implementing the BSCI Primary Production (BSCI PP) social standard in large-scale production facilities in developing and newly industrialized countries. By signing the BSCI code of conduct, suppliers undertake to meet requirements for socially responsible working conditions in accordance with the relevant International Labour Organization (ILO) conventions. The process involves awareness raising, round-table talks with authorities and unions, observing the code of conduct, and regular audits conducted by accredited agencies. In 2012, Coop worked closely with three companies in Peru and Morocco to implement BSCI PP. The GlobalGAP Risk Assessment on Social Practice (GRASP) module is another social standard used in agricultural production. GRASP is an add-on module developed by the Global Partnership for Good Agricultural Practice (GlobalGAP), which Coop mainly uses for small-scale producers in Italy and Spain. GRASP audits can be combined with GlobalGAP audits, thereby saving producers time and additional audit costs. To add extra weight to the implementation of GRASP, Coop has, since 2012, been increasingly involving its Coopernic

Major contribution to alleviating poverty



Nadja Lang
Managing Director, Max Havelaar Foundation (Switzerland)

“Since it was founded in 1992, the Max Havelaar Foundation has had a

strong partner in Coop, which is making a major contribution to alleviating poverty in developing countries with its sustainable purchasing policy. As a key Swiss market partner, Coop is also an international role model with its ongoing innovation and consistent product range policy. With Coop, we are therefore coming closer to realizing our vision of Fairtrade becoming the de facto standard for raw materials from developing countries. In the future, we hope to further develop this excellent collaboration so that even more small-scale farmers and workers in Africa, Latin America and Asia get fair market access, enabling them to improve their living and working conditions through their own efforts.”

sourcing alliance partners and business partner Eurogroup Spain/Italy in the project.

Sustainable water management

In 2008, Coop launched a joint project with WWF Spain to raise the awareness of producers in Huelva of the issue of water management. The water table there had fallen as a result of water resources being overused in the “Parque Nacional de Doñana” national park drainage basin. Together with the WWF, Coop developed a standard for good water and soil management based on GlobalGAP. The first producers were audited against this standard in 2010. In 2011, the project gained new partners in the form of Colruyt, Rewe and Conad, and became a Coopernic project. The new standard is now called the “Coopernic water and soil standard”, and addresses areas such as legal land usage, legal water sources and water management. The project's aim is for all businesses in Huelva that supply strawberries for Coopernic partners to be certified in accordance with this standard by mid-2013.

Reducing pesticide usage

For Coop, Kenya is the most important country for sourcing Fairtrade roses. Since there have been repeated reports over recent years of excessive pesticide usage in rose production, Coop launched a Coopernic project in Kenya in 2008 to reduce pesticide usage, create uniform quality standards and promote fair working conditions. The targets set for quality and fair working conditions have already been met. However, there is still work to be done on the

use of pesticides and their effects on the environment and employee health. The Coopernic partners involved in the project are therefore advocating integrated pesticide management and organic pest control, as well as the implementation of the Dutch Milieu Project Sierteelt (MPS) sustainability standard. Since 2012, Coop and the Coopernic partners involved have required the highest level of certification, MPS-A, from all their flower farms in the project area.

Systematic risk analysis

In its 2015+ purchasing strategy, Coop has defined a variety of measures to safeguard the medium and long-term supply of raw materials and foodstuffs. It is conducting an ongoing risk analysis by product group to systematically identify the greatest risks for each country. Aspects being monitored include water stress, soil degradation, deforestation, biodiversity, flooding, severe storms, droughts, climate change, securing the food supply, atmospheric disasters and business environment. Coop own-label sustainability brands and quality labels are given priority when securing supplies. This can lead to strategically important direct purchasing projects such as those for premium cocoa from Honduras or rice from India and Thailand, which combine the promotion of sustainable products with long-term supplier relationships.

Dealing with air freight

Systematic declaration and reduction

In September 2007, Coop became the first retailer in Europe to transparently declare products transported by air using the “By Air” label. Coop decided to use this labelling because air freight has a significant impact on the environment. In addition to declaring air freight as such, Coop is in particular focusing on its reduction, in the interests of sustainable purchasing. Coop has already reduced the CO₂ generated by air freight by 9% or 7 000 tonnes since 2008. It has achieved this firstly through more efficient logistics processes and an improved cold chain. For example, it now transports white asparagus from overseas entirely by ship and truck. Secondly, since this route is not always feasible for quality reasons, Coop is also using more nearby supply sources. Coop manufacturing company Bell AG is currently making arrangements with three partners to source beef that has been suckler-cow reared in the Baltic states in environmentally friendly conditions. In the medium term, this “Baltic grassland beef” is intended to replace prime cuts such as entrecôte, tenderloin and sirloin steaks air-freighted from Argentina and Uruguay. Thirdly,

Coop is developing its product range. For example, it no longer plans any campaigns that involve air-freighted products such as green asparagus.

Gold-standard offsetting projects

Coop offsets the CO₂ emissions generated by unavoidable air freight with projects aimed at reducing CO₂. Since 2008, 413 310 tonnes of CO₂ have been offset in this way. The costs of offsetting are factored in to goods invoices on the polluter-pays principle. This creates a financial incentive to reduce air freight and establish new production locations. In addition to goods transport, Coop offsets the CO₂ emissions generated by all business travel and Coop@home deliveries. The offsetting projects have to comply with the internationally recognized WWF Gold Standard, which applies very strict criteria in terms of sustainability, efficiency and credibility. Coop does not simply buy existing carbon credit certificates, but instead pre-finances projects and develops these projects jointly with its partners.

Conclusions drawn from five years of commitment

Surveys have indicated that declaring air freight using the “By Air” label has not led to any demonstrable change in customer behaviour over the last five years. It is, however, an effective internal tool for reducing air freight and therefore CO₂ emissions. Offsetting projects have also had a positive effect in the countries concerned, resulting in technical improvements and generating additional income. Future plans are to integrate carbon offsetting projects more fully into Coop supply chains.

Coop Natura Prize

Coop recognizes involvement of business partners

For the last twelve years Coop has been recognizing its business partners’ innovative efforts in the field of sustainability with the Natura Prize. The prize was awarded in four categories for the first time in 2012. In addition to categories for food and non-food own-label sustainability brands and quality labels and for branded products, a new category was introduced for sustainable packaging. Business partners were asked to submit details of their innovative sustainability projects. An internal committee reviewed the projects based on criteria such as sustainability impact, scalability and pioneering achievement. In the year under review, Coop awarded the Natura Prize to its business partners Agro-fair (organic Fairtrade bananas), Hyga (FSC-certified nappies), Unilever (Sustainable Living Plan) and Tetra Pak (FSC-certified drinks cartons).

Production and wholesale

Comprehensive purchasing project for rice

In 2011, Reismühle Brunnen launched a comprehensive purchasing project for rice from north-east Thailand in conjunction with Helvetas and Max Havelaar and with support from the Coop Sustainability Fund. The Fairtrade-certified small-scale farmers receive a minimum price from Reismühle and a Fairtrade premium for communal projects. The farmers are paid at least 80% of the agreed price in advance. The project's ecological aim is to improve the sustainability of cultivation systems with regard to water management, soil management, biodiversity and greenhouse gas emissions. In October 2012, the first Fairtrade fragrant rice from the project in Thailand reached Coop sales outlets.

Transgourmet France promotes regional buying

To meet the growing demand for regional products, wholesale supply company Transgourmet France has set up a separate team within its central purchasing department. This team's task is to supplement the company's trans-regional product range with regional product ranges. For Transgourmet France, regional products are those produced and consumed within the distribution area of a Transgourmet branch. The purchasing team checks products from regional manufacturers against this criterion, tests them and tastes them. They do this for fresh, chilled and frozen products. Transgourmet France's regional range now comprises 1 500 products from 207 small to medium-sized manufacturing companies.

CO₂
NEUTRAL
COOP VISION 2023



Resource efficiency and climate protection

Systematic progress towards carbon neutrality

All of the earth's resources are limited, and their exploitation always has consequences. So using them responsibly and focusing on renewable energy is of paramount importance for Coop. It has been successfully advancing the implementation of its climate protection goals across the Group, resulting in increased energy efficiency, significant CO₂ savings and two awards.

Energy and climate policy context

New CO₂ law for Switzerland

The revised CO₂ law came into effect in Switzerland on 1 January 2013. It defines climate policy goals and measures covering the period from 2013 to 2020, and stipulates that by 2020 Switzerland must reduce its domestic greenhouse gas emissions by at least 20% compared with 1990. During the revision process, Coop advocated stringent CO₂ legislation with ambitious reduction targets and a clear frame-



work. With its “CO₂ neutral by 2023” vision, Coop is showing that successful business and considerable reductions in CO₂ are not mutually exclusive. The new CO₂ law provides for a continuation of the CO₂ emission charge on fossil fuels. Companies that enter into CO₂ target agreements with the Swiss Confederation and achieve these targets are exempt from the emission charge. Back in 2004, Coop was the first major retailer in Switzerland to enter into binding target agreements with the government. Because the company met the agreed reduction targets, Coop distribution centres and manufacturing companies do not have to pay the CO₂ emission charge on fossil fuels. Coop will continue with these proven measures in the period from 2013 to 2020, concluding new CO₂ target agreements with the Swiss Confederation.

Swiss Energy Strategy 2050

In order to maintain Switzerland’s electricity supply security even following the government’s decision in 2011 to phase out nuclear power, the energy supply system needs to be overhauled. In the year under review, the government therefore drew up its Energy Strategy 2050. Coop contributed to the project in several working groups. The Energy Strategy 2050 stipulates greater savings (energy efficiency), the expansion of hydroelectric power and new renewable energy sources and, if necessary, the generation of electricity from fossil fuels (combined heat and power installations, gas-fired combined cycle power plants) and the importing of electricity. The electricity grid will also be rapidly expanded and energy research intensified. Here too, Coop was one step ahead of the new policy. By defining its energy/CO₂ vision, Coop has reduced its absolute energy requirements year on year since 2008. Since 1 January 2010, Coop has also been able to cover all its power requirements by using hydroelectricity.

Comprehensive energy management

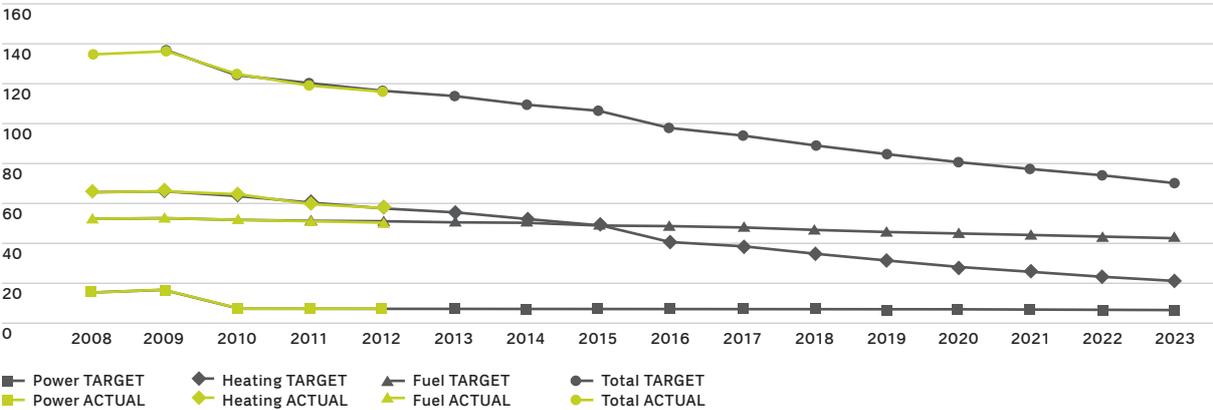
Updating the energy/CO₂ vision

In 2008, Coop formulated the “CO₂-neutral by 2023” vision with the aim of becoming carbon-neutral within 15 years wherever it could influence such emissions directly. A set of measures to be implemented by 2023 is intended to reduce energy consumption and increase the use of waste heat and renewable energy sources, and defines appropriate interim targets for each year. Since the Coop Group has grown significantly over recent years, Coop reviewed the inclusion of its newly acquired companies in the energy/CO₂ vision in 2012. The vision now also covers Pearlwater Mineralquellen AG, which was acquired in 2011. The Coop manufacturing company is now, like all parts of the business that fall within the vision, taking all the technically feasible and financially appropriate measures required to reduce absolute CO₂ emissions as far as possible between now and 2023. From 2023 onwards, the remaining emissions will be offset by financing suitable projects.

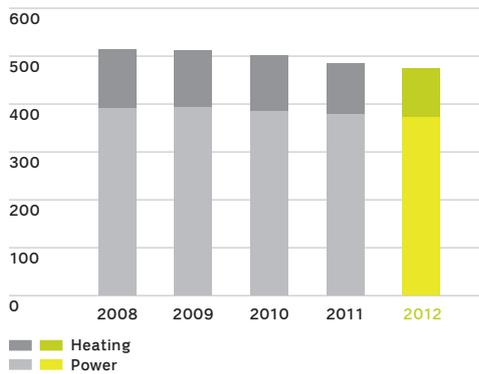
Achievement honoured

In 2012, Coop again continued to move systematically towards carbon-neutrality. In those business segments that form part of the “CO₂-neutral by 2023” vision, it was able to reduce CO₂ emissions by 2.7% compared with the previous year. Coop therefore not only met the 2012 annual target defined in the 2023 CO₂ reduction schedule, but actually exceeded it by 0.6% (see diagram entitled “‘CO₂-neutral by 2023’ vision: CO₂ emissions and reduction targets up to 2023”). In the year under review, Coop won two awards for its commitment to sustainable energy and CO₂ management. The EHI Retail Institute in Cologne awarded Coop the EHI Energy Management Award 2012 for its innovative energy/CO₂ vision.

“CO₂-neutral by 2023” vision: CO₂ emissions and reduction targets up to 2023
In thousands of tonnes of CO₂



Specific energy consumption of sales outlets
in kilowatt-hours per square metre



The second award went to the Coop distribution centre and industrial bakery in Gossau (Canton St Gallen), which is optimally exploiting the potential for heat and power from renewable energy sources in the form of a wood-chip-fired heating system and a photovoltaic system. For this project, Coop received the Swiss Solar Prize 2012 in the energy installation/photovoltaic category.

Group-wide energy and climate targets

Coop takes its responsibility for energy efficiency and climate protection seriously across the whole Group. For example, even those business segments that do not fall within the scope of the energy/CO₂ vision have for years been implementing measures to reduce their energy consumption and make use of renewable energy sources. In 2012, the Coop Executive Committee decided to set quantitative targets to be met by 2023 for these segments too, thus ensuring that long-term energy and climate targets with standardized timescales exist right across the Group. Targets for individual companies will be drawn up in 2013.

Reducing energy consumption

Targeted measures in sales outlets

Coop supermarkets and megastores account for by far the largest percentage of the Group's overall energy consumption, at around 50%. To achieve a long-term reduction in the 823 retail sales outlets across Switzerland, Coop is adopting numerous measures. It is consistently using the Minergie standard for all new and upgraded stores, converting the majority of lighting to LED technology, and also installing CO₂ cooling systems and using the waste heat from these to heat sales outlets wherever possible. As of the end of 2012, 195 supermarkets and megastores had already been de-

veloped using the Minergie standard, with 37 having been certified, and 190 sales outlets had also been fitted out with partial LED lighting. Coop also covered 46% of the entire heating requirements of all new and upgraded retail sales outlets with waste heat from their cooling systems.

More efficient lighting in distribution centres

In the year under review, Coop optimized the lighting in its distribution centres at Aclens, Castione and Gossau (Canton St Gallen). The number of light fittings was reduced by 38% and the wattage was decreased by 55%, while maintaining the same quality of lighting. This enabled Coop to reduce the annual energy consumption for lighting in the three distribution centres by around 1 200 megawatt hours. Both the distribution centre lighting optimization and a project to install partial LED lighting in sales outlets were financially supported by the Swiss Federal Office of Energy (FOE) as part of the ProKilowatt competitive tendering initiative.

Swissmill invests in new steam system

The Coop manufacturing company Swissmill is Switzerland's largest grain mill. For its oat mill and bran presses, Swissmill requires around 2 500 tonnes of steam each year. In 2012, the existing steam system, consisting of two gas-fired boilers, was replaced by a new modern system with a single highly efficient gas boiler. So Swissmill will in future consume around 30% less gas. In addition, 10% of its entire gas consumption will be covered by biogas. Together, these Swissmill measures will lead to a reduction in CO₂ emissions of around 300 tonnes per year.

Bell significantly reduces energy requirements

Due to the numerous heating and cooling processes involved, meat processing is very energy-intensive. So careful analysis of operations to identify optimization potential is all the more important. One such analysis revealed that the packing machines in Bell AG's cooked meat department consumed 50% of their normal operating power when in standby mode. So now, over 20 machines are completely switched off for three hours overnight. This has not only resulted in lower energy consumption for heating, but also a reduction in the energy required for cooling. Furthermore, the interior lighting in Bell's cold stores now uses energy-saving LED technology. Energy is also being saved in its slaughterhouse operations. Since 2012, Bell has been obtaining the steam required for downstream processing directly from the steam network of the Basel waste incinerator, thereby reducing its heating requirements.

Coop makes energetic progress



Gallus Cadonau
Managing Director,
Solar Agentur Schweiz

“In 2011, Coop installed eastern Switzerland’s largest photovoltaic system

on the roof of its industrial bakery and distribution centre in Gossau (Canton St Gallen), and also fitted a wood-chip-fired heating system to generate process heat. The way in which Coop used the energy potential of the sun and timber to the full greatly impressed the Swiss Solar Prize jury, leading us to award the Group the 2012 Swiss Solar Prize. The capacity of the wood-chip-fired heating system is impressive. Each day it consumes 30m³ of local wood chips, amounting to 6000m³ per year. With this system, Coop generates 60% of the process heat required by the bakery’s ovens and the distribution centre, also reducing CO₂ emissions by 60%. Added to this is the photovoltaic system on the roof of the distribution centre. This generates 638 500 kWh of electricity per year, which is fed into the Gossau municipal electricity grid. Having played a pioneering role in organic food in Switzerland for many years now, Coop is now making progress in the field of energy too. This is most encouraging.”

Reduction measures at Transgourmet

In 2012, the companies that make up the Transgourmet Group also invested in energy-efficient lighting systems for their cash-and-carry stores and logistics centres. For example, the Prodega/ Growa cash-and-carry market in Biel became the first such store to be lit entirely by LED technology in 2012. This pilot project is to be rolled out to a further six markets in 2013 with support from the Swiss Federal Office of Energy (FEO) as part of its ProKilowatt competitive tendering initiative. Fegro/Selgros is also choosing to install energy-efficient lighting, such as LED, in its new and upgraded stores in Germany, Poland, Romania and Russia. In its newly constructed logistics centre in Riedstadt, Rewe Foodservice has not installed any gas or oil-fired heating system at all. Instead, the underfloor heating in the entire office and warehouse area is provided by waste heat from the cooling system.

Using renewable energy sources

Generating more solar power

In the year under review, Coop commissioned a further four photovoltaic systems. This has increased the solar energy generated on Coop premises in Switzerland by around 470 000 kilowatt hours per year, to a total of 2.4 million kilowatt hours. This

is equivalent to the energy consumption of up to 700 Swiss households.

Wood-fired heating for Jegenstorf distribution centre

In 2012, the Coop sales format Interdiscount extended its distribution centre in Jegenstorf, adding a new logistics building. In line with the energy/CO₂ vision, the heating plant that Interdiscount has installed in the new building is fuelled by environmentally-friendly wood chips. Since September, this plant has covered 80% of the centre’s heating requirements and reduced Interdiscount’s annual CO₂ emissions by 280 tonnes.

Biomass heating for planned industrial bakery

Plans for the construction of the new Coop industrial bakery in Schafisheim, Switzerland’s largest industrial bakery, are in full swing. As a result of positive experiences at the Gossau bakery, Coop decided in 2012 that the new bakery in Schafisheim would also have a biomass heating system. This will provide two-thirds of the 24 gigawatt hours of process heat required, and will reduce CO₂ emissions by around 5 000 tonnes per year.

Efforts at rented premises too

Coop rents the premises used for most of its sales outlets. In these circumstances, it is the landlords who are responsible for heating rather than Coop. However, the resulting CO₂ emissions still appear on Coop’s CO₂ balance sheet and are therefore included in the “CO₂-neutral by 2023” vision. For this reason, when new rental premises are constructed or the heating systems in existing premises modernized, Coop approaches landlords and tries to persuade them to install sustainable heating systems. In 2012, Coop’s efforts led, among other things, to heat pumps being installed in its supermarkets in Degersheim and Schiers.

New photovoltaic systems at Transgourmet

More photovoltaic systems were also installed on Transgourmet Group properties in 2012. Selgros Romania commissioned a 906-kilowatt system at its Pantelimon superstore. Selgros is the first commercial establishment in Romania to implement this type of project. The photovoltaic system on the roof of the new Rewe Foodservice logistics centre in Riedstadt has a capacity of 496 kilowatts. The solar power it generates is used within the logistics centre itself.

Environmentally friendly goods transport

Nationwide rail freight

Thanks to the Alpine Initiative, the issue of international north-south transit traffic is the focus of political and media attention. But there is huge potential to transfer domestic freight to rail too. Coop has a strong interest in shaping a competitive, stable, fairly-priced and long-term framework for rail freight as an alternative to road transport. This is the only way in which it can achieve its ambitious energy and climate targets. The first step towards improving this framework must involve restructuring SBB Cargo. Alongside this, there is a need for additional measures such as political commitment to a clear transfer goal, the creation of statutory requirements for a basic service provision similar to that for regional transport, competitive track access charges and innovations in railway and transshipment technology. One important first step is to draw up an overall inter-modal transport strategy in accordance with the “Future of nationwide rail transport” motion proposed by the Swiss Council of States’ Transport Committee. Coop is committed to this dossier so that the Swiss people can in future be supplied with the everyday goods they need in an even more sustainable manner.

Expansion in shipments via Railcare

In 2012, Coop again increased its use of rail to transport goods. This was possible thanks in part to the Coop subsidiary Railcare AG, which enables goods to be shipped flexibly and in an environmentally-friendly manner by using the principle of unaccompanied combined transport (UCT) – a combination of road and rail. In the year under review, Coop increased the volume of goods it has transported via UCT since 2011. In February 2012, Coop also started using UCT to deliver frozen products from its industrial bakery in Basel to its national frozen-goods distribution centre in Givisiez. These shipments represent the return element of trips that were introduced last year to supply sales outlets in the Coop Nordwestschweiz Sales Region with frozen goods from Givisiez. Coop also started using UCT to supply its Coop City department stores. Since December 2012, Railcare has also been delivering fruit and vegetables from its import hub at Stabio (Canton of Ticino) to all distribution centres except those in the Ostschweiz-Ticino Logistics Region. From 2013 onwards, the aim is to use the return journeys to transport goods to the Coop distribution centre in Castione via UCT. With these Railcare UCT goods shipments, Coop reduced its CO₂ emissions by a total of 2 057 tonnes in 2012.

Pearlwater Mineralquellen opts for rail

In 2012, the Coop manufacturing company Pearlwater Mineralquellen AG based in the Alpine canton of Valais phased in the production of all Coop own-label brand mineral waters and numerous soft drinks. Coop had previously obtained the water for its own-label mineral water brands from Rothenbrunnen, Lostorf and Zurzach. Concentrating on a single source in Valais has provided Coop not only with economic benefits but also substantial environmental benefits. Whereas previously 90% of mineral water shipments to Coop regional distribution centres took place by road, the same percentage is now transported by rail.

Innovative routing software at Rewe Foodservice

Rewe Foodservice is expanding its sustainable goods transport by optimizing its procurement channels and concentrating its warehousing at central locations. Innovative new routing software is helping to reduce the number of kilometres travelled, save fuel and reduce CO₂ emissions. Training in energy-saving driving techniques, a maximum speed limit of 82kph and the use of low-emission engines complement the company’s sustainability efforts in the field of logistics.

Waste avoidance and recycling

Less waste thanks to optimized packaging

As part of its sustainability strategy, Coop also controls the management and ecological recycling of waste by means of processes and tools. In specific terms, all the waste and recyclable materials accumulated in sales outlets, distribution centres and production companies as well as in Coop administrative offices are recorded on an ongoing basis and evaluated monthly. Coop compares the results with its targets and immediately takes action where discrepancies occur. To reduce waste volumes in the long term, Coop is making changes to its product range and optimizing the packaging of numerous own-label brand products. For example, redesigning PET mineral water bottles has led to an annual reduction in packaging materials of around 140 tonnes.

Proper sorting increases recycling rates

The ecological and economic recycling of waste and reusable materials starts with proper sorting. For this reason, all waste is now sorted into 28 different categories in sales outlets and manufacturing companies. The categories are consolidated centrally, compressed if necessary using compactors, and sent away to be processed in the most suitable way.

Important recycling partner



Patrik Geisselhardt
Managing Director,
Swiss Recycling

“Coop is an important collecting point and return channel for various cate-

gories of sorted waste. It makes sense for the Coop internal logistics system to transport and compact this recycling waste, particularly lightweight waste such as PET drinks bottles. Switzerland does not have many raw materials, making secondary raw materials all the more important. If we want to recycle more, product design and therefore ‘design for recycling’ will become increasingly significant. Coop is playing an important role here too. The non-profit organization Swiss Recycling has worked with Coop for many years. As an umbrella organization, Swiss Recycling promotes the interests of all recycling organizations involved in waste sorting, raises awareness through communication activities and acts as a contact for all recycling sorting issues.”

Most of Coop’s recyclable material is therefore properly sorted, and valuable secondary raw materials such as paper, cardboard and wood can be sent away to be recycled. In 2012, Coop once again increased its waste recycling rate. A total of 77% of the waste from Coop sales outlets, distribution centres, manufacturing companies and administrative offices was recycled. This is 2 percentage points more than in 2011.

Milestone in recycling organic waste

For many years now, Coop has been recycling organic waste by using it as animal feed, composting it or fermenting it. But separating date-expired packaged food from its packaging is far too time-

consuming. This waste has therefore had to be incinerated. Close collaboration between Coop and Recycling Energie AG in Nesselbach now means it is possible to ferment even this type of organic waste. Valuable foodstuffs are therefore retained within the food chain. Coop now intends to expand this project from the Nordwestschweiz region to other Swiss regions, and is looking for suitable fermentation plants.

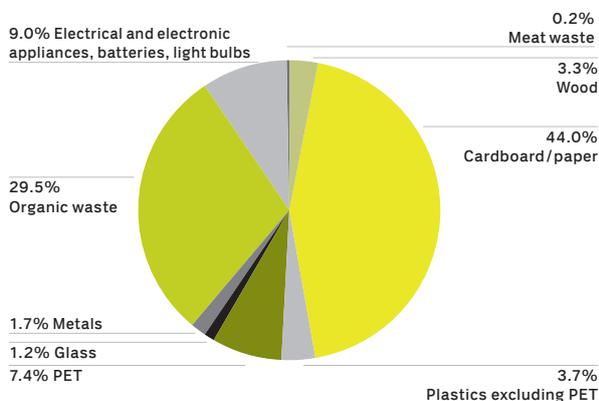
Federal Supreme Court judgment on littering

Following a year-long legal dispute, the Federal Supreme Court made a pioneering decision regarding waste disposal charges in February 2012. The cost of littering – the careless discarding of waste in public – should not be passed on to home owners via the basic waste disposal charge. Although it has been proven that the retail trade causes a maximum of only 30% of all littering, Coop takes its responsibility seriously and has for years now been taking voluntary measures to control littering. Since 2008, Coop has supported the Interest Group for a Clean Environment (IGSU), whose environmental ambassadors are raising the Swiss population’s awareness of littering. At the events it sponsors, Coop advises event organizers to supply refreshments in reusable packaging. It is also actively involved in the Basel talks on littering. The Basel-Stadt Environment and Energy Office, representatives from the retail industry and trade associations have a common aim – to implement voluntary measures in sales outlets with the specific intention of reducing littering. This approach is more successful than legally precarious discussions on a charging scheme.

Transgourmet Group measures

Transgourmet Group too is endeavouring to avoid waste and recycle any waste it does generate. For example, the wholesale supply company Transgourmet France conducted a waste management audit in 2012. This resulted in a catalogue of measures for each business, including the introduction of a waste sorting system. In the year under review, 18 of the 20 total businesses introduced such a system. In 2013, Coop intends to draw up top-level waste targets for all the companies that form the Transgourmet Group.

Recovered waste¹
Total: 99263 tonnes



¹ Retail and Coop manufacturing companies



Employees

Sustainability begins with employee appreciation

It is the human factor that ultimately contributes to a company's long-term success. In light of this knowledge, Coop pursues a philosophy of appreciating and encouraging its employees. This is evident in the numerous opportunities it provides for professional development, its promotion of occupational health and, last but not least, in the pay rise it has awarded to all staff despite the challenging economic environment.

Terms of employment

Higher wages in a challenging environment

In recognition of their outstanding dedication in a challenging economic environment, Coop employees will be paid more from 2013 onwards. A total of 1.1% of the wage bill is being made available for this purpose. All Coop staff employed under the collec-



The road to commercial success



Carlo Mathieu
Retail Trade Branch Manager,
Syna trade union

“Shopping tourism is a real problem for local retailers. Higher Swiss wages are

a constant topic of discussion, especially since they have increased over recent years. Coop plays a leading role in this development. But wages in the retail sector are comparatively low.

Particularly in difficult times, companies should organize themselves in such a way that social tensions can be contained and conflicts resolved in a friendly manner. Coop is well positioned in this respect – thanks in particular to its partnership with workers’ organizations. This positive social and environmental balance sheet will ultimately lead to commercial success.”

tive employment contract and in management grades will receive a general pay rise of 0.6% irrespective of their individual wage level. An additional 0.4% is available for individual pay rises. Coop is using 0.1% to increase reference and minimum wages by a relatively greater amount. For example, employees with two years basic training will now receive 3900 francs instead of 3800 francs. The minimum wage for semi-skilled and unskilled employees will now be 3800 francs – an increase of 100 francs. The corresponding hourly wages are increasing to 21.90 francs and 21.35 francs respectively. This pay rise is the outcome of constructive and open negotiations held during the year under review 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). As in recent years, Coop has again cut prices in 2012. Wages are being increased despite this because Coop, as a cooperative, is only accountable to its customers and employees. Profits can therefore be systematically invested in the company, in new products and services, lower prices and better wages.

Safeguarding health in the workplace

Since 2011, negotiations have been continuing between representatives from the retail industry under the leadership of the Swiss Retail Federation, the trade union Unia and representatives of canton labour inspectorates on the subject of “an outdoor view” and “natural lighting in the workplace”. These negotiations were amicably concluded in autumn 2012 under the leadership of the State Secretariat

for Economic Affairs (SECO). The retail leaflet prepared jointly by the retail industry and SECO in 2009 was revised and is due to be included in the appropriate guide to labour legislation. To ensure occupational health is safeguarded in relation to workplace lighting, technical and construction measures are mandatory for new and upgraded buildings. If these measures are ineffective or not sufficiently effective, and also in the case of old buildings, compensatory measures will be introduced. These would include for example the opportunity to walk to an external window, job rotation or extra breaks. The joint negotiations made it possible to identify a pragmatic solution that was practicable for all parties.

Simpler retail processes

Clear and simple management structures and a good feedback culture contribute significantly to productivity and employee wellbeing. In May 2012, Coop therefore modified structures in its Retail business unit, which includes Coop supermarkets and megastores. With 26 339 employees, the Retail business unit is Coop’s largest in terms of staff numbers. The aim of the reorganization was to simplify and standardize processes and also make it possible to manage staff and provide information more directly. Coop has now dispensed with one hierarchy level in sales outlets, with store managers reporting directly to the relevant sales manager. So that sales managers can concentrate fully on their sales management role, they will receive administrative support in the form of the newly created role of sales coordinator. Store managers will continue to receive advice and support from special advisors to help them manage the all-important fresh-produce sections. The reorganization was achieved with no redundancies. At the end of the year under review, the conclusion regarding the reorganization was positive – its objectives had been met and the newly formed teams were motivated, committed and able to devote themselves to the core business.

Field coaching as a training tool

When training its management staff, one of the valuable tools Coop uses is field coaching. Field coaching essentially involves accompanying and advising managers in their day-to-day working environments. A coach accompanies the manager, for example in meetings, discussions, one-to-one interviews, employees appraisals and visits to sales outlets. He or she provides immediate feedback based on previously agreed objectives and criteria. The manager therefore has the opportunity to actively develop new ways of thinking and behaving in specific situations. Field coaching allows managers to try out

these new approaches and assess their usefulness straight away. The procedure focuses on the impact of management interventions and on increasing management effectiveness and efficiency. Field coaching formed an integral part of the one-to-one support provided to all sales managers during the reorganization of the Retail Business Unit.

Young people and working life

Wide range of occupations for trainees

82% of the 2 804 trainees employed by Coop at the end of 2012 work in sales. Coop also trains young people to become skilled workers in many other occupations – 13% of them are specializing in commerce and 5% in business. Coop provides basic traineeships in all its sales formats and manufacturing companies. The Transgourmet Group also trained a total of 417 trainees in 2012. In 2013, the range of basic Coop traineeships is to be expanded to include the occupations of plant operator and fast food specialist.

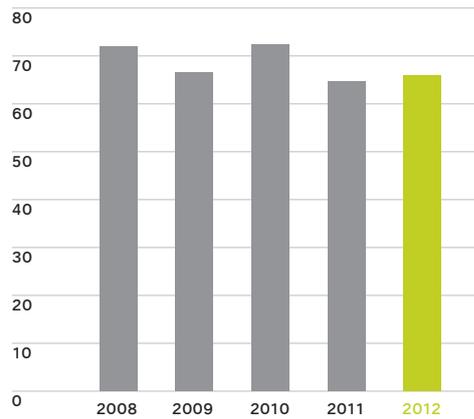
Investing in the quality of basic training

Demographic changes mean the number of school leavers will fall between now and 2020. Coop invests heavily in its image as an attractive employer and instructor, and also in the quality of its basic training. A total of 30 people are employed primarily in looking after apprentices, and 2 000 trainers provide them with close support. They are all committed to providing apprentices with comprehensive training, and this is borne out in course completion rates. In 2012, over 96% of Coop apprentices successfully completed their training courses. The apprentice with the best mark in the final exam came from Interdiscount and gained an impressive mark of 6.0.

Preparation for the world of work

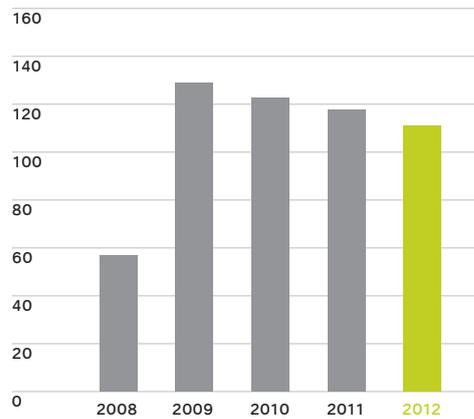
Coop sets itself the target of providing continuing employment for at least 60% of all those trainees who successfully complete their training. In the year under review, 663 apprentices – equating to almost 66% – were offered jobs. Coop sets great store by intensively preparing its trainees for the world of work after they have completed their basic training. Specific projects encourage them to take personal responsibility and think in an integrated and entrepreneurial manner. For trainees who have completed their apprenticeships, Coop also offers one-year language placements in a part of Switzerland where a different language is spoken. This gives them valuable professional experience and improves their language skills.

Continued employment at Coop after basic training¹
As a percentage



¹ Coop parent company

Placements for academically weak school-leavers¹
Number



¹ Coop parent company

Sustainable staff management

Nutrition and physical activity workshops

As part of its occupational health promotion initiative, Coop holds nutrition and physical activity workshops for employees from many different fields of work. These focus on nutrition, physical activity and recuperation. Coop provides special training sessions on how to lift and carry heavy weights properly for its logistics staff. The main intention is to prevent long-term damage to the musculoskeletal system. These training sessions will continue in 2013.

Smoking cessation courses

In 2012, Coop employees had the opportunity to take part in a voluntary smoking cessation course. These courses were run by skilled and experienced trainers from the Lungenliga charity. During

Considerable success as a Coop trainee



Lionel Eckert
Retail Specialist and Sales
Advisor, Interdiscount, Basel

“My greatest success to date was at Coop. I completed my training as a

retail specialist in consumer electronics at Interdiscount XXL at the Basel Marktplatz store. Thanks to the support from my trainers I was soon able to work independently and take on more and more responsibility each month. I particularly liked the wide range of products at our store. I was able to work in other departments and sell a lot of different products. In summer 2012 I completed my training as the best trainee in the sector and even the best in the Coop Group. The standing ovations at the graduation celebration and the many good wishes I received from colleagues were great. Even the CEO, Joos Sutter, congratulated me. And I am very pleased that I was offered a job by Coop after completing my training, not least because of the great team.”

the courses, participants discover their individual motives, how their addiction works and suitable strategies to overcome it. The aim is always to stop smoking permanently. The concept behind this smoking cessation training was developed by the IFT Institute for Therapy Research in Munich. The programme includes cognitive behavioural training, coaching and group activities.

Integrating people with disabilities

A project from the French-speaking part of Switzerland has shown that it is possible to integrate disabled people into everyday working life, even in difficult economic circumstances. The Collombey sales outlet has employed a total of eight people with disabilities over the last eight years. They are accompanied by an external expert, who supports them in their activities and their dealings with colleagues and customers. The project is hugely enriching for all concerned. For this reason, the Coop Suisse Romande sales region decided in spring 2012 to expand this project further.

Sustainability training

Implementing the new training strategy

Sustainability forms part of Coop's corporate strategy and is incorporated into existing structures and procedures. This also applies to the training and professional development aimed at various different target groups. At Coop, professional skills training is divided into basic, in-depth and special-

ist training. The relevant sustainability content is drawn up and integrated into each training programme, with contents and methods being reviewed annually. As well as this integration into existing professional skills training, Coop has developed training modules that exclusively cover sustainability issues. For basic training, this is done firstly via “training on the job” (TOJ) modules on own-label sustainability brands and quality labels. In addition to this, Coop developed a new information brochure on sustainability in 2012. Its aim is to give staff an insight into the breadth of Coop's commitment to sustainability and make the subject more comprehensible by using practical examples. For in-depth training, Coop instructs selected employees from each sales outlet in sustainability issues. They then pass on what they have learned to their colleagues and act as contacts for any questions on sustainable products and services. To enhance the skills of certain employees, Coop also focuses on the acquisition of specialist knowledge. For example, fish buyers are given in-depth training on sustainable fish and seafood, while Building & Hobby staff attend special training sessions on Coop Oecoplan products.

Production and wholesale

Staff development in manufacturing companies

Numerous measures are also being implemented in Coop manufacturing companies to promote sustainable staff management. For example, the Swiss meat processing company Bell AG introduced a talent management scheme in the year under review. This also includes the opportunity to participate in exchange visits with international Bell AG companies. The manufacturing company Chocolats Halba successfully took part in the youth project LIFT. This enables schoolchildren to gain practical experience one afternoon a week, thus increasing their chances of securing an apprenticeship.

Health management at Fegro/Selgros

Fegro/Selgros Germany is operating a comprehensive occupational health management scheme entitled “PIMA”. This includes qualified occupational healthcare, regular occupational health and safety training courses and health-promoting measures provided in conjunction with the healthcare provider DAK-Gesundheit. Specially trained addiction officers are available to advise staff as part of the national works agreement on the subject of addiction. Fegro/Selgros Germany also holds annual workplace programmes on safe lifting, bending and carrying.

Selgros Romania: dialogue with trade unions

More than half of all Selgros Romania employees are trade union members. Selgros Romania attaches great importance to individual and collective talks with trade unions. Key personnel policy measures include a special training programme to develop junior managers, regular health check-ups and employee first-aid training.

Selgros Russia and Poland focus on training

In the year under review, Selgros Russia launched an advancement programme for plant managers. This training programme is intended to ensure a supply of prospective managers. 423 employees also took part in a total of 18 seminars to expand their skills in a number of fields. At its head office, Selgros Russia invested in its employees' language skills. To improve these skills, particularly at head office, Selgros Russia provided free language lessons. Ongoing training and professional development are also high on the agenda at Selgros Poland. Recruiting and supporting employees with disabilities is another key aspect of HR policy.

Sustainable staff management at Rewe Foodservice

In June 2012, Rewe Foodservice held the first National Health Day together with a German health-care provider and a trade association. The motto for the day was "Mach mit – bleib fit" (Participate and stay fit). A national works agreement on the subject of "alcohol and the risk of addiction in the workplace" is intended to boost occupational safety at Rewe Foodservice, helping to identify and avert the risk of addiction promptly. In August, the two Transgourmet contact centres in Wildeshausen and Berlin became the first call centres in Germany to be certified following "work and family" audits. The challenge here is the fact that the contact centres operate 24 hours a day, 365 days a year. Among other things, certification implies that Rewe Foodservice has drawn up new targets and measures for a family-conscious HR policy together with employees, management and workers' representatives. In recognition of this commitment, Rewe Foodservice received the German Call Centre Association's Quality Award in October 2012, jointly winning the employee orientation category.



Society

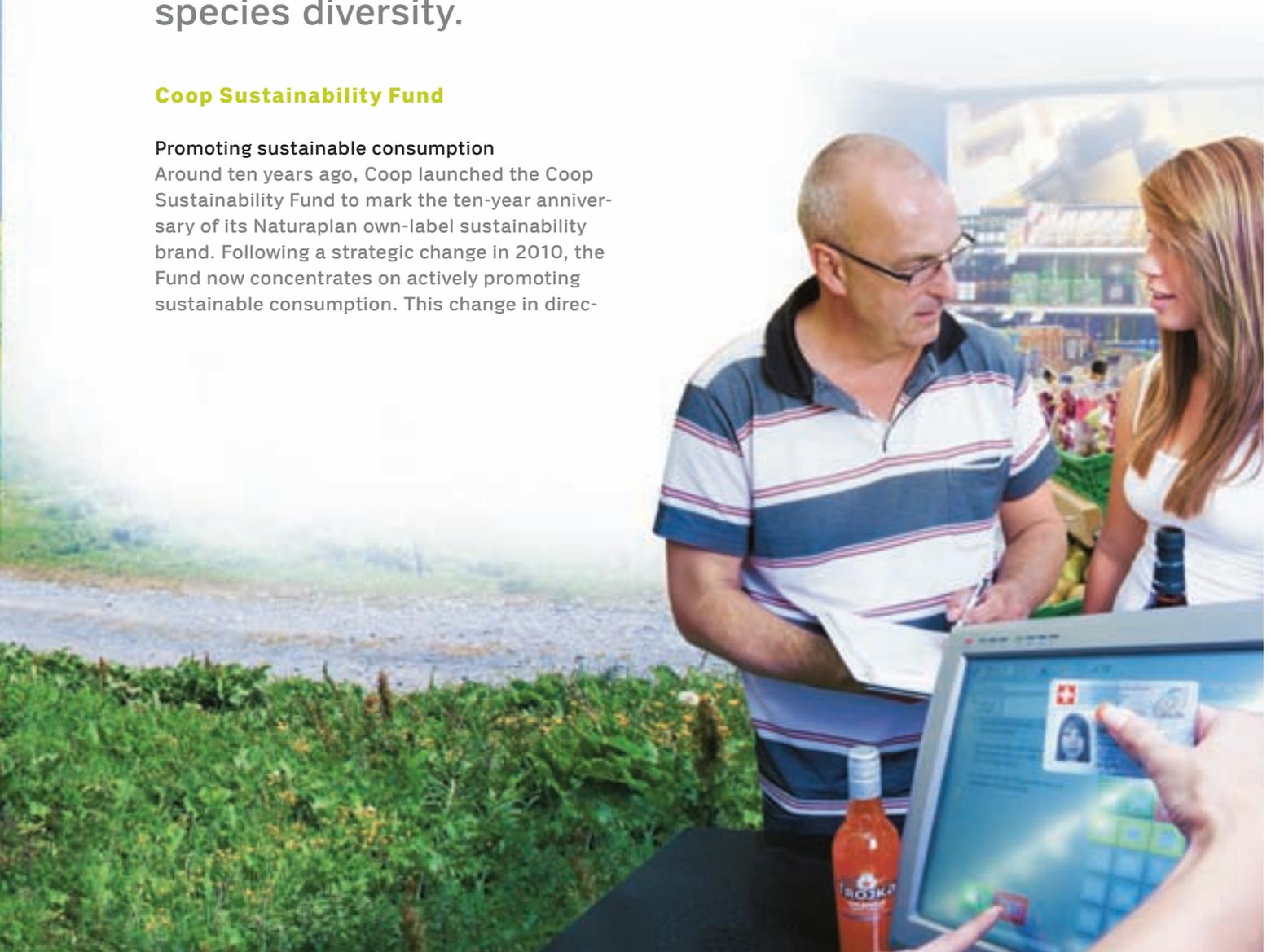
Social initiatives – from young to old and from home deliveries by bicycle to the Umwelt Arena

Home deliveries by bicycle, test purchases of alcohol, a partnership with the Umwelt Arena and ageing well are very different subjects. But what links them all is their significance for our society and their connection with Coop's core business. With its initiatives, Coop is focusing specifically on boosting sustainable consumption, maintaining social cohesion and promoting species diversity.

Coop Sustainability Fund

Promoting sustainable consumption

Around ten years ago, Coop launched the Coop Sustainability Fund to mark the ten-year anniversary of its Naturaplan own-label sustainability brand. Following a strategic change in 2010, the Fund now concentrates on actively promoting sustainable consumption. This change in direc-



tion was the result of Coop's own experiences and feedback from stakeholders. Sustainable consumption is facilitated firstly through innovative projects and the provision of sustainable products and services, and secondly through communication projects to raise public awareness. The Fund's 15 million franc annual budget is split 50–50 between these two approaches. The change of strategy has proved successful, with more than 85 new projects being implemented. The effects of these projects can also be seen on the shelves of Coop sales outlets – 22 innovative products were created in 2012 with the Fund's support.

Kick-starting sustainable innovation

To identify solutions and promote sustainable consumption within the company's core business, the Coop Sustainability Fund specifically supports projects of a distinctly innovative and pioneering nature. These are often pilot projects that can be used as a template for broad-based implementation. For Coop, this scalability is very important. The Fund only finances projects that require start-up funding but cannot be implemented via the regular budget. The success rate for these innovative projects is high, with many of them continuing independently following start-up funding. One reason for this success is the strict selection criteria used and the critical examination of project applications by selection committees.

Sourcing projects and basic research

The Sustainability Fund supports sourcing projects that directly result in new sustainable products being added to the Coop range. In 2012, these included the sourcing of organic melons and Crémant d'Alsace from France. In 2011, Coop included tuna from a WWF project in the Philippines in its product range. In the year under review, Coop and Bell Seafood received the "WWF Philippines Environmental Leadership Award 2012" for this sustainable project. As well as supporting sourcing projects such as these, the Fund also finances basic research in cases where the results are widely applicable. This includes projects such as Feed no Food, which has proved that milk can be produced in Switzerland entirely without concentrated feed at no financial loss. Another example is the long-term trials on the effects of various cultivation systems in the tropics, which have shown that organic farming is an attractive proposition for developing countries in all respects. The Fund also promotes innovative technology such as the cultivation of tropical fish in closed-loop systems

and the replacement of fishmeal with worm preparations for feeding farmed fish.

Public awareness-raising

In addition to innovative projects, the Coop Sustainability Fund has in recent years supported numerous projects aimed at raising consumer awareness of sustainable purchasing. These include special trade fair appearances and Pro Specie Rara seedling markets, and also the tropical houses at Frutigen and Wolhusen. As well as being provided with fascinating and clearly presented information on tropical products, visitors are given tips on sustainable consumption and healthy eating. This makes them aware of the impact that their behaviour as consumers has on the environment, and the alternatives they can use to reduce the size of their environmental footprint.

Main partner for Umwelt Arena

The Umwelt Arena in Spreitenbach opened its doors in August 2012. It is an exhibition centre for sustainable solutions in the fields of nature and life, energy and mobility, construction and modernization, and also renewable energy. As its main partner, Coop supports the Umwelt Arena and has an on-site presence with its exhibition entitled "Shopping = influencing". In the exhibition, the virtual manager of a Coop store tells visitors stories about the Coop own-label sustainability brands Naturaplan, Pro Montagna and Naturaline. The aim is to help consumers appreciate the impact their personal shopping has on the environment, animals and people.

Sustainable mobility management

Promoting home deliveries by bicycle

In Switzerland, anyone who commutes to work or goes shopping is likely to use a car. It would be more environmentally friendly if some of these journeys were made on foot, by bicycle or by public transport. In the interests of sustainable mobility, Coop is actively supporting non-motorized means of transport such as walking and cycling. Not only does Coop have a dense network of sales outlets, meaning short distances to the nearest shop, but it is also involved in numerous measures as part of the EnergieSchweiz "Mobility management in companies" programme. These include promoting local home delivery by bicycle schemes. At Coop sales outlets with an associated home delivery by bicycle service, customers can leave their shopping at a drop-off point. In exchange for a contribution to-

Coop Sustainability Fund: 2012 projects

Climate

Carbon offsetting

Partners: WWF and SENS | Offsetting the carbon emissions generated by airfreight, business travel and Coop@home deliveries via WWF Gold Standard projects and Swiss Charter certificates from a fridge recycling project in Brazil (2007–2013).

Coop Naturaline CO₂-neutral

Partner: Remei AG | Climate-neutral production of Coop Naturaline organic cotton textiles and organic cotton-wool products by reducing CO₂ emissions and offsetting unavoidable CO₂ emissions via projects along the value chain (2009–2012). Project objective successfully achieved in 2012.

WWF Global Forest Trade & Network Switzerland

Partner: WWF | Improving performance and communicating a responsible timber and paper purchasing policy; increasing the proportion of FSC timber and paper sales by introducing innovative products (2006–2015).

Baltic Grassland Beef

Partners: IKI, Bell AG, Suckler Cow Switzerland, Estonina ACB Vianco | Establishing production of high-quality grassland beef from suckler cow husbandry in the Baltic to reduce air-freighted imports from South America (2011–2018).

Plants, animals, soil

Feed no Food

Partner: Research Institute of Organic Agriculture (FiBL) | Basic research into the effects of minimizing the use of concentrated feed and feed contaminated with antibiotics on animal health, ecology, profitability and product quality (2003–2012).

Organically tackling citrus greening

Partner: FiBL | Developing effective organic methods of curbing citrus greening disease on organic citrus plantations in Cuba and Mexico (2011–2013).

Cultivating organic seeds

Partners: Sativa Rheinau AG, Getreidezüchtung Peter Kunz | Promoting the cultivation and seed propagation of organic wheat and spelt, and improving nitrogen efficiency along the bread value chain (2003–2016).

Pro Specie Rara

Partner: Pro Specie Rara | Promoting traditional Swiss crops and livestock by marketing products in Coop sales outlets and accompanying communication measures, supporting open-air markets and collections of plants and animals that are open to the public (2003–2015).

Standard fruit tree project

Partner: Hochstamm Suisse | Maintaining and fostering endangered standard fruit tree orchards as a traditional landscape feature by developing a range of Hochstamm Suisse products and accompanying communication measures (2008–2013).

Water

Sustainable cocoa sourcing in Honduras

Partners: Chocolats Halba, Helvetas Swiss Intercooperation | Project on the comprehensive sustainable sourcing of cocoa from Honduras through environmental and social initiatives such as creating water usage plans for communes (2009–2013).

Alternatives to fish meal for feeding in sustainable aquaculture

Partner: FiBL | Producing feed for sustainable fish farming that is nutritionally optimized but does not impact on marine resources (2009–2013).

Fairtrade water project

Partner: International Development Enterprises (IDE) | Improving the living conditions of Fairtrade (FLO) farmers and their families in Central America by increasing water efficiency using cost-effective drip-feed irrigation systems (2010–2014).

MSC yellowfin tuna

Partner: WWF | Start-up funding to establish sustainable methods of tuna fishing in the Philippines for fresh-fish sales in accordance with MSC guidelines (2010–2012).

Sustainable roses and water from Naivasha

Partner: University of Leicester | Establishing an infrastructure and training the population in sustainable water usage for the production of Max Havelaar roses on Lake Naivasha, Kenya (2011–2013).

People

Biore projects

Partner: Biore Foundation | Promoting and supporting social projects in the fields of training, health and nutrition for over 8 300 Biore cotton producers and their families in India and Tanzania (2007–2016).

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 (2006–2014).

Sustainable rice value chains

Partners: Reismühle Brunnen, Helvetas Swiss Intercooperation | Establishing fair, environmentally friendly rice value chains in India and Thailand (2010–2014).

Wolhusen and Frutigen tropical houses

Partners: Tropenhaus Wolhusen AG, Tropenhaus Frutigen AG | Supporting exhibitions on sustainable food production, sustainable consumption and a healthy balanced diet; demonstrating how regional production can reduce environmental pollution (2007–2015).

Umwelt Arena

Partner: W. Schmid AG | Partnership with the Umwelt Arena in Spreitenbach, which from 2012 will offer its visitors guidance in consuming sustainable products (2011–2014).

Fête de la nature

Partner: La Salamandre | Contribution towards raising public awareness of nature and sustainable consumption in western Switzerland via free-of-charge events organized by the local population (2012–2014).

Excerpt from 2012 project list.

You can find a full list of all Coop Sustainability Fund projects at www.coop.ch/fund.

wards costs, it is then transported promptly to their own front door. The service is practical, environmentally friendly and also socially beneficial, as the deliveries often form part of a social and professional integration initiative.

Pilot project in Langenthal

In 2012, Coop formalized its collaboration with home delivery by bicycle services in a pilot project in Langenthal. Coop set up a standardized infrastructure and carried out joint communication and marketing activities for delivery services within the region. At the Langenthal sales outlet, Coop created an attractive showcase for the bicycle delivery service. It was also actively and financially involved in setting up a bicycle delivery service in Basel, which is intended to act as a model for further services. And Coop is pushing forward with the bicycle delivery service concept at a national level too. It has been instrumental in founding the Swiss delivery by bicycle association, has brought members of the Swiss retailers' organization IG DHS on board and also made a substantial financial contribution.

Sustainable mobility in north-west Switzerland

The mobility management programme also includes the pilot project "Sustainable mobility in north-west Switzerland". This involved examining suitable measures for promoting environmentally-friendly mobility in five selected sales outlets, and systematically implementing them. They included holding a bicycle day, when everyone who did their shopping by bike received a discount voucher. Staff at the pilot sales outlets were also able to use public transport at cheaper child rates, thanks to the "job ticket". Coop also brought the infrastructure of the pilot sales outlets more closely in line with non-motorized transport.

Avoiding food waste

At the centre of public discussion

The United Nations Food and Agriculture Organization (FAO) works on the assumption that roughly one third of the food produced in the world for human consumption gets lost or wasted. The FAO also estimates that around 868 million people are suffering from hunger and malnutrition. Food waste was already a subject of much public discussion in Switzerland in 2011. According to the WWF and international studies, the retail industry is responsible for only 5% of the food that is thrown

Reducing waste improves resource efficiency



Prof. Bernard Lehmann
Director of the Swiss Federal Office for Agriculture (FOAG)

“Producing food and then not eating it is a two-fold waste – firstly of money and

secondly of natural resources. Conversely, less food waste means greater resource efficiency and conservation, in other words, greater sustainability. The government is campaigning for less food waste because sustainability is enshrined in the federal constitution. The retail trade acts as an interface between food production and consumption, and can therefore help to influence the amount of food that goes to waste between field and plate. By supporting 'Tischlein deck dich' (Table be set), 'Schweizer Tafel' (Swiss table) and 'Caritas Market', Coop and other industry players are demonstrating that avoiding food waste matters a great deal to them.”

away. Production accounts for 13% and processing is responsible for 30%. But 45% of all food waste occurs in households. Coop is aware of the responsibility it shares. It is endeavouring to prevent waste occurring even before it is created by using smart ordering systems and price reductions.

Supporting social organizations

Coop donates much of the food that is past its sell-by date but not its use-by or best-before date to the social projects "Schweizer Tafel" (Swiss table) and "Tischlein deck dich" (Table be set). Approximately 35% of the food distributed by these two organizations comes from Coop. As well as donating food, Coop is the only retailer to support the infrastructure development of Swiss distribution points, providing funding of 500 000 francs per year. "Tischlein deck dich" also receives 50 000 francs a year from Coop Mineraloel AG to provide fuel for its vehicles. Coop sends any food that is no longer fit for human consumption to be recycled. Organic waste such as bread is used to feed animals, while fruit and vegetables are fermented in biogas plants. Overall, significantly less than 0.5% of Coop food ends up in waste incinerators.

Production and processing measures

In order to reduce food waste, Coop also seeks to positively influence both upstream and downstream agents. Standards for agricultural products are defined by producer associations. But it is possible to use non-standard agricultural products as

well. They can be processed, used for animal feed or converted into energy. Coop tries to lend a hand by setting different requirements for each of its various own-label brands. So potatoes of differing sizes can be sold under the Prix Garantie brand, and small apples can be marketed under the Jama-du own-label brand for children. In the annual plans agreed with business partners, quantities can be controlled to ensure that production and demand correspond as far as possible. In the event of seasonal surpluses, Coop can boost sales by using special offers. Coop is also trying to work towards a Swiss industry solution for standards. In southern countries, storage and maintaining the cold chain are frequently problematic. By ensuring quality standards are adhered to along the entire product chain, Coop ensures that fewer goods have to be rejected.

Clear information for consumers

A study commissioned by Coop market research investigated the reasons for food waste in households. One key finding was that although consumers looked at the dates on packaging, they often misinterpreted them. Coop currently displays a sell-by date as well as the legally required use-by or best-before date on its food products. This double-dating leads to confusion, and consumers also frequently get the best-before date and the use-by date mixed up. On the basis of the study findings, Coop has decided to review its product range. From 2013, where it is safe and makes sense to do so, Coop will replace the use-by date with a best-before date. It will also gradually cease the practice of double-dating. Another reason why households waste food is poor planning when shopping. Coop is tackling this too by offering customers different sized packs. This means everyone can buy the quantity that's ideal for them. Wherever possible and appropriate, Coop sells fresh produce loose, and the ovens used in sales outlets make it possible to flexibly control the amount of fresh bread that is baked. Coop is also using brochures on buying and storing food to make customers aware of the issue.

Initiatives at manufacturing companies and Transgourmet

Coop manufacturing companies and the businesses that make up the Transgourmet Group also donate food and everyday products to "Schweizer Tafel" (Swiss table), "Tischlein deck dich" (Table be set) or to organizations with similar objectives. The Transgourmet Group company Howeg also provides

"Table be set" with infrastructure and additional services to the value of 230 000 francs. In the year under review, Rewe Foodservice supported the "United against waste" coalition for action. A process audit specially developed for the catering trade has made it possible to analyse wastage in the purchasing, storage, preparation, cooking, portion control and disposal of food, thereby enabling solutions to be identified.

Protecting young people

Internal test purchases for added safety

The subject of protecting young people is constantly in the media and calls for a high degree of sensitivity from all concerned. As a retail company, Coop too is responsible for ensuring that young people enjoy alcohol and tobacco products in a sensible and socially acceptable way. The basis for Coop's commitment is its practical, realistic and thorough employee training, which is delivered in the form of TOJ (training on the job) modules. In the year under review, Coop revised its training material on the protection of young people to include a substantial practical element, and also supplemented it with a DVD. To monitor training quality, sales region security staff conduct internal test purchases. In 2012, Coop was unable to achieve the ambitious target of correct conduct in 90% of cases. This situation should change in 2013 thanks to the new training material and additional measures.

Legal basis for test alcohol purchases

The general revision of national alcohol legislation brought the subject of test purchases back onto the political agenda in 2012. Test purchases form an integral part of the proposed alcohol trading law. It will also be possible to use the results of such purchases to pursue prosecutions under criminal and administrative law. In the interests of its sales staff, Coop vehemently opposes this provision. It will shift the company's responsibility onto individual employees. Coop attaches great importance to the complete and meaningful implementation of measures to protect young people, and obliges all its staff to observe statutory and corporate regulations. It is for this reason that internal test purchases are conducted and sanctions transparently communicated. Test purchases for monitoring purposes are useful and effective. But using the results for legal proceedings would be disproportionate and would penalize the wrong people.

Young people and electronic media

Coop also feels very strongly about protecting young people from inappropriate electronic media. It was instrumental in the agreement and implementation of a nationwide code of conduct that lays down clear regulations for the sale of DVDs and video games. This code of conduct has been successful for several years now. Simple pictograms and internal training in the Coop sales formats affected mean that staff, young people and their parents have access to information regarding the content of DVDs and video games. The voluntary self-regulation across the entire industry that has resulted from the code of conduct is practical, straightforward to understand and easy to implement.

Other activities

70 years of commitment to Swiss mountain regions

Since 1942, Coop Aid for Mountain Regions has supported efforts to improve the living and working conditions of people who live in the Swiss mountains. It supports urgently needed self-help projects for Swiss mountain farming families, helping them to protect their livelihoods. It also plays an important role in maintaining and caring for the traditional landscape. To mark its 70th anniversary, Coop Aid for Mountain Regions launched an adopt-a-goat project jointly with the Suscht-Peil goat pasture, which it has upgraded. For 95 francs, consumers were able to sponsor a goat over the summer. The project was a huge success, with over 300 people visiting their adopted goats on the Suscht-Peil Alp. In 2012, Coop Aid for Mountain Regions invested roughly 4.5 million francs in a total of 123 projects in Swiss mountain regions. Approximately 985 000 francs of this sum came from the solidarity contribution that Coop donates to Coop Aid for Mountain Regions for each Pro-Montagna own-label sustainability brand product sold.

For the twelfth time, Coop also organized its annual aid initiative involving the sale of bread rolls on 1 August, Switzerland's national holiday. For every special 1 August bread roll or sausage sold, a percentage of the sale price went to Coop Aid for Mountain Regions. At the end of the initiative, Coop doubled the overall amount raised, resulting in a total of 386 517 francs. The money will be used to upgrade an alpine pasture at Le Larzey. Accommodation will be provided first of all, followed by a new dairy.

Sustainably inspiring schoolchildren



Nicole Meier
Managing Director, Young Enterprise Switzerland (YES)

“Young Enterprise Switzerland (YES) is a non-profit-making organization

that offers age-appropriate commercial education programmes for schoolchildren of different ages. Coop supports YES in its volunteering programmes. These involve Coop employees taking on the role of instructor for a few lessons, covering subjects such as the community (at primary level) and business, careers and dealing with money (at secondary level I). Industrial and commercial subjects can be taught in a practical way, giving students a unique learning experience and providing a welcome change from the normal school day. Coop's involvement is sustainable and valuable, because today's employees are passing on their personal experience to the next generation.”

Five years of Coop and Pro Senectute

Last year, 17.2% of the Swiss population was aged 65 or over. Demographic changes mean that the older generation will play an even more important role in society in the future. This is one reason why the concerns and wishes of senior consumers matter a great deal to Coop. For five years now, Coop and Pro Senectute have jointly been championing quality of life in old age and solidarity between generations. Both partners want to purposefully expand and develop the products and services they offer senior citizens. Coop is living up to its social responsibilities with articles in its own publications and also by launching products such as the guide entitled “Nutrition in the second half of life”. Coop supported the work of Pro Senectute in the year under review, particularly on European Senior Citizens' Day, 1 October 2012. Pro Senectute took advantage of this occasion to introduce the Docupass care plan. Senior citizens can use this dossier to record their wishes regarding personal care, enabling them to have a greater say in this matter. The Docupass was featured in the Coop member press and could be purchased by readers at a discount. Coop intends to continue assisting Pro Senectute in identifying solutions that will help the elderly determine how they live their own lives.

Howeg encourages budding young chefs

The Swiss company Howeg has since 2005 been holding “gusto”, the only national cookery competition for apprentices. The basic idea is to support talented young chefs while they are still undergoing training. A prestigious jury evaluates the dishes they prepare and awards prizes such as international placements working with top chefs. In recent years, this competition has developed into a springboard for launching major culinary careers. A prime example of this is the successful Swiss junior national cookery team, for whom “gusto” has proved to be an important selection procedure.

53 Key sustainability data

54 Sustainable products & services

- 54 Own-label sustainability brands and quality labels
- 55 Sustainability standards
- 55 Packaging
- 55 Carbon offsetting
- 55 Manufacturing companies

56 Resource efficiency & climate protection

- 56 Energy consumption
- 56 Water consumption
- 57 Carbon dioxide emissions (CO₂)
- 57 Waste

58 Employees & society

- 58 Employee headcount and turnover
- 58 Diversity
- 59 Training and professional development
- 59 Occupational health management
- 59 Social commitment

Prior-year figures restated

You can find further key figures in
the **Coop Group Annual Report**.

Sustainable products & services¹

Own-label sustainability brands and quality labels

in CHF millions	2009	2010	2011	2012
Coop Naturaplan	726	758	779	816
Coop Naturafarm	478	461	450	442
Coop Oecoplan	112	117	121	128
Coop Naturaline	68	67	66	66
Other (Pro Montagna, Pro Specie Rara, Slow Food, Max Havelaar, Bio, MSC, FSC, Topten)	238	487	586	606
Total sales of own-label sustainability brands and quality labels	1621	1891	2002	2057

as a percentage	2009	2010	2011	2012
Percentage of retail turnover from own-label sustainability brands and quality labels total sales	8.9	10.2	10.9	11.1
Percentage of own-label sustainability brands and quality labels in own-label brand turnover: retail, department stores and Building & Hobby	–	22.9	24.4	25.5

in CHF millions	2009	2010	2011	2012
Organic own-label products	751	812	784	914
Organic branded products	15	18	15	20
Sales of organic products	765	829	799	934
Max Havelaar Fairtrade products	137	141	158	187
Naturaline products made from fairly traded organic cotton	64	64	64	64
Sales of Fairtrade products	203	205	222	251

as a percentage	2009	2010	2011	2012
Percentage of total own-label brand chocolate bar turnover that is Fairtrade	–	10.0	39.5	62.3
Percentage of total own-label brand Asian rice turnover that is Fairtrade	–	47.4	92.0	97.3
Percentage of total own-label brand coffee turnover that is Fairtrade	–	34.3	35.1	88.0
Percentage of total relevant fruit turnover that is Fairtrade	–	53.0	56.0	47.0
Percentage of total fruit and vegetable turnover from fruit and vegetables cultivated in line with social standards	–	–	–	25.3
Percentage of organic sales in farmed seafood turnover (fish and seafood) ²	33.6	29.5	30.5	34.9
Percentage of wild-caught seafood turnover that is MSC-certified ²	28.8	33.8	46.8	51.6
Percentage of total seafood turnover that is organic and MSC-certified ²	30.3	30.5	36.7	39.9
Percentage of total seafood turnover that is recommended / acceptable seafood according to the WWF ²	–	98.1	98.0	98.2
Percentage of retail, department store and Building & Hobby turnover of timber products that is FSC-certified	–	–	–	66.0
Percentage of Toptip timber product turnover that is FSC-certified	–	–	–	7.8
Percentage of retail, department store and Building & Hobby paper product turnover that is recycled and FSC-certified	–	–	–	57.0
Percentage of total relevant retail, department store, Building & Hobby, Dipl. Ing. Fust AG, Interdiscount and Lumimart turnover that is Topten	–	34.0	39.6	37.8

¹ Retail unless otherwise specified

² Seafood turnover from 2011 including tinned products

Sustainability standards

as a percentage	2009	2010	2011	2012
Percentage of total palm oil used in own-label food brands that is physically sustainable (Identity Preserved / Segregated) ¹	–	–	22.8	27.9
Percentage of non-food direct supplier turnover from high-risk countries that comes from direct suppliers with a BSCI status of good or a BSCI audit status of “improvement needed”	–	57.0	51.0	62.0
Percentage of non-food direct supplier turnover from high-risk countries that comes from direct suppliers with BSCI membership	–	–	–	4.0
Percentage of non-food direct supplier turnover from high-risk countries that comes from direct suppliers who are participating in the BSCI process	–	57.0	51.0	66.0

Packaging

in tonnes	2009	2010	2011	2012
Packaging reduction and optimization	–	–	216	530

Carbon offsetting

in thousands of tonnes CO ₂ equivalent	2009	2010	2011	2012
Air freight	66 688	77 851	71 877	71 096
Business travel by road	5 701	6 306	6 443	5 693
Business travel by air	1 310	1 382	1 666	1 638
Coop@home deliveries	1 419	1 565	1 504	1 603
Total carbon dioxide (CO₂) emissions offset	75 117	87 104	81 490	80 030

Manufacturing companies

Percentage of total turnover from sustainable products and services

as a percentage	2009	2010	2011	2012
Swissmill (Coop Naturaplan, Bio Knospe (organic bud))	18.1	19.0	19.4	19.9
Pasta Gala (Coop Naturaplan, Bio Knospe (organic bud))	8.3	7.1	7.0	7.0
Chocolats Halba (Coop Naturaplan, Bio Knospe (organic bud), Max Havelaar)	5.6	7.9	15.7	21.2
Reismühle Brunnen (Coop Naturaplan, Bio Knospe (organic bud), Max Havelaar)	16.3	18.8	33.6	32.8
Nutrex (Coop Naturaplan, Bio Knospe (organic bud))	10.0	8.7	13.2	13.1
Sunray (Coop Naturaplan, Bio Knospe (organic bud), Max Havelaar)	10.7	12.4	14.8	13.9
CWK-SCS (Coop Oecoplan, Coop Naturaline Natural Cosmetics, Maya)	16.6	19.8	20.5	22.9

¹ The remaining palm oil in food and non-food own-label brands is covered by certificates (Book and Claim)

Resource efficiency & climate protection

Energy consumption					
in megawatt-hours	2008	2009	2010	2011	2012
Sales outlets	634 315	669 027	663 097	654 827	650 559
Distribution centres	61 908	60 360	60 787	60 387	58 298
Administration	7 512	9 573	10 507	10 116	10 580
Retail	703 734	738 960	734 390	725 330	719 437
Bell Group	87 721	168 767	171 412	175 320	175 192
Coop manufacturing companies	65 839	66 371	66 868	69 339	69 116
Manufacturing	153 560	235 137	238 279	244 659	244 308
Cash & carry				275 258	287 615
Wholesale supplies				115 417	120 992
Wholesale				390 675	408 607
Electricity consumption	857 294	974 097	972 670	1 360 665	1 372 352
Sales outlets	197 815	202 383	198 733	186 627	180 094
Distribution centres	47 918	48 275	46 656	40 625	39 143
Administration	2 260	2 232	2 175	2 157	2 101
Retail	247 993	252 890	247 564	229 408	221 339
Bell Group	47 925	81 570	95 748	99 518	100 279
Coop manufacturing companies	64 730	64 516	56 779	50 796	50 786
Manufacturing	112 655	146 086	152 527	150 314	151 065
Cash & carry				107 547	114 856
Wholesale supplies				15 576	16 977
Wholesale				123 123	131 833
Energy consumption for heating purposes	360 648	398 976	400 091	502 845	504 236
Goods transportation ¹	182 021	185 220	184 720	188 181	190 182
Administration ²	25 849	25 918	27 624	28 212	26 352
Retail	207 870	211 138	212 344	216 392	216 534
Bell Group	22 871	25 289	26 553	27 217	26 181
Coop manufacturing companies	5 623	5 492	5 515	7 283	9 972
Manufacturing	28 494	30 781	32 068	34 500	36 153
Cash & carry				26 522	30 064
Wholesale supplies				230 710	244 250
Wholesale				257 232	274 314
Fuel consumption	236 364	241 919	244 412	508 124	527 001
Retail	1 159 596	1 202 989	1 194 298	1 171 131	1 157 310
Manufacturing	294 709	412 004	422 875	429 473	431 526
Wholesale				771 030	814 753
Total energy consumption	1 454 306	1 614 992	1 617 173	2 371 634	2 403 589
Water consumption					
In thousands of cubic metres	2008	2009	2010	2011	2012
Sales outlets	784	836	780	819	889
Distribution centres	232	239	192	187	180
Administration	15	15	13	13	13
Retail	1 031	1 089	985	1 019	1 082
Bell Group	1 481	1 894	1 996	2 045	1 965
Coop manufacturing companies	315	308	307	313	398
Manufacturing	1 795	2 202	2 303	2 358	2 363
Cash & carry				484	531
Wholesale supplies				73	102
Wholesale				557	633
Total water consumption	2 826	3 291	3 288	3 935	4 079

¹ Coop's own goods transport, Coop@home deliveries, goods transport by third parties in Switzerland on behalf of Coop

² Includes business travel by road and air

Carbon dioxide emissions (CO₂)

in tonnes	2008	2009	2010	2011	2012
Sales outlets	61 608	63 587	55 149	51 912	50 221
Distribution centres	10 618	10 344	9 388	8 590	8 117
Goods transportation ¹	50 314	51 198	50 045	49 483	49 713
Administration ²	7 910	7 949	8 314	8 454	7 876
Retail	130 449	133 078	122 897	118 439	115 927
Bell Group	16 648	24 708	26 948	28 242	28 119
Coop manufacturing companies	13 457	13 226	12 079	11 830	11 439
Manufacturing	30 105	37 934	39 027	40 072	39 559
Cash & carry				146 022	155 724
Wholesale supplies				83 203	86 414
Wholesale				229 225	242 139
Total carbon dioxide emissions (CO₂)	160 554	171 012	161 924	387 736	397 624
in kilogrammes per square metre	2008	2009	2010	2011	2012
Specific CO₂ emissions of sales outlets	38.0	37.3	32.0	29.9	28.6
in grammes per tonne-kilometre	2008	2009	2010	2011	2012
Specific CO₂ emissions for goods transportation³	34.9	35.4	34.2	32.2	30.7
Waste					
in tonnes	2008	2009	2010	2011	2012
Retail	65 941	71 525	79 568	89 211	94 963
Manufacturing ⁴	8 047	6 807	6 077	3 917	4 714
Wholesale				20 622	22 110
Recycled waste	73 988	78 332	85 645	113 750	121 788
Retail	2 521	2 922	3 484	3 183	3 264
Manufacturing ⁴	290	229	432	226	254
Wholesale				2 661	3 275
Waste used as heating fuel (wood)	2 811	3 151	3 916	6 069	6 792
Retail	33 994	31 840	30 353	30 404	28 334
Manufacturing ⁴	3 679	3 960	3 715	3 748	3 493
Wholesale				31 417	36 071
Incinerated waste (incineration, dump)	37 673	35 800	34 068	65 569	67 898
Retail	649	798	429	333	102
Manufacturing ⁴	26	157	24	50	51
Wholesale				555	479
Special waste	674	954	453	938	632
Retail	103 105	107 085	113 834	123 131	126 663
Manufacturing ⁴	12 041	11 152	10 249	7 941	8 512
Wholesale				55 255	61 935
Total waste production	115 146	118 237	124 082	186 328	197 110
as a percentage	2008	2009	2010	2011	2012
Retail and manufacturing waste recovery rate⁴	59.5	63.0	66.9	70.5	72.7
Wholesale waste recovery rate				42.1	41.0

¹ Coop's own goods transport, Coop@home deliveries, goods transport by third parties in Switzerland on behalf of Coop

² Includes business travel by road and air

³ Transportation of goods by Coop from regional distribution centres to sales outlets

⁴ Coop manufacturing companies and Bell Switzerland

Employees & society

Employee headcount and turnover

Number (as at 31 Dec.)	2010	2011	2012
Retail and manufacturing	53 559	52 543	52 657
Wholesale		22 818	22 652
Employees (incl. trainees)	53 559	75 361	75 309
Retail and manufacturing	33 492	32 798	32 899
Wholesale		19 356	19 650
Full-time employees (incl. trainees)	33 492	52 154	52 549
Retail and manufacturing	3 014	2 995	2 804
Wholesale		396	417
Trainees (employees)	3 014	3 391	3 221
in percent (as at 31 Dec.)	2010	2011	2012
Retail and manufacturing	14.5	15.1	15.3
Wholesale		20.3	19.7
Turnover rate	14.5	16.7	16.5

Diversity

in percent (as at 31 Dec.)	2010	2011	2012
Retail and manufacturing	60.1	59.9	59.6
Wholesale		48.2	48.0
Percentage of workforce who are women	60.1	56.4	56.2
Retail and manufacturing	45.1	44.7	44.3
Wholesale		43.4	43.2
Percentage of full-time staff who are women	45.1	44.2	43.9
Retail and manufacturing	14.9	14.7	14.8
Wholesale		25.0	20.7
Percentage of part-time staff who are men	14.9	16.3	15.6
Retail and manufacturing	24.2	25.1	23.5
Wholesale		18.8	20.3
Percentage of staff over 50 years of age	24.2	23.2	22.6
Percentage of women in the Delegate Assembly	38.3	39.7	40.0
Percentage of women on the Board of Directors	44.4	40.0	40.0
Retail and manufacturing	8.9	9.4	16.6
Wholesale		21.3	13.5
Percentage of women on the Executive Committee and in upper management	8.9	15.4	15.4
Retail and manufacturing	35.4	36.0	35.9
Wholesale		31.8	31.9
Percentage of women in middle management and departmental management	35.4	35.3	35.0

Training and professional development			
in thousands of participant days	2010	2011	2012
Retail and manufacturing	58.2	59.4	56.5
Wholesale		28.2	18.9
Internal training and professional development	58.2	87.6	75.4
Occupational health management			
as percentage of working days	2010	2011	2012
Sickness rate for retail and manufacturing	3.6	3.8	3.8
Sickness rate for wholesale		3.6	3.5
Occupational accident rate	0.3	0.4	0.3
Non-occupational accident rate ¹	0.5	0.5	0.5
Accident rate for retail and manufacturing	0.8	0.8	0.9
Occupational accident rate		0.5	0.5
Non-occupational accident rate ¹		0.4	0.4
Accident rate for wholesale		0.9	0.9
Social commitment²			
in CHF thousands	2010	2011	2012
Climate	3 849	3 529	7 907
Water	677	1 080	830
Plants, animals and soil	6 737	5 655	6 544
People	816	5 241	2 590
Coop Sustainability Fund subsidies	12 080	15 505	17 871
Schweizer Tafel, Tischlein deck dich and Caritas ³	325	614	640
Additional contributions for social projects	6 753	6 050	5 862
Contributions for social projects	7 078	6 664	6 502
Contribution as per cooperation agreement	200	200	200
Contribution from the 1 August campaign	123	150	193
Administrative costs covered	499	507	483
Other contributions	–	–	105
Contributions to Coop Aid for Mountain Regions	822	857	981

¹ Can only be recorded for Switzerland. Under EU law, non-occupational accidents are paid for by the health insurance provider rather than the employer.

² Retail and manufacturing

³ The organizations receive food as well as financial donations.

Reporting in accordance with UNGC and GRI

The Ten Principles of the UNGC

In signing up to the United Nations Global Compact (UNGC), a voluntary business initiative, Coop 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, www.coop.ch/gri-ungc

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 A 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, www.coop.ch/gri-ungc

Content

Coop

Sustainability

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Statement GRI Application Level Check

GRI hereby states that **Coop Group** has presented its report "Coop Group: Annual report and sustainability report 2012" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 19 February 2013

A handwritten signature in black ink, appearing to be "Nelmara Arbex", is written over a large, faint watermark of the GRI globe logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: *Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 1 February 2013. GRI explicitly excludes the statement being applied to any later changes to such material.*

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.

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www.coop.ch/report

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