

# Coop Group Annual Report 2015



**Key figures →**

# Key figures

Total sales

26 932 CHF million

Net sales

25 895 CHF million

Net sales Switzerland

19 252 CHF million

Net sales abroad

6 643 CHF million

Number of sales outlets / markets

1 998 Retail

215 Wholesale / Production

Net sales from online shops

1 212 CHF million

+7.9%

Equity ratio

47.6%

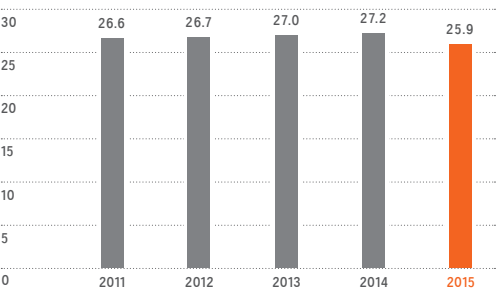
Profit

416 CHF million

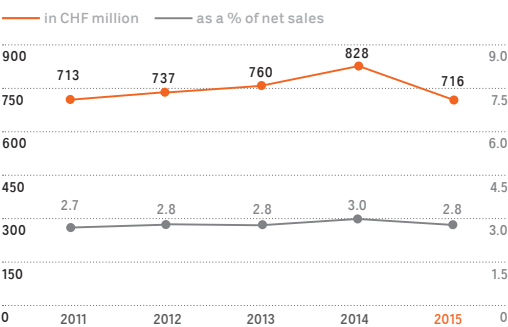
1.6% of net sales

Net sales

in CHF billion

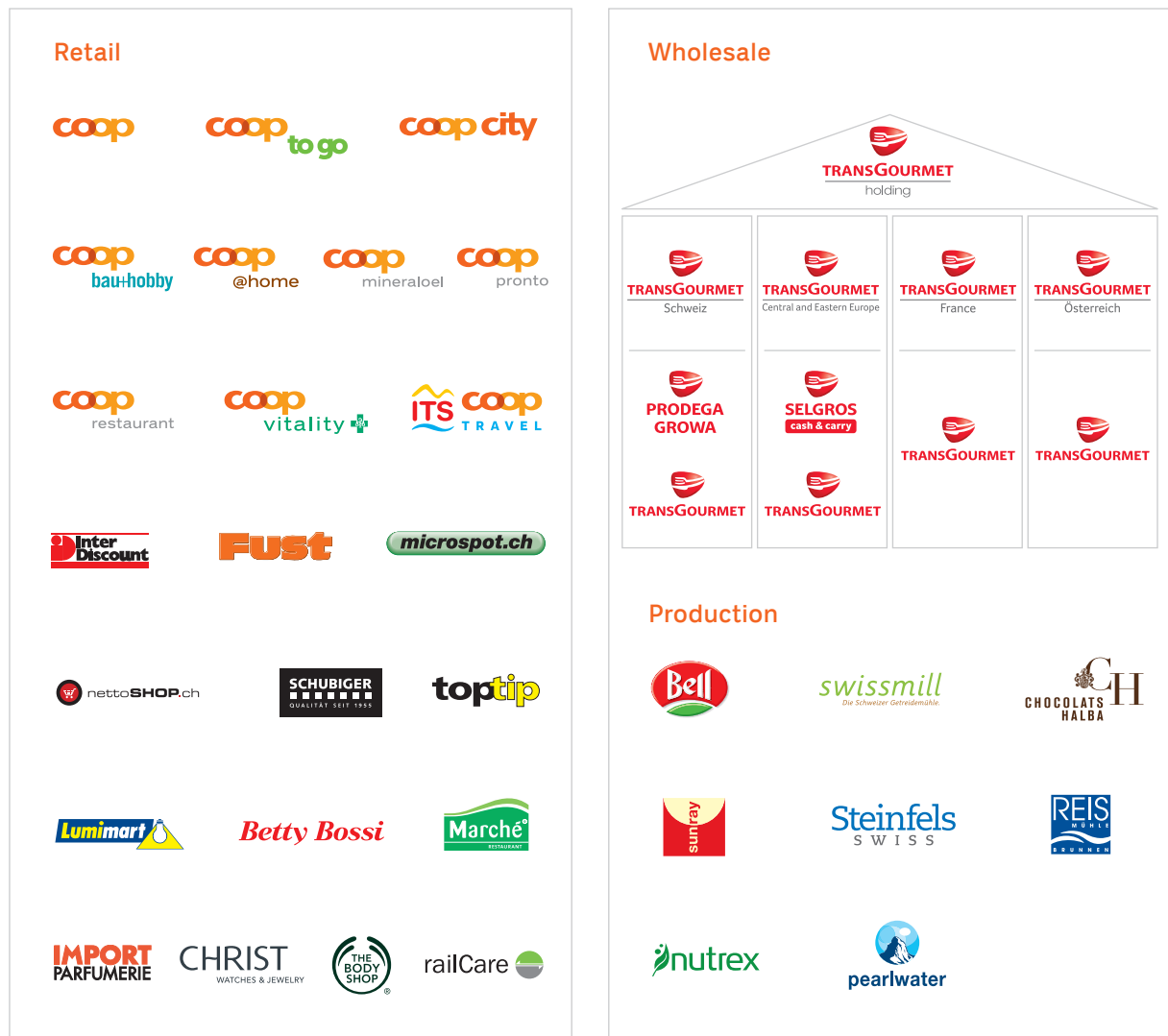


Operating result (EBIT)



# Coop Group business areas

As at 1 March 2016



Coop Group  
Annual Report

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Foreword

# On track in challenging markets

Hansueli Loosli and Joos Sutter



The Swiss National Bank's decision to abolish the minimum exchange rate between the Swiss franc and the euro posed major challenges for the Swiss retail sector in 2015. The resulting strength of the Swiss currency continues to shape the Swiss economy. Nominal retail sales slipped into clearly negative territory in 2015. In Switzerland we are now facing a massive price slump, not only for non-food items but also for foodstuffs. Despite more favourable prices in Switzerland, the amount of purchases made over the border have increased again year-on-year. Today, with a volume of CHF 11 billion, they are the toughest form of competition for Swiss retailers. Owing to the strong Swiss franc, tourism in Switzerland is also down. This was felt not only by our sales outlets in the mountain regions but also in the wholesale catering sector, i.e. Transgourmet in Switzerland. In the rest of Europe, by contrast, wholesalers and production benefited from good economic operating conditions, and in particular from an increase in domestic demand.

The Coop Group generated total sales of CHF 26.9 billion with its Retail and Wholesale/Production business areas, corresponding to real, currency-adjusted growth of 1.4%. Owing to lower exchange rates in business abroad and substantial price cuts in the retail market, Group sales declined nominally by 4.4%.

In the retail segment, we lifted sales in real terms by 0.7%. The nominal decline of 2.6% is due, on the one hand, to the much lower prices for fuel and heating oil, and on the other to substantial discounts for both food and non-food articles. Overall, this amounts to just under CHF 600 million. We are particularly pleased that we were able to win additional customers in these challenging times: customer footfall in the supermarkets went up by a whole 2.4%.

In the Wholesale/Production business area, in which we operate internationally, we achieved growth in individual markets in local currencies. Translated into Swiss francs, this rise in sales results in a decline of 5.2%, however. Adjusted for currency movements, net sales were up by 3.8%.

Last year we focused on freshness and were able to gain additional market share with our supermarkets. Since summer 2015 we have also offered a wide range of fresh products in our new "Coop to go" format. This store concept targets the trend towards eating on the move. Our goal: 50 outlets in five years. A second focus was on online business. The Coop Group has been on a growth path in the online retail segment for years. Our 23 online retail shops alone

advanced by 13.7% in 2015 – first and foremost Microspot.ch with nominal sales growth of 17.8%. In 2016 we are launching Siroop nation-wide. We have developed this first completely open online marketplace in Switzerland together with Swisscom. We also made strides in our customer relationship management: we expanded the offering for families as part of the Hello Family Club and invested in the Mondovino wine club, established in 2014, which now numbers over 100 000 members.

We systematically expanded our competencies in wholesale and production. Following the takeover of Sump & Stammer, Transgourmet now supplies cruise ships and international hotel chains, and after the acquisition of EGV Unna AG we now have a broader base in the wholesale supplies business. Towards the end of 2015, we acquired the Frische-paradies Group, a leader in cash & carry and wholesale supplies including delicatessen products. But without a doubt the major step was entering the Austrian market on 1 January 2016. Transgourmet took over C+C Pfeiffer, the market leader in Austria for wholesale catering supplies, and is thus clearly expanding its position as the number two in the European cash & carry and wholesale supplies sector. The Bell Group will also be represented in the Austrian market in future. It will take over the Huber Group, a company specializing in the production of high-quality poultry meat, as of March 2016, setting the course for continued sustainable growth.

Gaining new customers while expanding competencies and entering new markets in economically challenging times requires plenty of energy. Our workforce of around 80 000 throughout the Coop Group has the energy we need. They work on behalf of our customers every day and our special thanks go to them.



Hansueli Loosli

Chairman of the Board of Directors



Joos Sutter

Chairman of the Executive Committee



## January

### Transgourmet takes over Sump & Stammer

Transgourmet acquires the majority stake in Sump & Stammer International Food Supply. The Hamburg-based company specializes in supplying cruise ships and international hotel chains.

### Abolition of minimum euro exchange rate: Coop cuts prices

Coop is the first retailer to react to the Swiss National Bank's decision to scrap the minimum euro exchange rate. Coop calls on its suppliers to pass on the currency advantages in full and, after just a few days, cuts the prices of more than 1000 imported products. By the end of the year, it cuts the prices of around 14 000 products.

## May

### Bell takes over majority in Hilcona

Bell exercises the call option on a further 2% of Hilcona AG and, with a 51% interest, becomes the majority shareholder.

### Transgourmet acquires EGV Unna AG

Transgourmet announces that it will take over all of the shares in EGV Unna AG as of August. EGV Unna AG is one of the leading specialists for supplies to wholesalers in Germany.

### Takeover of Eurogroup Far East

The Coop Group takes over 100% of Eurogroup Far East Ltd, which offers great potential for the purchase of high-quality ranges at attractive prices for all formats in the Coop Group.



## February

### "Actions, not words" initiative

Coop launches the "Actions, not words" initiative, which actively demonstrates Coop's comprehensive commitment to sustainability through concrete actions. The number of those actions grows to over 300 by the end of 2015.

### Four specialist formats celebrate their anniversary

Four of Coop's specialist formats celebrate a major birthday in 2015: the Coop Vitality Pharmacies are 15 years old, home furnishings store Tootip 30 years old, Christ Watches & Jewellery is celebrating its 40<sup>th</sup> anniversary, and consumer electronics supplier Interdiscount has been in business for 45 years.



# Milestones 20

## July

### Pay using Twint at Coop

Coop introduces digital payment via Twint. By the spring of 2016, all cash registers in Coop supermarkets, Coop restaurants, Coop City department stores and Building & Hobby stores will be Twint-enabled.



## September

### Large-scale logistics projects on track

Construction work on the distribution centre in Schafisheim (canton of Aargau) and on the new production and logistics site in Pratteln (canton of Basel-Landschaft) is proceeding at a very fast pace. The topping-out ceremonies are held at both sites. The first plant goes live in Schafisheim by the end of the year.



## October

### Coop and Swisscom establish online marketplace Siroop.ch

The competition commission approves the new online marketplace Siroop.ch, founded by Coop and Swisscom. Following a regional pilot phase which began in autumn 2015, the Swiss-wide launch will take place in 2016. Coop founded the company Siroop AG, in which Swisscom has a 50% stake, for the project.





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## March

### Strategic partnerships with SRC and WWF

Coop becomes a strategic partner of the WWF and the Swiss Red Cross (SRC), intensifying its existing collaboration with both organizations.

### Coop discontinues magazines

Coop calls on foreign publishers to pass on the euro discount. When they fail to comply, Coop issues a sales ban for key foreign publications. This measure soon proves effective.



**No. 108**

## April

**First hydrogen filling station planned**  
Coop has announced that Coop Mineraloel AG intends to commission the first public hydrogen filling station in Switzerland in 2016.

### More pioneering actions for fish

From now on, Coop is the first retailer in Switzerland to sell only fresh and frozen fish and seafood that is entirely from sustainable sources.

## June

### Double award for commitment to animal welfare

The organization "Compassion in World Farming" awards Coop twice for its comprehensive commitment to animal welfare. Its pilot dual-purpose chicken project earns Coop first place in the "Best Innovation" category. Compared with European retailers overall, Coop is the only Swiss company on the podium, coming second.



## August

### Coop joins Alidis

Along with Colruyt from Belgium and Conad from Italy, Coop joins the Alidis purchasing group, which includes Edeka (Germany), Groupement des Mousquetaires (France) and Eroski (Spain).

### New "Coop to go" store concept

Coop opens its first "Coop to go" at Zurich Stadelhofen station. The new store concept is geared towards out-of-home catering.

### More than 1 200 new apprentices

1 203 young people start their basic training at Coop in Switzerland. As at the end of 2015 the Coop Group employed a total of 3 410 apprentices.



## November

### Transgourmet acquires the Frischeparadies Group

Transgourmet takes over from Dr. August Oetker KG 100% of the shares in the Frischeparadies Group, the leading supplier of high-quality food and delicatessen items in the cash & carry and delivery sector.



## December

### Transgourmet expands into Austria

As of 1 January 2016, Transgourmet takes over 100% of the shares in Austrian company C+C Pfeiffer, a subsidiary of the Pfeiffer Trading Group. C+C Pfeiffer is the market leader in the Austrian wholesale catering sector. The takeover gives Transgourmet a foothold in Austria and enables it to further consolidate its position as the Number Two in the European cash & carry and wholesale supplies market.

### Bell takes over Huber Group

With its decision to take over Huber, an Austrian poultry specialist, on 1 March 2016, the Bell Group is setting a course for continued sustainable growth.

### A sustainability pioneer

The WWF assigns an environmental rating to the biggest Swiss wholesalers and retailers, and ranks Coop as a "pioneer". Another award follows in early January: Coop wins the Watt d'Or 2016 special prize in "corporate strategy" for its Energy/CO<sub>2</sub> vision. This renowned Swiss energy prize is awarded each year by the Swiss Federal Office of Energy.

### Coop raises minimum wages again

With effect from the start of 2016, Coop raises the minimum wages for unskilled employees by 50 francs per month. Coop employees on a minimum hourly wage will also earn more over the next year.



# Management report

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# Operating environment and strategy

The abolition of the minimum euro exchange rate burdens the economy in 2015. At 11 billion francs, purchases abroad present the toughest competition in the retail sector. A good political environment becomes ever more important. In Europe, the wholesale sector profits from domestic demand.

## Economic environment

### World economy losing momentum

Global economic output suffered a substantial loss of momentum in 2015. The marginal growth was driven by an improved performance in the industrialized nations such as Japan, the USA, the UK and the euro zone. The emerging nations, stagnating international trade and falling raw material prices were chiefly responsible for the downturn. China, the world's second-largest economy, failed to match the growth rates of recent years. Both imports and exports were in decline. When the stock market bubble burst, China also lost important contributions to growth from the financial sector.

### Strong franc burdens Swiss economy

The Swiss economy was affected by the franc shock in 2015, which followed the abolition of the minimum euro exchange rate by the Swiss National Bank. However, Switzerland's economy proved its flexibility and resilience during this phase. It was able to stave off a recession and post moderate growth. Population increase, however, meant a decrease in per capita gross domestic product (GDP). Growth stimuli came from private consumption and equipment investments. Construction investments, in contrast, cooled significantly. Exports were also hit by a period of weakness following the abolition of the minimum exchange rate. Falling prices burdened the economy and narrowed companies' margins, as businesses were forced to give discounts in order to remain competitive. Unemployment rose accordingly over the course of the year.

### Retail dips into negative figures

Growth in nominal retail sales had already virtually ground to a halt in 2014 and slipped well into negative territory in 2015. The impact of the Swiss franc shock was particularly widespread, leading to a drop in prices which has now spread beyond non-food goods to also affect foods. To maintain price competitiveness compared with neighbouring foreign countries, the retail sector cut prices and passed on exchange rate advantages. Nonetheless, purchases abroad continued to rise in the year under review to 11 billion francs – and they now present the toughest competition in retail. Moreover, there is a lack of tourist demand, particularly in the mountain and tourist regions.

### Wholesale and production hit by franc shock

The franc shock also took a toll on Wholesale and Production. In Switzerland, food wholesale felt the effects of falling sales in the catering & restaurants sector. In the mountain regions, this sector suffered from a downturn in tourist demand and in a general sense from "catering tourism" – switching to restaurants over the border. As well as contending with weak domestic demand, Swiss production was unable to pass on rising costs and lost export sales due to the strong franc. In Europe, the wholesale and production sectors profited from the good economic conditions. The economy was bolstered by domestic demand in particular. Private consumption benefited from the improving job market situation, while falling inflation translated into a rise in real wages. In Romania, the statutory reduction of VAT on food had a positive effect on demand. The envi-

ronment in Russia remained challenging. Due to low oil prices and western sanctions in response to the conflict in Ukraine, the country is in recession.

## Political climate in Switzerland

### Retail needs good operating conditions

Particularly since the abolition of the minimum euro exchange rate and the impact of that move, the Swiss retail sector is reliant on good operating conditions and restraint by politicians when implementing regulations. The growth in cross-border shopping presents a major challenge. This is confirmed by a study carried out by polling institute GfK Switzerland AG 2015 on behalf of the Swiss retailers association IG DHS.

### Shop opening hours: a need for harmonization

Shop opening hours in Switzerland still vary greatly from one canton to another. From a retail perspective, partial harmonization of shop opening hours is essential, as national companies such as Coop are reliant on uniform operating conditions. Moreover, the retail sector advocates a moderate extension of opening hours, which takes account of consumers' changed lifestyles.

### Remove trade barriers with respect to the EU

Coop believes it is important to implement the new food legislation as swiftly as possible, in order that various trade barriers with respect to the EU can be removed. At the same time, high secondary costs to industry, retail and the enforcement authorities must be avoided. Particularly where declarations of the origin of raw materials, allergen disclosure for loose foods and the new cosmetics ordinance are concerned, Coop is reliant on practicable regulations which offer added value for consumers while at the same time not placing an excessive financial burden on companies.

### Impact of the new Goods Carriage Act

The Goods Carriage Act passed by parliament grants non-discriminatory access to the rail network in the long term. As a result, Coop subsidiary Railcare will be able in future to implement its rail freight concept more efficiently and cheaply. In addition, port facilities are now recognized as national infrastructure. Accordingly, both port projects and projects to maintain rail connections are eligible for financial contributions from the federal government. However, the obligation of the Swiss Federal Railways (SBB) to provide freight transport has not been relaxed. This move would have resulted in greater flexibility and greater proximity to the market.

## Outlook

### Weak global economy

The global economy is likely to remain under pressure in 2016. In the emerging countries in particular, the process of economic recovery is slowing compared with the industrialized nations. The reasons for this are the interest rate hike in the USA and a more pronounced economic slowdown in China.

### Economic growth in Switzerland

After collapsing at the start of the year under review, the franc/euro exchange rate will remain stable in 2016. The Swiss economy should slowly recover. Prices, however, will continue to fall, albeit less steeply than in 2015. Although unemployment continues to rise, a slump in private consumption is not likely. In particular, continued population growth and rising real wages will have a positive impact.

### Stagnating retail sales in Switzerland

The Swiss retail sector is likely to recover in 2016 and return to a phase of stagnation. There will be no letup in shopping tourism by Swiss people in the border regions and the attendant pressure on prices in Switzerland. Prices continue to fall in non-food. Structural change, which goes hand in hand with a growing shift towards online retail, will also continue.

### Wholesale and production

The stabilization of the euro exchange rate also eases the strain on the wholesale and production sectors in Switzerland. Pressure on domestic prices is lessening, and the production companies' sales opportunities abroad are improving once more. In Europe, demand in the wholesale and production sectors remains intact and stable.

## Profile of the Coop Group

### Active in retail, wholesale and production

The Coop Group operates in the retail, wholesale and production sectors. In retail, Coop operates various specialist formats as well as supermarkets in Switzerland. The specialist formats include department stores and DIY superstores, points of sale for consumer electronics and electrical household appliances, furniture and lighting, cosmetics and perfumes, and watches and jewellery, in addition to restaurants, filling stations and pharmacies. Coop also operates a large number of online shops. The Coop Group is the market leader in many of these formats. Retail accounts for about two thirds of the Coop Group's total sales.



In the wholesale business, the Coop Group operates through Transgourmet Holding AG in Switzerland, France, Germany, Poland, Romania, Russia and, since 2016, also in Austria. The Transgourmet Group is Europe's second-largest cash & carry and food service company. It offers customers from the hotel, restaurant, corporate catering and social service segments both large cash & carry stores and wholesale supplies business.

In the production sector, the Bell Group – one of Europe's largest meat producers – is the Coop Group's biggest company. The Bell Group has manufacturing companies in Switzerland, Germany, France, Spain, Belgium, Poland, Hungary and Liechtenstein. In addition to Bell, the Coop Group also operates Swiss-based manufacturing companies in the following segments: grain processing, breads and baked goods, chocolate, rice specialties, vinegar products, mineral water, raw-material processing, wine-bottling, cosmetics and cleaning agents.

#### **The Coop Group is a cooperative**

The Coop Group has a history that goes back over 150 years and has always been structured along cooperative lines. At the organizational level, it is divided into six regions and has 2536800 cooperative members. For the Coop Group, the focus is on the customers – the members of the cooperative. The company gears all its efforts to their needs. As a cooperative, the Coop Group does not strive to maximize its profits – and can thus plan for the long term.

#### **Sustainability: a brand-positioning attribute**

The Coop Group's commitment to sustainability in particular demonstrates that its management is geared to long-term success. Sustainability is an integral part of all its business activities and is therefore enshrined in its Articles of Association and Corporate Profile. With its Sustainability Strategy, the Group ensures that this dimension is integrated into all its corporate sub-strategies. The Sustainability Strategy is based on three pillars: "Sustainable products & services", "Resource efficiency & climate protection" and "Employees & society". Applying this comprehensive approach to sustainability, the Coop Group positions itself in the markets with a distinctive profile.

## **Strategies and success positions**

#### **Aligned to the Corporate Profile**

The approximately 80000 employees of the Coop Group all share the same values. The Group vision is: Together to the top. The Corporate Profile shows

how the Coop Group perceives its work: close, diverse, distinctive, innovative and partnership-oriented. The Group's individual sub-strategies derived from each of these values are presented below.

#### **Close to people**

With its 1998 outlets, the Coop Group operates the densest network of stores in Switzerland. With supermarkets at an altitude of almost 2000 metres, megastores with a sales area of over 3500 m<sup>2</sup>, department stores at customer-friendly locations, Building & Hobby centres and many other sales formats, the Coop Group is close to the people it serves. Online shops in different segments offer customers a wide range of products and services round the clock. In the wholesale sector, Transgourmet cultivates proximity to its B2B (business-to-business) customers – restaurants, corporate caterers and social service facilities. The Transgourmet Group is driving forward its expansion: in 2015 it acquired the majority stake in Sump & Stammer International Food Supply, 100% of the shares in EGV Unna AG and 100% of the shares in the Frischeparadies Group. Transgourmet has also been involved in the wholesale supplies business in Poland since 2015. Furthermore, at the start of 2016 the Transgourmet Group gained a foothold in Austria with the takeover of C+C Pfeiffer.

#### **A diverse offering**

Coop Cooperative offers the greatest diversity of Swiss and international manufacturer brands in the retail sector. It also stocks numerous Coop own-label brands to meet a wide variety of customer needs – in all price segments and with the best value for money. Own-label sustainability brands and quality labels are of particular strategic importance. The Transgourmet Group's transnational own-label strategy also enables wholesale customers to benefit from attractive ranges in all price ranges. In 2016, Transgourmet also introduced a Group-wide own-label sustainability brand.

#### **Distinctive market profile**

A key attribute that distinguishes the Coop Group from the competition is sustainability. In this regard it pursues a very long-term approach and bases its numerous activities on its sustainability strategy. The "Actions, not words" initiative launched in 2015 is a tangible, transparent and comprehensive expression of this commitment. The Coop Group also uses quality as a profiling attribute. The Coop Quality Strategy sets high standards and enshrines quality as a key element of Coop's performance even more firmly in the Group's corporate culture and processes. A new Quality Center is currently

being built in Pratteln (Basel-Landschaft), with Switzerland's most up-to-the-minute laboratories. The Coop Group's manufacturing companies pursue a strategy of increasingly enhancing their profiles on the international market. They manufacture not only Coop own-label brands but also products for third parties in Switzerland and abroad.

#### **Innovative for the future**

Coop is also committed to the development and application of innovative technical solutions that make shopping easier for customers – whether through the in-store use of smartphones or attractive online shops. Moreover, Coop is committed to innovation in logistics. In implementing its logistics and bakery strategy, it is positioning itself as the most sustainable and innovative logistics provider in Europe. Coop and its subsidiary Railcare, for instance, are committed to using the innovative system of unaccompanied combined transport for freight shipments. Coop is also setting standards by building the fully-automated refrigerated warehouse in Schafisheim as well as Europe's largest wood-fired oven plant for the new Schafisheim industrial-scale bakery. With its multi-channel strategy, the Transgourmet Group combines the cash & carry and the wholesale supplies business in the different countries. This is creating synergies and ensuring that customers' needs are more effectively met.

#### **Partnership-oriented for mutual trust**

In its product range development, Coop works with strategic partners such as Max Havelaar, Bio Suisse and the WWF. In its human resources activities, the Coop Group fosters constructive and open dialogue with its social partners. It is the only major employer in the Swiss retail sector to have concluded a collective employment agreement with five different social partners.

#### **Purchasing strategy**

The Coop Group is strengthening regional and local purchasing, particularly in Switzerland. Sustainability is a key element – for purchasing in Switzerland and abroad. For instance, working with producers in emerging and developing countries, Coop is committed to a multitude of projects with high social and environmental standards. The projects also stabilize incomes and production in these countries. The Coop Group handles the purchasing of food and non-food products in Asia through its subsidiary Eurogroup Far East Ltd., which also supports business partners in the Far East with the implementation of environmental and social standards. At the end of 2015 the Coop Group left Eurogroup SA and sold its shares to Rewe. As a replacement for the

purchasing of fruits and vegetables in Spain and Italy, it formed subsidiary Alifresca. Since the importance of international cooperative ventures in purchasing is constantly growing, in 2015 Coop and the partners in the former purchasing alliance Core – Colruyt from Belgium and Conad from Italy – joined international purchasing alliance Alidis. Edeka (Germany), Groupement des Mousquetaires (France) – better known under the name Intermarché – and Eroski (Spain) also belong to Alidis. Alidis is now one of the leading international purchasing alliances in Europe.

#### **Goal-setting process**

To ensure that long-term strategies give rise to effective measures each year, the Coop Group has, since 2001, implemented a uniform, top-down goal-setting process. Every year, it defines key goals that apply to the Group as a whole. The subsequent goal-setting process begins with the Executive Committee and then progresses, level by level, through the Group. The process ultimately results in specific measures being developed, at operational levels too.







## **Actions, not words No. 12**



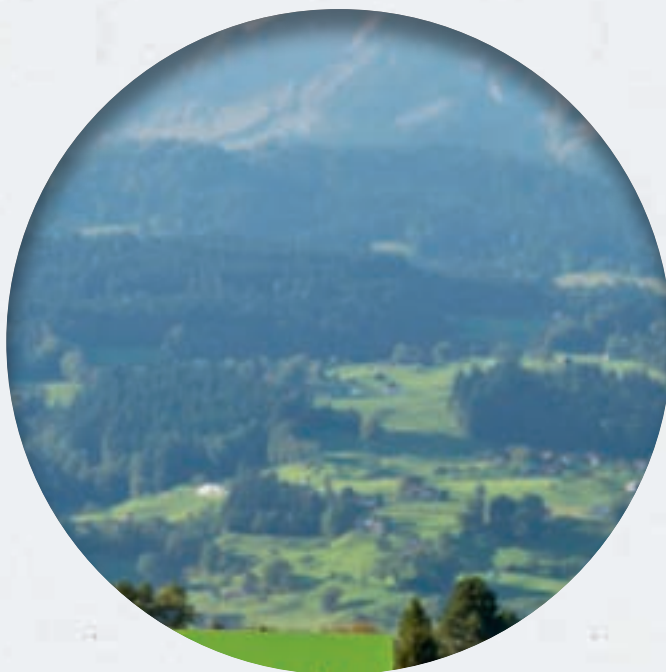
## **We have a sustainable answer to every question**

We carry around 20 own-label sustainability brands and quality labels in virtually all product groups. We thus have one of the largest and most varied sustainability ranges in the world. In order to continuously expand and enhance the range, we work closely together with partners who guarantee the highest possible standards. We work with Bio Suisse for organic products, with Max Havelaar for Fairtrade products, with Swiss Animal Protection (SAP) in the field of animal husbandry and, for sustainable fish, with the Marine Stewardship Council (MSC) and the WWF. In 2015 we stocked over 15 000 products in the field of sustainability, and almost every second organic or Fairtrade product in Switzerland is sold at one of our stores.





Smart, environmentally friendly and fair – for the last 20 years, Coop's Naturaline own-label brand has represented sustainably produced fashion that meets the highest requirements, from organic cotton farming right through to the finished article. The benefits for organic farmers in India and Tanzania include an organic premium and a purchase guarantee.



If you're looking for eco heroes, you've come to the right place at Coop Building & Hobby. This green DIY superstore offers a large selection of Oecoplan heroes – items from brand manufacturers such as Hauert and Philips that bear Coop's Oecoplan own-label logo.



Cleaning often pollutes the environment – harmful substances get into the water, soil and air. With its Maya product line, Steinfels Swiss offers an environmentally friendly alternative to its major customers such as hospitals and hotels. These products are readily biodegradable and free from environmentally harmful ingredients.



Sustainability and regionalism are becoming more important in the catering sector too, and Transgourmet Group companies are meeting this demand. In 2015, Transgourmet Germany's "Ursprung" own-label brand was extended to become a Group-wide own-label sustainability brand. It will be launched onto the market by Transgourmet France and Transgourmet Switzerland in spring 2016 under the name "Origine". The products represent a clearly identified region of origin and sustainable manufacturing.









# Sales formats

Coop to go is the new store concept for out-of-home catering. With numerous innovations at its sales outlets, Coop is following the digitization trend. The specialist formats are gaining market shares and, together with Swisscom, Coop is working on setting up the new Internet platform Siroop.

## Supermarkets

### Proximity to customers with 856 supermarkets

In 2015, the net sales of the Coop supermarkets amounted to 10.5 billion francs, on a par with the previous year in real terms. At the end of 2015, Coop was operating 856 supermarkets across Switzerland, with a total sales area of 1 005 214 m<sup>2</sup>. In the year under review, 30 new sales outlets were opened and 11 closed. The most important new stores included the two combined stores in Laupen and Aarberg (canton of Bern), each of which combine a supermarket with a Building & Hobby store. At the end of October, the first supermarket in Switzerland to be certified to the new “Sustainable Construction Switzerland” standard opened in Fully (Valais). In mid-May, the supermarket in Bassersdorf (canton of Zurich) moved into new premises just 500 metres from its previous location, more than doubling its sales area. In Kaiseraugst (canton of Aargau) Coop expanded the existing supermarket into a 3 800 m<sup>2</sup> megastore with its own in-house bakery. The new supermarket in Diepoldsau (canton of St. Gallen) is on the very busy thoroughfare between Switzerland and Austria and its range includes freshly prepared snacks and ready-made meals.

### New “Coop to go” store concept

During the year under review, Coop launched the new Coop to go store concept, stocking a range that is geared entirely towards out-of-home catering. The first branch opened in August at Zurich Stadelhofen station and, since November, Coop to go has also been represented at the Stauffacher tram stop in Zurich. The extensive range includes a muesli and salad bar as well as takeaway products such as house-made smoothies and sandwiches.

Sales were significantly higher than expected in the first few months. Another 50 sales outlets are due to be opened in the next five years.

### Digitization at sales outlets

Coop is embracing the unrelenting digitization trend by also offering innovative in-store solutions which satisfy strong customer demand. In 2015, for instance, Coop fitted all Coop City department stores and Building & Hobby stores with public WLAN. The Passabene app for self-scanning is now also available for Android. At the end of 2015, a total of 156 sales outlets had self-checkout registers, which were used by 26-37% of customers. The digital coupons, which have existed for a long time, are now also available for Coop Pronto shops. Coop also introduced the digital receipt in 2015 as well as various digital payment innovations – ranging from the integration of digital payment cards into the Supercard app and adapting this for the Apple watch, to the launch of digital payment via Twint. The expectation is that all cash registers in Coop supermarkets, Coop restaurants, Coop City department stores and Building & Hobby stores will be Twint-enabled by the spring of 2016.

## Specialist formats

### Coop City launches new shop design concept

Modern, fresh and emotive: this is the look of the new “Bellacasa” shop design concept for Coop City. “Bellacasa” is a core element of the 2020+ department store strategy. During the year under review, the department stores on Bellevue in Zurich, in Olten and the “Pfauen” in Basel were refurbished. Three more refurbishments are planned for 2016.

The restaurants and the food departments in the department stores will also gradually be given a makeover. In 2015, Coop City implemented the new Gastro concept at the branches at Bellevue in Zurich and in Sion. In the year under review, the 31 Coop City department stores generated net sales of 849 million francs.

#### **Building & Hobby continues to expand online offering**

Building & Hobby gained further market shares in the year under review and consolidated its position as Switzerland's leading building supplies store, focusing on garden, house and hobbies. Net sales came to 633 million francs. In 2015, Building & Hobby further expanded the online shop that was launched in 2014. The range grew to more than 35 000 items. The newly integrated craft section houses more than 15 000 products as well as craft ideas and instructions. The online shop was awarded the Swiss E-Commerce Award in the Multichannel and Logistics segment in 2015. In-store, Building & Hobby extended its project consulting service to three more locations. Building & Hobby operates a total of 74 stores. Together with Coop Aid for Mountain Regions, the "Green DIY Superstore" supported an avalanche protection project in Engelberg: for every Swiss timber product sold, 15 centimes were donated to the project. Three quarters of the timber products sold by Building & Hobby are FSC-certified, and the majority of the timber is from Swiss forests.

#### **Interdiscount building new logistics centre**

Interdiscount celebrated its 45<sup>th</sup> birthday in 2015. The home electronics supplier gained further market shares and remained the leading supplier in Switzerland in the cross-channel segment – combining in-store and online trading. Interdiscount generated net sales of 945 million francs in the year under review and operated 187 stores. It cut the prices of over 4 500 items as a result of the abolition of the minimum euro exchange rate. Online sales increased by 12.6%. In addition, Interdiscount expanded its range for business customers in 2015. After obtaining the building permit, in October construction work got under way on the new logistics centre at the Interdiscount head office in Jegenstorf. The logistics centre will become operational at the start of 2018.

#### **Toptip/Lumimart: flagship store reopened**

The refit of the 10 000 m<sup>2</sup> Toptip/Lumimart flagship store, the furniture and lighting store in Oberentfelden, lasted a year. The store reopened in March 2015. Toptip/Lumimart broadened its furnishings expertise by integrating more own-label and manu-

facturer ranges. A new Toptip with integral Lumimart opened in the Allmendcenter in Frauenfeld. In addition, two more branches were converted to the new shop design concept. With 47 sales outlets and the online shops, Toptip/Lumimart gained further market shares in 2015 and generated net sales of 202 million francs. Sales of the toptip.ch and lumimart.ch online shops grew by 44.3% and 88.1% respectively.

#### **Import Parfumerie growing in online business**

As a result of the strong franc, Import Parfumerie permanently lowered the prices of numerous products in 2015. The leading prestige perfumery expanded its expertise in the personal care products segment by introducing the Clinique brand and other products. Import Parfumerie opened three new perfume stores in 2015 and refurbished five branches. At the end of 2015, Import Parfumerie had a total of 124 sales outlets and generated net sales of 147 million francs. Sales in the online business grew by around 28%.

#### **Christ: biggest online jewellery range**

Christ Watches & Jewellery expanded its online range in the year under review and, with over 3 000 articles, now offers the widest online genuine jewellery range in Switzerland. Sales in the online business grew by around 26%. Christ's net sales in 2015 came to 91 million francs, and the network of sales outlets totalled 72 branches at the end of the year. In Jelmoli in Zurich, Christ created a unique store concept: as well as the classic products, the shop-in-shop concept also encompasses fashion watches and jewellery.

#### **Fust growing and gaining market shares**

Dipl. Ing. Fust AG enjoyed a successful financial year in 2015. The electrical appliances specialist gained market shares in all segments. Subsidiaries Service 7000 AG and RS Vertriebs AG, with their Nettoshop and Schubiger retail brands, also experienced significant growth. Fust generated sales of 1.0 billion francs overall, up 2.4% on the previous year. The kitchen/bathroom remodelling and building management segments once again made particularly pleasing progress. Since summer 2015, customers have been able to collect and pay for all the 50 000-plus items from the online shop at all 162 Fust sales outlets. The 6 000 top-selling products are even ready to collect in minutes.

#### **Betty Bossi: making cooking fun**

Betty Bossi AG is dedicated to all things culinary. It sells recipe books, kitchen and household aids, publishes the Betty Bossi newspaper and advises its customers on cooking and domestic matters.

It is also known for its fresh convenience products, which are available exclusively at Coop. In the year under review, Betty Bossi expanded its online business and the national and international B2B activities, modernized its IT infrastructure and – by means of customer relationship management – optimized its customer relationships. As well as four recipe books, it launched a number of kitchen and household aids along with more than 400 new food products. In 2015, Betty Bossi generated net sales of 83 billion francs.

#### **Coop Vitality Pharmacies launch own online shop**

To mark its 15<sup>th</sup> birthday, Coop Vitality AG launched its online shop. It expanded its branch network to 64 pharmacies in the year under review, with two new branches and the takeover of Pilger Apotheke in Basel. It gained market shares and increased its net sales by 10.4% to 166 million francs. Coop Vitality supplemented its line of own-label brands with ten products and, since 2015, has been offering the Medifilm service – sorting and storing medicines for individual patients.

#### **The Body Shop increases online sales**

The Body Shop Switzerland AG reinvigorated its range in the year under review with numerous new products, including the “Spa of the world” collection and the “Oils of Life” facial care range. After further refurbishments, at the end of 2015 almost half of the 50 branches had a new look. The Body Shop’s online sales were up almost 60%. Sales grew by 1.1% to 35 million francs overall.

#### **Coop Mineraloel AG still the market leader**

Coop Mineraloel AG retained its number one position on the Swiss convenience and fuel market in 2015. At year-end, it was operating 233 Coop filling stations, plus the Coop Pronto Shops and heating oil sales business segments. Overall, Coop Mineraloel posted net sales of 2.2 billion francs. The decline year on year is due to the sharp drop in prices at the fuel pumps and heating oil prices and the euro-related price cuts in Pronto shops.

#### **Coop Pronto expands its regional range**

The 281 Coop Pronto shops generated net sales of 773 million francs in 2015. Coop Pronto expanded the regional ranges of beers and wines and the range of ultra-fresh convenience products. Furthermore, it began preparing fresh sandwiches daily at 88 locations, and freshly pressed orange juice is available in eleven shops. At the end of 2015, the Coffee to go range was available in almost all Pronto shops. By optimizing shop layout, Coop Pronto expanded the range of food staples in 50 shops.

## **Online formats**

#### **New online marketplace Siroop.ch**

In 2015, Coop partnered with Swisscom to create the new online marketplace Siroop.ch. Siroop is Switzerland’s first completely open online marketplace, selling products of local, regional and national merchants in one place. Coop founded the company Siroop AG, in which Swisscom has a 50% stake, for the project. Siroop launched at the end of 2015 with a pilot in German-speaking Switzerland and will be accessible throughout Switzerland in 2016. Both partners, Coop and Swisscom, are contributing their expertise in digitization, e-commerce, marketing and retail to the start-up.

#### **Cross-channel strategy for specialist formats**

Coop is systematically expanding its online offering and combining it with in-store retail (cross-channel strategy). Almost all Coop’s specialist formats now have their own online shops in addition to their bricks-and-mortar stores. Five large-scale online operations belong to the Coop Group: Coop@home, Microspot.ch, Nettoshop.ch, Coop Mineraloel AG’s online heating oil sales and ITS Coop Travel. The 23 online shops in the retail segment achieved growth of 13.7% in 2015 compared with the previous year.

#### **Coop@home still growing**

Coop@home made further gains in 2015. Net sales grew 5.5% to 120 million francs. Approximately 26% of orders were placed on a mobile device. The online supermarket gained around 28 500 new customers. In the year under review, Coop@home created pick-up points in eight Coop supermarkets in the Nordwestschweiz-Zentralschweiz-Zürich salesregion. Goods ordered by 9 a.m. or 12 noon are ready for collection at the sales outlet from 1 p.m. or 4 p.m. respectively.

#### **Microspot.ch growth in the double figures**

Microspot.ch, the leading online supplier of consumer electronics and household appliances, experienced further disproportionately strong growth in 2015: net sales grew by 17.8% to 172 million francs. Microspot.ch opened new pick-up points in four Coop Pronto shops. The online shop launched a mobile website at the end of 2015.

#### **Nettoshop.ch wins more customers**

In the year under review, Nettoshop.ch enjoyed growing popularity, gaining new customers in western Switzerland and Ticino in particular. The leading online supplier of electrical appliances improved its customer advice service by making targeted in-

vestments in communications technology. It is now even easier for customers to make the right choice from over 17 000 household appliances. Nettoshop.ch generated sales of 72 million francs in 2015, a nominal increase of 4.7% on the previous year. Taking the substantial price cuts and streamlining of the product range into account, the result was sales growth of 11.7%.

#### **Heating oil: customers benefit from drop in prices**

The prices of heating oil also fell in the year under review, as a result of the surplus supply of crude oil. After the federal government's announcement in the summer of 2015 of an increase in the CO<sub>2</sub> tax from the start of 2016, many customers filled their tanks early, creating buoyant demand. Coop Mineraloel AG was able to maintain its share of the heating-oil market. The percentage of customers who purchased low-emission eco heating oil rose to 54%.

#### **Challenging year for ITS Coop Travel**

ITS Coop Travel, the joint travel agent of Coop and the German Rewe Group, generated net sales of 56 million francs in 2015. Despite price cuts, the abolition of the minimum euro exchange rate took a toll on business. Following the attacks in Tunisia, tourism to this destination ground to a halt. The difficult political and economic situation on the Greek island of Kos and in southern Turkey also had a negative impact.

### **Catering / restaurant and hotel business**

#### **Coop Restaurants are given a new look**

"Vista" is the new image concept for the Coop Restaurants, which is friendly, modern and in the distinctive green colour scheme. The restaurant in Kaiseraugst (canton of Aargau), which was opened in March 2015, was the first to be given the new look. Seven more locations followed by the end of the year. The Take-it format is also undergoing modernization. In addition to the 155 Coop Restaurants and the Take-it outlets at busy locations, the originally Italian Gelateria CremAmore and Ca'puccini cafes are also part of Coop's catering and restaurants business. These 199 catering outlets generated net sales of 242 million francs in the year under review and further increased their market share. Since the autumn of 2015, the Coop Restaurants have been offering a daily changing vegetarian menu.

#### **Bâle Hotels: growth in overnight stays**

The three Bâle Hotels Baslertor, Victoria and Pullman Basel Europe profited from the general growth in overnight stays in Basel in 2015 and gained market

shares. In particular, the Pullman Basel Europe, which reopened in 2014, posted a steady increase in room occupancy. The three Bâle Hotels generated net sales of 27 million francs overall, up 5.9% year on year.

#### **Marché: further synergies in the Coop Group**

Marché Restaurants Schweiz AG is the leading company in Swiss motorway catering and operates restaurants at motorway service stations and at Zurich Airport. At the end of 2015 it had a total of 30 locations. The refurbished Marché-Bistro Neuenkirch West and the Burger King on the A2 to Lucerne opened in March 2015. The net sales of Marché Restaurants Schweiz AG were 114 million francs in 2015. Synergies have already been achieved on the back of the integration of Marché into the Coop Group in the spring of 2014. In particular, Marché extended its cooperation with Coop subsidiary Transgourmet. Furthermore, IT, financial, reporting and purchasing processes were extensively aligned with those of the Coop Group.

#### **Tropenhaus restaurants receive further recognition**

For Tropenhaus Wolhusen, the year under review was dominated not only by the celebrations to mark its 5<sup>th</sup> birthday but also by coffee. As well as an exhibition on this theme, Tropenhaus Wolhusen launched various special offers. It generated net sales of 3.2 million francs in 2015.

Tropenhaus Frutigen generated net sales of 5.4 million francs in the year under review and made significant gains in sales of fish and caviar.

The two Tropenhaus restaurants were awarded 14 and 13 Gault Millau points respectively in 2015.



# Range

With over 40 000 own-label and branded products, Coop offers something to suit every customer need. The sustainable ranges remain one of Coop's particular fortes. Coop accounts for almost half the organic products sold in Switzerland.

## Product range diversity

### Greatest diversity in the Swiss food retail sector

With over 40 000 own-label and branded products, Coop offers something to suit every customer need, in all price segments, and stocks the most diverse product range in the Swiss food retail sector. In 2015, Coop expanded its regional ranges under the Miini Region quality label to around 3 000 items nationwide, generating sales of over 140 million francs. Coop also introduced new products in the year under review: following on from tomatoes, cucumbers and aubergines from CO<sub>2</sub>-neutral production, since May 2015 Coop has also been sourcing CO<sub>2</sub>-neutral peppers from a Swiss supplier. For its meats, Coop now features the Grassland Beef from the Baltic States project on the relevant packaging. Grassland-based husbandry in suckler cow herds is the most natural form of rearing beef cattle. The range stocked by Coop offers an alternative to imported beef from overseas. In the near-food range, Coop launched the feminine hygiene line "feel free" in the Qualité & Prix range, replacing the "Linda" line.

## Own-label sustainability brands and quality labels

### Naturaplan still the biggest organic brand

Naturaplan continued to hold its own in 2015 as Switzerland's largest organic brand by far. Sales of Naturaplan products rose by 3.5% to around 987 million francs, and the range of close to 1 800 products was reinvigorated with around 90 innovations. For its Naturaplan brand, Coop is committed to the Bio Suisse bud, including for processing and imports. This sometimes makes it harder to find suitable producers abroad, as they

must commit to producing their goods according to the Bio-Suisse guidelines, which are far more stringent than the statutory organic standard. Five Naturaplan products were awarded the sought-after Gourmet bud in 2015 – indicative of the high quality of the range.

### Naturafarm: top marks for animal welfare

Both globally and in the Swiss food retail sector, Coop is acknowledged as having the best animal welfare performance. The Naturafarm animal husbandry programmes are a vital part of this. Farms working for the Naturafarm label apply production standards that are far more stringent than the minimum statutory regulations. Swiss Animal Protection SAP carries out regular, unannounced inspections of compliance with those standards. Brand suppliers complying with the strict animal welfare standard standards can now also have their products marketed at Coop under the Naturafarm quality label. In 2015, sales of Naturafarm came to around 443 million francs. This equates to a share of around 20% in total sales, including meat and eggs. Indeed, Naturafarm accounted for around 60% of Coop's beef and pork sales.

### Oecoplan recommended by the WWF

Coop's longest-established own-label sustainability brand offers an environmentally friendly alternative to almost every household, gardening, DIY or construction product. The range now encompasses well over 2 000 non and near-food items as well as services that are certified by independent organizations such as Bio-Suisse or FSC. Since 2015, WWF has recommended the wide range of environmentally-friendly Oecoplan products. This is indicated by the Panda logo in both advertising and on the packages. Sales of Oecoplan in 2015 amounted to around 139 million francs.

#### **Naturaline celebrates anniversary**

Coop Naturaline has been synonymous with environmentally-friendly production and socially fair working conditions for 20 years. The anniversary year saw the launch of many new products, in the textiles and cosmetics segments. Following on from her successful collection for women "Naturaline by Melanie Winiger" Melanie Winiger created her first collection for men. The range of cosmetic items was expanded with 19 new products, including travel-size products. To mark the Naturaline anniversary, Coop launched a new PET recyclable carrier bag. A total of 150 000 francs of the sales proceeds were donated to the Biore foundation. Coop Naturaline generated total sales of 60 million francs in 2015.

#### **Pro Montagna: quality products from the Swiss mountains**

The products that Coop sells under the Pro Montagna brand are all produced and processed in the Swiss mountain regions. A portion of the selling price of the products is donated to Coop Aid for Mountain Regions. In 2015, over 1 million francs were raised in this way to benefit Switzerland's mountain population. Sales of Pro Montagna grew by 4.9% in 2015, to 40 million francs. The range, which now comprises over 300 products, was expanded with the addition of Bündner Rollgerste pearl barley, and raspberry and strawberry jams from the Val Poschiavo.

#### **Ünique now has a wider range**

Under the Ünique brand, Coop sells fruit and vegetables which, although their appearance deviates from the norm, are of impeccable quality. This decision underpins Coop's view that entire harvests should be utilized. In February 2015, several items were added to the range for some 250 larger sales outlets, and the range now includes aubergines, lemons and kiwi fruit as well as Swiss and Baden asparagus. Furthermore, in June, a successful promotion was held for hail-damaged apricots from Valais.

#### **Pro Specie Rara: more cultivation areas added**

Coop has been working with the Pro Specie Rara Foundation to maintain the biodiversity of Swiss farming since 1999. In 2015, the glorious summer weather made for a good harvest of tomatoes in particular. Sales of Coop's Pro Specie Rara line grew by 1.7%. Kale, an old variety of cabbage, remained very popular, resulting in the decision to add more cultivation areas for the Pro Specie Rara varieties.

#### **Slow food: new products, old tradition**

The non-profit organization Slow Food is dedicated to conscious consumption and the preservation of biodiversity as well as old production processes.

Coop supports Slow Food by stocking around 60 of its articles and by helping establish new groups in Switzerland – "presidi" – that promote the products. There are now 25 of those groups. New presidi products, such as Harenn Coffee from Ethiopia, were added to the range in 2015.

#### **Fairtrade Max Havelaar: consistent strategy**

Strong producer organizations, socially and environmentally acceptable cultivation and fair trading conditions are the hallmarks of the Fairtrade Max Havelaar quality label. Coop is the largest supplier of Fairtrade-certified products in Switzerland. This is due to its consistent implementation of the growth strategy since 2010, which involves expanding and switching entire ranges to fair trade. Since the strategy was implemented, sales have doubled, and the range has tripled in size to more than around 570 certified Fairtrade products. Since 2015, for instance, every fresh pineapple at Coop has originated from a Fairtrade source. Sales grew by over 20% to 334 million francs.

#### **Organic: Coop still the market leader**

Coop accounts for just under half the organic products sold in Switzerland. The range now comprises around 2 800 products – almost all of them certified with the Bio Suisse bud, one of the world's most stringent quality labels for organic products. In addition to close to 1 800 own-label Naturaplan products, the range also includes around 240 Oecoplan products for the organic garden, as well as numerous items under other own labels such as Pro Specie Rara, Pro Montagna and Karma. The range of organic branded products is also gaining in importance. By expanding its organic range, Coop achieved growth in sales of around 3% and generated over 1.1 billion francs from organic products.

#### **MSC: sales of sustainable fish increasing**

The MSC quality label awarded by the Marine Stewardship Council stands for sustainably harvested fish and seafood. The MSC's tasks include protecting stocks, a commitment to minimum impact on the ecosystem and responsible management of fisheries. At Coop, some 62% of the range of seafood from wild catch is MSC-certified. Sales of MSC-certified fish and seafood rose by 11.6% to 97 million francs.

#### **FSC: further switches in the timber range**

Coop has been working with the Forest Stewardship Council (FSC) for 13 years. The FSC is committed worldwide to environmentally friendly, socially acceptable and economically viable forestry. Over

68% of the timber range in Coop supermarkets, at Coop City and Building & Hobby is already FSC-certified and the percentage is growing. Among the new products introduced in 2015 were the Oecoplan FSC-certified wood pellets. Sales of FSC products totalled around 150 million francs.

#### **Hochstamm Suisse: preserving biodiversity**

The Hochstamm Suisse association is dedicated to maintaining and fostering standard fruit-tree orchards in Switzerland. These comprise a wide range of fruit varieties and provide habitats for animal species threatened with extinction. Coop has been collaborating with Hochstamm Suisse since 2008 and has a range of up to 112 products that are entirely from Swiss standard fruit trees, including many regional products. Among the products launched in the year under review were a Qualité & Prix vinegar and a Betty Bossi apple puree made with fruit from standard fruit trees. Sales of Hochstamm Suisse products were increased by 2.8%.

#### **Swiss Parks: local specialities at Coop**

16 parks with species-rich flora and fauna, including a national park and a nature discovery park, currently belong to the Swiss Parks Network. Coop has been a partner of the network since 2013 and is gradually including products from the parks in the ranges of the corresponding sales regions. In 2015, for instance, a new variety of caramel-flavour ice cream was introduced, made by the Schintbühl Farm in the UNESCO Biosphere Reserve of Entlebuch.

#### **Topten: outstanding energy efficiency**

Coop features the Topten quality label of the Swiss Agency for Efficient Energy Use on own-label brands that stand out for their particularly low energy consumption and components that are not harmful to health. Over 1 700 products in the Coop sales formats already meet the Topten criteria. In 2015, Coop Group sales of Topten products amounted to 149 million francs.

### **Own-label target group brands**

#### **Prix Garantie now for small households too**

Coop's bargain line offers a wide range of good quality items at very low prices. Coop regularly reviews the range, which comprises 450 articles, and adapts it to changing customer needs. Since 2015 a number of products have been available in smaller portions, to accommodate the growing demand from small households.

#### **Fine Food: packaging relaunch to mark anniversary**

For its tenth birthday, the speciality line at affordable prices was given a modern, fresh design with a new logo. The range of around 300 food products was enhanced with 30 new products, including the first Fine Food champagne. At over 85 million francs, sales were on a par with the previous year.

#### **Betty Bossi launches seasonal new products**

In 2015, Switzerland's most successful fresh convenience line placed the focus on seasonal products. The new products, of which there were over 150, included lots of items containing seasonal ingredients such as wild garlic and asparagus in spring and pumpkin in winter. A new line of salads was also added, along with other dishes for the oven. The "let's cook" concept launched last year, with ready-prepared vegetables for healthy home cooking, is growing in popularity and has therefore been expanded. Coop increased sales of Betty Bossi products by 3.2% in 2015 and generated over 485 million francs.

#### **Primagusto: mango a hit with shoppers**

Under the Primagusto brand, Coop sells fruit and vegetables with a particularly intense flavour. Four new products were added to the range in the year under review, bringing the number of seasonal products to 44. Primagusto mango continues to grow in popularity and has been a major factor in the sales growth for four years. With a gain of 24.0% and sales of over 88 million francs, Primagusto outstripped the previous year's results by a substantial margin.

#### **Weight Watchers: an end to the collaboration**

Coop is endeavouring to keep the sugar and fat content of its products as low as possible across its entire own-label brand range. It underlined these efforts by signing up to the "Milan Initiative" – a strategy to reduce the sugar content of yoghurts and breakfast cereals. In light of the continual optimization measures throughout its range, with effect from the end of 2015 Coop decided to end its collaboration with Weight Watchers, which had existed since 2005. Products with an impact on sales will be integrated into the range under the Qualité & Prix brand.

#### **Jamadu: children are the focus**

The most balanced diet possible along with fun and exercise for children: this is the ethos of the Jamadu own-label brand, with its 100 or so products in the food, near-food and non-food segments. New products are checked by the Jamadu Kids Experts Jury, and that includes the five articles introduced during

the year under review. Numerous activities and close collaboration with the Hello Family Club round off the range. Sales grew by 6.3% to over 18 million francs.

#### **Soups added to the Karma range**

With Karma, Coop offers a varied alternative for anyone who wants a change from meat now and then. Of the now more than 70 products – all of which are certified by the Swiss Association for Vegetarianism “SwissVeg” with the European vegetarian label, 35 are vegan and 15 have been awarded the Bio Suisse bud. The range extends from varieties of tofu and ready-made dishes to snacks and offers vegetarian diversity with exotic taste experiences. Karma demonstrated this philosophy in 2015 with, among other things, new soups such as Indian curry. Sales amounted to 23 million francs.

#### **Délicorn: high quality with a new design**

Coop's Délicorn range, launched almost ten years ago, offers tasty and high-quality meat alternatives. The range was overhauled in 2015 and quality once again improved. Thanks to their high protein content, the products form a valuable component of a balanced, vegetarian diet. In parallel to the overhaul of the range, Délicorn was given a more contemporary packaging design.

#### **Free From: demand is growing**

A growing number of people in Switzerland suffer from food intolerances. The now 80 products in the Free From and Free From Schär ranges offer a solution specifically for this group of customers. In addition, Coop labels gluten and lactose-free own-label brands with the official emblem of IG Zoliakie (Swiss Celiac Association) or with the Coop symbol for lactose-free products. Over 40 items were also certified in the near and non-food segment last year. Numerous new allergy-free manufacturer brands round off the range. Coop posted total sales of around 135 million francs with allergen-free products in the year under review.

### **Own-label standard brands**

#### **Coop Qualité & Prix: family favourites**

Coop's own-label Qualité & Prix brand offers more than 5 500 quality products as an inexpensive alternative to the equivalent manufacturer brands. With sales of 2.0 billion francs, customers have a great deal of faith in Qualité & Prix. Now, favourite products at family-friendly prices – chosen by members of the Hello Family Club – feature the Hello Family Favourites logo.

### **Manufacturer brands**

#### **Biggest manufacturer brand supplier in the retail sector**

Coop offers customers the greatest choice of brands in the Swiss retail sector. Coop again added numerous new manufacturer brands to its range in 2015, including Nestlé's Special-T® pods and the high-protein Yo-Qua yoghurts by Emmi. Coop became the first retailer in Switzerland to sell the new Coca-Cola Life. The number of new chocolate products was particularly high, including a run of limited-edition Lindor Balls exclusive to Coop, two varieties of which were introduced in each of the spring, the summer and the autumn.

### **Pricing**

#### **Coop routinely passes on exchange rate gains**

After the Swiss National Bank (SNB) removed the minimum exchange rate of 1.20 francs to the euro in mid-January 2015, Coop called on its suppliers to swiftly pass on the euro gains. After only a few days, Coop became the first retailer to lower the prices of more than 1 000 products from the euro area. By the end of 2015, as a result of the SNB's decision, some 14 000 items were cheaper in Coop supermarkets. All of Coop's specialist and online formats also cut the prices of numerous products. Negotiations with suppliers went well, by and large. When agreement could not be reached, Coop took exceptional measures, which included imposing a ban on sales of major foreign magazines. The measure soon had an impact – the publishers concerned passed the currency advantages on to Swiss consumers, and the sale of the magazines resumed.

#### **Price reductions on numerous items**

Coop seeks to offer optimum value for money for all its products. By investing in efficiency – particularly in logistics – Coop is carving out scope for price cuts. In addition to the exchange rate-related price cuts, in 2015 Coop lowered the prices of a further 2 000 or so products as part of its regular price adjustments. These price reductions were due in part to falling prices of raw materials such as sugar and coffee. However, Coop also made well-considered investments in the market, which included cutting the prices of more than 100 feminine hygiene products by up to 47%. Moreover, after unsatisfactory negotiations with suppliers, Coop decided to engage in parallel imports of Neutrogena and was thus able to lower prices for these products by up to 40%. The rising prices of raw materials affecting hazelnuts, chocolate and certain other products







## **Actions, not words No. 174**



## **With us, everyone has enough fish on the table**

To protect our oceans, we are committed to sustainable fishing and have been a WWF partner and founder member of the WWF Seafood Group since 2006. 100% of our fresh and frozen fish and seafood now comes from sustainable sources. Our overall aim is for 99.5% of all our fish and seafood sales to be produced from sustainable sources. And we stock Switzerland's largest range of organic-quality seafood.



So that sustainable fish ends up on dishes in the catering sector too, Transgourmet Group companies are promoting fish with sustainability labels. They are working on this with specialist bodies, in particular the Marine Stewardship Council (MSC) and the Aquaculture Stewardship Council (ASC).



Whether it comes from the fresh fish counter or the deep-freeze aisle, if you buy fish and seafood at Coop you'll be choosing products from sustainable sources. Back in 1997, Coop entered into a strategic partnership with the Marine Stewardship Council (MSC). In so doing, it was the first Swiss retailer that was actively committed to sustainable wild-caught fish. Coop also promotes the sale of organic farmed fish, since they are an important means of combating overfishing in the world's oceans. In 2015, 34.6% of farmed fish sold by Coop met Bio Suisse requirements. Coop therefore offers the largest range of organic farmed fish in the Swiss retail sector.



Bell too sets great store by sustainable fish and seafood: barracuda, amberjack and the like are caught off the Azores "by hand", with every single fish being removed from the sea individually. Any fish that are too small are returned to the water alive.



Swimming in the pool at the Tropenhaus Frutigen, which belongs to the Coop Group, are the first farmed sturgeon in the Alps. This is helping to reduce the numbers of wild fish caught and promote caviar that has been farmed under humane conditions.







forced Coop to raise the prices of a number of items. All price changes were advertised in the Coop member press. Coop reduced the prices of over 16 000 items in 2015, totalling over 200 million francs. The downward price trend in the supermarket channel was 1.3%. As the negative price trend in the non-food sector continued unabated, Coop's retail prices fell by 2.1% overall (excluding fuel and heating oil).

**Price monitor: Coop prices are reasonable**

Since 2008, an independent market research institute has, on behalf of Coop, conducted a monthly survey of the Coop price monitor to ensure correct selection of items and product and price comparability. It regularly compares over 2 000 everyday consumer items available throughout Switzerland from the ranges of Coop and its main competitors. The price monitor surveys the four categories lowest-price articles, own-label brands, manufacturer brands and discounted manufacturer brands. In 2015, Coop's prices were 0.7% lower on average than those of its main competitor in all price segments. Coop regularly publishes the findings of its price monitor in the Coop member press.



# Additional services

The Hello Family Club is growing and has around 1.5 million members at the end of 2015. Coop's own laboratory carries out 582 000 quality checks. Coop is pressing ahead with the "Actions, not words" sustainability initiative, and the Coop member press remains Switzerland's most-read publication.

## Services

### Consumer Service: direct and personal

Coop's Consumer Service offers customers a direct and personal point of contact for their concerns. During the year under review, it handled around 780 000 enquiries, 200 000 of those directly online. Many queries concerned products and ranges, quality issues, promotions and other marketing activities, the Supercard, Hello Family, Mondovino and other questions about apps and digital couponing. All customer issues are fed into a reporting system and influence future corporate decisions.

### Media Unit: the minimum euro exchange rate was the hot topic

In 2015, media interest centred on the abolition of the minimum euro exchange rate and the associated questions about price drops and freezes on sales. Sustainability was another focus, particularly in connection with the "Actions, not words" initiative. The Coop Media Unit issued a total of 78 media releases, sent invitations to three media conferences, dispatched 14 product mailings and answered over 2 000 media queries in the year under review.

### Hello Family Club: attractive offers for families

With around 1.5 million registered members – including over 420 000 active families – at the end of 2015, the Hello Family Club posted further growth year on year. Members benefit from a plethora of offers and promotions, such as digital coupons, collection campaigns and competitions. In August 50 000 schoolchildren received a school bag for the start of the school year – more than twice as many as 2014. The Hello Family Club also organizes events for adults and children, and its website

provides an overview of numerous leisure activities. In the autumn, the new Hello Family Magazine was launched.

### Mondovino celebrates its first birthday

In May 2015, Coop's wine club celebrated its first anniversary with numerous additional benefits for its members, who now number in excess of 100 000. Since August, Mondovino members have been able to order their wine online and collect it the same day at a sales outlet of their choice in the Zurich area – a service that is being further expanded. Coop's advanced wine expertise is also apparent in the new Rare Wines section, in which experts including Peter Keller, wine editor of NZZ am Sonntag, regularly recommend selected rare wines.

### Supercard now has a payment function

The Coop Supercard was used by 3.2 million households in 2015, meaning that it is still Switzerland's most successful customer loyalty programme. Since 2015, the integrated payment card has enabled users of the Supercard app to make cashless payments using the app. The payment card can be loaded with cash as well as Superpoints. In addition, for five weeks in August and September, the biggest point-collecting promotion so far was held, the "Points Rally". For one weekend, the points collected could then be redeemed at Coop and eleven other partners.

### Supercardplus: many customers are making contactless payments

In 2015, more than 400 000 customers used the Supercardplus free credit card, which is available either as MasterCard or Visa, to collect Superpoints automatically each time they used the card. The contactless payment facility (NFC) that was intro-

duced the previous year was promoted by targeted communication at the payment terminal and, as a result, contactless Supercardplus transactions accounted for 25% of all transactions.

#### **Coop Mobile offers new flat rate**

Around 17 000 new customers subscribed to Coop Mobile in 2015, while 50 000 opted for the prepaid option. For people who mainly use their mobile phone in Switzerland, in the autumn Coop Mobile launched the “Swissflat” product. The flat rate product is available at Interdiscount, Fust, Coop@home, and also in more than 400 larger Coop supermarkets as well as at Mobilzone and the Salt stores.

#### **Gift cards can now be individually loaded**

Since autumn 2015, it has been possible to load all physically generated gift cards to the gift card app or a mobile phone. In addition, customers can purchase gift cards with no fixed value at all Coop sales formats.

#### **Coop Depositenkasse: attractive rates on currency exchanges**

At the 27 branches of the Depositenkasse throughout Switzerland, customers still receive very attractive exchange rates without any charges. This has meant a further increase in the number of customers using the facility. Although there was a marginal decline in customer deposits, due to the persistent low level of interest rates, customer deposits still account for more than 40% of the Coop Group's financial liabilities.

### **Quality management**

#### **Quality assurance along the entire product chain**

Coop regards quality assurance as a process that applies to the entire product chain – from the production of raw materials right through to the consumer. Quality Management is geared to the core processes of purchasing, marketing, logistics and sales and it coordinates all quality-related activities. Risks are assessed along the entire value chain and managed with appropriate measures, with Coop's own experts working closely with the authorities and the scientific community. Suppliers are required to document the quality of the goods they supply. In addition, risk-related audits are carried out and – as part of a business partner audit – classifications are made. Coop analyses random samples of products in its own laboratories and, if necessary, supplements this with tests at specialist external laboratories. Quality Management is also responsi-

ble for supervising the cold chain and carrying out regular unannounced checks at the sales outlets. Coop conducted around 582 000 tests on a total of over 30 000 samples in 2015. Coop also requires its business partners to have a quality management system in place and to satisfy social, ethical and ecological standards. Neutral monitoring organizations check and guarantee compliance by suppliers with the official Global Food Safety Initiative (GFSI) standards. In the case of goods purchased from the Far East, Coop subsidiary Eurogroup Far East Ltd. supports quality control activities on a local basis. Coop's own production companies must satisfy the same, stringent requirements as external suppliers; however, they can take advantage of the services of Coop's central quality assurance.

#### **Sales outlets certified**

Sales and restaurant employees at Coop receive periodic training in workplace, staff and product hygiene – and in 2015, for the first time e-learning solutions were also used to provide that training. In this way, Coop guarantees the highest quality standards right through to the store shelf. Regular, unannounced checks ensure correct implementation of the standards. Since 2012, all sales outlets offering counter service have been checked and certified for compliance with quality requirements by q.inspecta, an independent monitoring body. A total of 433 sales outlets passed the audit in 2015.

### **Advertising / communication**

#### **Coop advertising: “Actions, not words” centre stage**

February saw the start of the new “Actions, not words” sustainability initiative, which demonstrates Coop's commitment to sustainability with concrete actions. The multimedia Internet platform actions-not-words.ch, on which Coop had already published more than 300 actions for people, animals and the environment by the end of 2015, forms the heart of the initiative. The initiative is supplemented by commercials, a poster campaign, various in-store advertising media and so on. The BBQ campaign with the song “Chill'n'Grill” again proved very popular in the summer. Coop continued implementing two of the successful collection campaigns for children in the year under review – one on the theme of “Nature Adventure” in partnership with the WWF and one a Disney annual calendar for children. Together with ten of its Swiss business partners, Coop conducted the largest loyalty campaign in Switzerland at the end of 2015. It gave out 500 000 parcels and thanked customers and employees for their loyalty.

### **Coop Press: Coop member press still number one**

Despite a declining market for print, the three weekly newspapers Coopzeitung, Coopération and Cooperazione maintained their status as the most-read titles in Switzerland in 2015, even making slight gains in market shares. The total circulation of 2 545 810 copies reaches around 3.5 million readers each week. The magazine format introduced in 2014 was supplemented with new columns in the year under review, such as “Automotive”. Lots more family-related themes were added. In addition, three Switzerland Tourism supplements were included, with exclusive leisure offers as well as various other supplements on topics such as gardening and travel. Coop Press produced a special edition for seven promotions on themes including “Actions, not words” and family. Coop Press is also responsible for publishing the employee publications Coop-Forte-Magazin, Transgourmet-Magazin and Coop Pronto Inside as well as the customer magazines Coop Pronto and Jamadu.

### **New recipe platform online**

Almost 40% of all visits to the Coop website take place via a mobile phone or tablet. In order to meet new demands, Coop comprehensively overhauled parts of its website in 2015 and adapted it to the new mobile usage. The switch-over will be complete by the end of 2016. The recipe platform with recipe worlds, a personal recipe book and a cooking feature, which explains the recipes step by step when used on a tablet, is particularly popular among users of the site.

### **Sponsorship: Focus on families**

Coop's sponsorship commitments aim to provide its customers with intense emotional experiences that arouse their enthusiasm. In 2015, the focus was on families and children. Under the new “Hello Family Events” brand for family-friendly events, for example, Coop presented various musicals such as “Pippi feiert Geburtstag” (Pippi's Birthday), “Ronja Räubertochter” (Ronja the Robber's Daughter) and the Schtärneföifi music group's anniversary theatre. In the autumn, Coop partnered with schweiz.bewegt to launch “Coop Andiamo” to encourage greater participation in sport and exercise. The three events, aimed primarily at families, got around 7 500 participants moving. More Coop Andiamo events will be organized in 2016. With over 300 000 visitors, the Disney musical “The Lion King” was another sponsorship highlight.

# Logistics, IT and property

Coop has entered the home straight with its major logistics projects in Schafisheim and Pratteln. Coop continues to shift additional freight shipments from road to rail through its Railcare subsidiary. IT is designing the online shops to be even more customer-friendly and Coop Immobilien AG is setting a milestone in sustainable building.

## Logistics

### Logistics and Bakeries Strategy 2015+

With its current logistics and bakeries strategy 2015+ Coop is pursuing three fundamental objectives: further cost optimization with annually recurring savings of around 60 million francs, the provision of critical support for Coop's sustainability objectives and continually improving the quality of Coop baked goods. The linchpins of the strategy are the expansion of the existing distribution centre in Schafisheim (canton of Aargau), including the construction of a new building for the industrial-scale bakery and national frozen-foods logistics, the construction of a new production and logistics site in Pratteln (canton of Basel-Landschaft) and the continual expansion of unaccompanied combined transport through Coop subsidiary Railcare.

### Schafisheim: the biggest building project in Coop's history

The expansion of the distribution centre in Schafisheim in Aargau is the biggest building project in Coop's history. The expanded distribution centre covers a surface area of 73 000 m<sup>2</sup>. From here, Coop will in future supply the sales outlets in the Nordwestschweiz, Zentralschweiz and Zürich regions with goods. The 164 000 m<sup>2</sup> new building will house a national refrigerated warehouse and Switzerland's biggest bakery and confectioner. Work on the building envelope is complete, and the interior fittings are at an advanced stage. One milestone in 2015 was the installation of the 162-metre long, two-level steel bridge between the expanded distribution centre and the new building. The primary purpose of

this 884 tonne structure is to enable the flow of goods but it also serves as a passageway for staff between the old and the new building. In November 2015 Coop inaugurated the automated order picking facility for refrigerated products, followed in January 2016 by the high-rise warehouse for general goods. From June 2016 Coop will gradually switch to supplying from Schafisheim the sales outlets that were previously supplied with goods from Dietikon. In its supply services it continues to rely consistently on an environmentally-friendly combination of rail and road transport. The rail connection in Schafisheim was completed in August 2015. The installation of the production facilities is also progressing well: the pastry shop, which will commence production in April 2016, will be followed in May by the start of production at the industrial-scale bakery. By concentrating on the Schafisheim site, shifting additional shipments from road to rail and building a bio-mass centre of its own for its heating requirements, Coop can reduce its CO<sub>2</sub> emissions by more than 10 000 tonnes a year. Furthermore, Schafisheim will be the first industrial building to fulfil the Minergie requirements.

### The building shell of the large-scale project in Pratteln is in place

A new production and logistics site is being built on the Salina Raurica site in Pratteln (canton of Basel-Landschaft). On this site, Coop is bringing together under one roof its Chocolats Halba and Sunray production companies and the Cave winery, complete with the associated logistics. The 78 000 m<sup>2</sup> new building also houses the Coop Quality Center, with one of Switzerland's most state-of-the-art



laboratories. The building envelope was completed at the end of October 2015. Since then, the focus has been on building the high-rise warehouse with space for 42 000 pallets and installing the building services and the production facilities. Among other things, the tank farm is being built to accommodate 1 000 tonnes of liquid chocolate. On the roof of the high-rise warehouse, Coop is installing a photovoltaic system with a peak performance of 600 kilowatts. The new site will also have a rail connection for freight shipments, which will enable Coop to make considerable CO<sub>2</sub> savings. The site is due to become fully operational in 2017.

#### **Railcare is creating technical innovations**

Coop subsidiary Railcare combines road and rail transport. It uses unaccompanied combined transport (UCT) to transport goods from suppliers to the distribution centres and from there to the sales outlets. Railcare AG increased its net sales by 12.7% in 2015. In 2015, Railcare swap bodies travelled over 17.2 million kilometres by rail, an increase of 5.1% over the previous year. The five Railcare locomotives handle the transport capacity of 140 trucks each day. By making increasing use of UCT through Railcare AG, Coop was able to reduce CO<sub>2</sub> emissions by a further 2 150 tonnes in 2015 compared with the previous year. Coop will be further expanding the use of UCT in 2016. From June, Railcare will be inaugurating the hub in Schafisheim – the startup phase will run until the end of 2016. Railcare implemented a number of technical innovations during the year under review, including the development – together with vehicle manufacturer Schmitz Cargobull – of a sway body for the distribution of temperature-controlled products. The body is fitted with a cooling unit that can only be electrically operated. This innovation in UCT helps drive down CO<sub>2</sub> emissions further. Railcare is striving for greater efficiency not just in an environmental sense but also in its processes. As part of a successful pilot project at the hub in Oensingen, in December 2015 it introduced a new “yard logistics system”, as it is known. Similarly to the picking system in the warehouse, drivers and yard staff receive their job orders direct to their smartphone via a mobile app. The aim is to carry out cargo-handling operations efficiently, keeping storage area movements to a minimum. Railcare is currently involved in developing innovative container wagons and is evaluating the procurement of modern electric locomotives.

## **IT**

#### **Migration of the online shop to a new platform**

Due to the high level of process integration, Coop has mostly used SAP as the basis for developing its wide range of online shops. As part of the takeover of Hybris – the world’s leading omnichannel commerce platform – by SAP, in the medium term Coop will be migrating its online shops to this platform, which has already proved itself at Interdiscount and Microspot.ch. At the same time as switching to Hybris, Coop is making the navigation even more customer-friendly and simplifying the search function in the online shops. To begin with, Coop is switching its online supermarket Coop@home to Hybris. This will be followed by the e-shops of Import Parfumerie and Toptip/Luminart. The switch will mean that the latest cross-channel developments can always be implemented in Coop’s online offering and will facilitate the exploitation of synergies between the individual shops.

#### **Standardized purchasing platform for Transgourmet**

The Coop Group is standardizing the IT solutions at Transgourmet. The successful introduction of the new accounting system at all the Transgourmet Group companies is to be followed by a standardized purchasing and master data platform for Transgourmet Central and Eastern Europe. The design and structure of the new platform were completed in mid-2015. Transgourmet Germany was the first company to connect its merchandise management to the new master data platform.

## **Property**

#### **Numerous newbuilds and conversions completed**

The Property Business Unit manages Coop’s retail property portfolio and is responsible for portfolio, building, asset and facility management. Additionally, it owns, runs and manages shopping centres – at 37 locations throughout Switzerland as of the end of 2015. The building management division’s remit extends from project development to the completion and remodelling of buildings. The Property Business Unit completed various projects during the year under review. March saw the opening of the extended Toptip in Oberentfelden and the modernized Coop supermarket in St. Ursanne. On 30 April the newly-built Aarberg-Center opened for business, followed on 27 August by the opening of the extended Kaiserhof-Hobbyland in Kaiseraugst. Autumn brought with it a landmark opening: on 21 October, the Coop supermarket in the Valais municipality of Fully opened, the first sales outlet to be certified





## **Actions, not words No. 85**



## **We are consistently reducing our CO<sub>2</sub> emissions**

In 2008, we set ourselves the goal of being carbon-neutral by 2023.

To lower CO<sub>2</sub> emissions, we are continuously reducing our energy consumption and using renewable sources of energy. Between 2008 and 2015, we were able to reduce CO<sub>2</sub> emissions in the relevant areas of our company by 24.8%. Our aim is to reduce our absolute annual emissions by 50% in total by 2023 (in comparison with 2008).

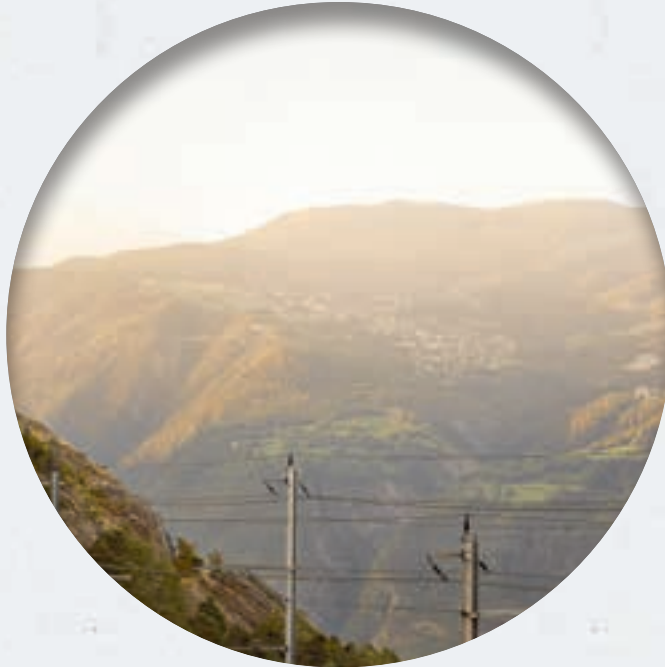
From 2023, the remaining CO<sub>2</sub> emissions will be offset by funding high-quality projects. In 2012, our energy and CO<sub>2</sub> vision won the EHI Energy Management Award (EMA) in Cologne for the most innovative concept. This was followed at the beginning of 2016 by the Watt d'Or special prize awarded by the Swiss Federal Office of Energy for our vision and its implementation.





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Over 20% of the fuel in Coop's trucks comes from organic waste. By using biodiesel as a fuel, the company is able to significantly reduce the CO<sub>2</sub> emissions generated by its goods transportation. Some trucks are already fuelled exclusively by biodiesel.



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Since October 2015, Fully in canton Valais has been home to a Coop supermarket like no other – this timber construction is one of the pilot projects for the new Swiss sustainable construction standards. The Coop in Fully will emit just one tonne of CO<sub>2</sub> per year. This impressive figure is achieved in part thanks to the 673 m<sup>2</sup> of solar panels on its roof and also an air-to-water heat pump.



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A combination of train and truck: this is what Coop and its Railcare subsidiary use to transport goods. It's environmentally friendly and makes a major contribution towards achieving Coop's "CO<sub>2</sub>-neutral by 2023" vision.



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The Coop industrial bakery at Gossau is the first in Switzerland to have a woodchip-fired heating system. Thousands of woodchips are used to heat thermal oil, which in turn ensures the ovens stay hot.







coop

Fährt mit Strom. Kein CO<sub>2</sub>. Weniger Lärm.

according to the new Sustainable Construction Switzerland standard. On 29 October, the upgraded Coop City department store in Olten celebrated its reopening. It is not just in Fully that sustainable building management is espoused. Since 2007, Coop has completed 239 newbuilds and remodeling projects to the Minergie standard. Moreover, the roofs of 23 Coop properties are fitted with photovoltaic systems.

#### **Other projects nearing completion**

The Property Business Unit had numerous other projects underway 2015, including the construction of the new Building & Hobby Garden Paradise in Volketswil, the extension of the Thurmarkt shopping centre in Weinfelden and the construction of the new residential building on Hohlstrasse in the Letzipark in Zurich. In summer 2016, construction work on the extension and addition of new buildings to the distribution centre in Schafisheim will be completed, along with the raised Swissmill grain store ("Kornhaus") in Zurich.



# Transgourmet Group

2015 is all about expansion. With its takeover of the market leader in wholesale catering, Transgourmet gains a foothold in Austria, accompanied by three takeovers in Germany. The Transgourmet Group is thus continuing to expand its position in the European wholesale supplies and cash & carry sector.

## Group development

### Transgourmet is growing in a challenging environment

Transgourmet Holding AG is Europe's second-largest cash & carry and wholesale supplies player. It operates in Switzerland, France, Germany, Poland, Romania, Russia and now Austria too and serves catering-sector and industrial customers. The Group includes the Transgourmet Central and Eastern Europe, Transgourmet Switzerland and Transgourmet France umbrella brands. In 2015 the Transgourmet Group generated net sales of 7.5 billion francs, which equates to growth of 2.6% year on year after adjustments for exchange rates. Given the challenging environment in several countries in which the Group operates, this is a pleasing result. As at the end of 2015 the Transgourmet Group employed 24 095 staff Europe-wide.

### Systematically broadening expertise

To enable it to respond fully to its customers' diverse needs, Transgourmet is continually broadening its expertise. It took over the majority in Sump & Stammer International Food Supply as of 1 January 2015. The Hamburg-based company operates worldwide and specializes in supplying cruise ships and international hotel chains. In August 2015, Transgourmet acquired 100% of the shares in EGV Unna AG, which is one of Germany's leading specialists in the supply of wholesalers. This acquisition adds to Transgourmet's expertise in the dairy products segment. At the start of November 2015, Transgourmet also took over 100% of the shares of the Frischeparadies Group, which previously belonged to Dr. August Oetker KG. The Frischeparadies Group is the leading supplier of premium foods and delicatessen items in the cash & carry and wholesale supplies sector. It oper-

ates eight supermarkets in Germany and two in Austria. The takeover strengthens Transgourmet's expertise in the premium segment.

### Transgourmet expands into Austria

As of 1 January 2016, Transgourmet took over 100% of the shares in Austrian company C+C Pfeiffer, a subsidiary of the Pfeiffer Trading Group. C+C Pfeiffer is the market leader in the Austrian wholesale catering sector. It operates twelve cash & carry markets – eight under the name “C+C Pfeiffer” and four under “Mein C+C” – as well as wines and beverages wholesaler Trinkwerk and premium coffee roaster Javarei. C+C began systematically applying the multichannel concept in 1980 and offers customers in its stores a combination of cash & carry and delivery service. The takeover gives Transgourmet a foothold in Austria and enables it to further consolidate its position as the number two in the European cash & carry and wholesale supplies market. Transgourmet also acquired a 50% stake in Top Team Zentraleinkauf GmbH in 2016. Following the takeover of C+C Pfeiffer, Austria is now one of the Transgourmet Group's strategic markets. The Transgourmet Österreich umbrella brand joins the existing umbrella brands Transgourmet Switzerland, Transgourmet Central and Eastern Europe and Transgourmet France. C+C Pfeiffer was renamed Transgourmet Österreich GmbH in January 2016. The re-branding will take place in the spring. The C+C Pfeiffer markets will then operate under the Transgourmet name with the group-wide Transgourmet logo.

## Transgourmet Switzerland

### Prodega/Growa celebrates its 50<sup>th</sup> anniversary.

With its sales brands Prodega/Growa and Transgourmet and subsidiary Valentin Pontresina AG, which operates in the Engadine, Transgourmet Switzerland is the leader in the Swiss cash & carry and wholesale supplies market. Transgourmet Switzerland employed 1 823 staff during the year under review. Its 100 000 or so customers include hotels, restaurants, retirement and nursing homes as well as retailers and commercial clients. As well as a wide selection of own-label products, Prodega/Growa/Transgourmet offer the biggest range in the food – in particular fresh produce and beverages – and non-food segments in Switzerland. The range comprises over 30 000 products, which customers can purchase in one of the 30 Prodega/Growa stores covering a total sales area of 123 037 m<sup>2</sup>. They also have the convenient option of ordering online or at the Customer Center and having their shopping delivered. Prodega/Growa celebrated its 50<sup>th</sup> anniversary during the year under review, with customer events and monthly promotions. In 2015, Transgourmet Switzerland opened a Prodega/Growa store in Manno (TI) and one in Rennaz (VD). In addition, it opened a new regional warehouse at each of the Rennaz, Berne and Winterthur sites. Consequently, since the end of October 2015, all deliveries have been made via the total of seven regional warehouses, each of which combine cash & carry and delivery services.

## Transgourmet Central and Eastern Europe

### Multichannel provider for professional kitchens

Multi-channel provider Transgourmet Central and Eastern Europe is the wholesale supplies and cash & carry specialist for professional catering kitchens in Central and Eastern Europe. The company operates in Germany under the sales brand Transgourmet as a delivery services provider and also operates 94 cash & carry wholesale markets in Germany, Poland, Romania and Russia. In addition, Transgourmet provides a regional delivery format in Germany with a cash & carry service under the Transgourmet Cash+Carry sales brand.

### Germany: recognition as a customer champion

Transgourmet Germany supplies industrial-scale consumers from the hotel, restaurant, corporate catering and social service segments with foods, durable and non-durable consumer goods and equipment for large kitchens. Transgourmet Germany includes subsidiary Transgourmet Immobilien GmbH,

the two Contact Centers in Wildeshausen and Berlin, two meat manufacturers for the manufacture of its own meat and sausage products and Transgourmet Seafood Bremerhaven, one of the leading logistics hubs for fresh fish and fresh seafood. The fish specialist was recognized at the fish industry summit in Hamburg with a Seafood Star 2015 in the Smoked Fish category. Besides its head office, Transgourmet Germany has 15 operational sites for supplies and offers a regional delivery format with cash & carry in Germany under the name Transgourmet Cash+Carry, at its sites in Mainz, Koblenz, Bremen, Saarlouis and Münster. Transgourmet Germany maintains a range of around 39 000 products for its 55 000 customers. The total warehouse space is 168 605 m<sup>2</sup>. Transgourmet was named as “Germany’s Customer Champion” in 2015. The prize is awarded by market research forum “Forum Marktforschung” and by the Deutsche Gesellschaft für Qualität e.V. in four major categories. In addition, Transgourmet was awarded the special prize for the best company in Rhineland-Palatinate.

Following the closure of the Hamburg-Harburg store, Selgros Cash+Carry operates 43 stores in Germany with a total surface area of 403 010 m<sup>2</sup>, making Selgros Cash+Carry one of the leading cash & carry providers in Germany. The three Selgros stores in Hamburg Altona, Norderstedt and Öjendorf were refurbished and modernized during the year under review. They celebrated their reopening on 1 October 2015. All three stores now have a fresh fish department, and the store in Norderstedt also offers deliveries to customers. Selgros’ Cash+Carry’s range comprises around 67 000 food and non-food items and is tailored to the needs of its 1.6 million or so customers, who include the catering industry, newsstands, retailers and other commercial enterprises. As at the end of 2015, Transgourmet had a workforce of 9 450 in Germany.

### Poland: launch of food service business

With Selgros Cash+Carry, Transgourmet Polska is the second-biggest cash & carry specialist in Poland. The company, which has its head office in Poznan, operates 16 markets with a total sales area of 152 615 m<sup>2</sup>. It supplies a range of more than 40 000 food and non-food items and employed 4 015 staff at the end of the year. In September, Selgros opened its refurbished store in Warsaw. Another two Selgros markets are due to be opened in Warsaw in the next two years. Since autumn 2015, Transgourmet Polska has also been involved in the food service business. To this end, it has established its first logistics centre near Warsaw, from which industrial-scale consumers will be supplied.

#### **Romania: wide product range**

Selgros Cash+Carry Romania operates 19 hypermarkets with total sales area of 179 448 m<sup>2</sup>. Its central administration is located in Brasov. Over the next two years, it also plans to open three new stores in Transylvania. The first distribution warehouse was opened in Bucharest in August 2015, to supply catering industry customers in Bucharest. The range comprises 41 000 items, including 24 000 food and 17 000 non-food products. As at the end of 2015 Selgros Cash+Carry employed 3 844 staff in Romania.

#### **Russia: regional specialties**

Selgros Cash+Carry Russia's range comprises around 52 000 food and non-food products. As well as a large selection of national branded products, the company offers its 1.1 million customers a wide range of local and regional specialties. As at the end of 2015 Selgros Cash+Carry in Russia was operating eight wholesale stores with a total sales area of 70 844 m<sup>2</sup> and employed 1 619 staff. Two further Selgros stores are currently being built and are due to open at the end of 2016.

### **Transgourmet France**

#### **Fresh, regional and sustainable**

Transgourmet France comprises Transgourmet Opérations, Transgourmet Fruits & Légumes, Transgourmet Seafood, Transgourmet Export and Eurocash. As part of the systematic process of focusing on food wholesale, at the start of 2015 Transgourmet France sold the company Pro Hygiene Service. Transgourmet supplies food to around 51 000 catering companies, bakeries, patisserie businesses and social services. Its range comprises around 27 000 articles. In the year under review, Transgourmet France and its subsidiaries together employed a total workforce of 3 344 and maintained 24 locations with an overall storage area of 300 256 m<sup>2</sup>. In March 2015, Transgourmet France published its first sustainability report, which documents the progress made by all the companies belonging to it in regard to their sustainability commitment and sets out the goals moving forwards. Transgourmet Opérations is the main supplier of foods and hygiene products to the catering industry as well as to bakeries and confectioners. In 2015, Transgourmet Opérations expanded its range of fresh produce as well as Transgourmet own-label products and the own-label patisserie brand Le-gave. In addition it launched a new version of its online service "e-Quilibre". Wholesale catering customers can have menu suggestions compiled that

are individually tailored to the needs of their patrons and their budget. Nutrition advisors ensure that the suggested meals contribute to a balanced diet. Transgourmet also supplies all the products necessary to prepare the menu.

In June 2015, All Fresh Logistique was renamed Transgourmet Fruits et Légumes. The company is the leading supplier of fruit and vegetables in the greater Paris area. During the year under review, it continued to develop its collaboration with producers and strengthened its range of local products under the "Jardins de Pays" brand.

Transgourmet Seafood specializes in the distribution and individual preparation of fish and seafood. During the year under review, Transgourmet Seafood formed a partnership with French fishery Scapêche and signed up to the Mister Goodfish programme. The subsidiary Transgourmet Export, based in Rüngis, specializes in exporting French catering and bakery/pastry products to the Middle East, Asia, Africa and French overseas territories (Départements et Territoires d'outre-mer). In 2015, it agreed a partnership with DHL Global Forwarding with the aim of entering additional markets in Asia and the USA. Eurocash, which is based in Alsace, supplies customers in the catering/restaurants sector and operates a cash & carry business in Schiltigheim. Eurocash supplies a diverse range of local products. The company plans to restructure and change its name to Transgourmet Cash+Carry in 2016.



# Production

Despite negative currency factors, the Bell Group is making solid progress. It now holds a majority stake in Hilcona and combines its activities outside Germany and Switzerland within Bell International. The Coop manufacturing companies are successfully making their mark with their sustainable product ranges.

## Bell Group

### Pleasing financial year despite challenges

The Bell Group is one of Europe's leading meat processors and supplies both the retail and the wholesale trade, caterers/restaurants and the food industry with meat, poultry, charcuterie, seafood and convenience food products. The Group satisfies the diverse needs of its customers with the Bell, Abraham, Zimbo, M<sup>o</sup>ssieur Polette and Hilcona brands. Two events in particular had a major impact on business during the year under review. Firstly, in May, the Bell Group took over a further 2% of the shares in the Hilcona Group and now holds a majority. Secondly, Bell felt the effects of the Swiss National Bank's decision in January 2015 to remove the minimum euro exchange rate. As it reports its sales in Swiss francs, exchange-rate related translation differences of 89 million francs depressed sales in the same way that the fall in prices of 13 million francs affected the prices of raw materials. In 2015, the Bell Group's turnover from the sale of goods amounted to 2.8 billion francs. In terms of volume, sales increased by 27.7% to 275 308 tonnes. Bell generated earnings of 94.8 million francs, which equates to an increase of 8.0% year on year. This is a pleasing result considering the challenging environment. At the end of 2015 the Bell Group had 8 148 employees, 3 591 of them outside Switzerland. As of 1 March 2016, Bell will be taking over the Austrian Huber Group, which specializes in the production of high-quality poultry meat and enjoys a strong market position in Austria and Germany. Austrian market leader Hubers Landhendl in Pfaffstätt, Süddeutsche Truthahn AG in Ampfing which specializes in turkey, Brüterei Schlierbach and logistics company Frisch Express are part of the Huber Group.

### Bell Switzerland making solid progress

On the Swiss market, in the wake of the abolition of the minimum euro exchange rate the strong Swiss franc led to an increase in shopping tourism, which took a toll on supermarkets in particular. This triggered a decline in the retail market in 2015 compared with 2014 in the meat and meat products segments. Despite this, Bell Switzerland's sales volumes were higher than in the previous year, at around 123 453 tonnes. Turnover from the sale of goods fell by 0.5% to around 1.9 billion francs as a result of the substantial price falls affecting pork. Thanks to efficient cost management and increased productivity, Bell Switzerland's results were higher than in 2014. In summer 2015, the new Bell production company for charcuterie specialties in Cheseaux (canton of Vaud) became operational.

### Bell Germany improves its operating result

Although the market for sausage products continued to decline in Germany, there were isolated signs of a recovery in 2015. Nonetheless, Bell Germany's sales by volume decreased marginally year on year, totalling 64 016 tonnes in 2015. The decline is due in part to the market trend and in part to the streamlining of product ranges at Bell. Including the manufacturing companies in Spain and Belgium, Bell Germany generated turnover from the sale of goods of 420 million francs during the year under review. In local currency, turnover from the sale of goods was therefore 2.2% below the previous year's level; converted to Swiss francs, it declined by around 14%. Having focused on products with high added value, developed new products and optimized costs, Bell Germany was able to significantly improve its operating result year on year.

### **Bell International is on course**

Since 1 January 2015, with the exception of the German activities, the Bell Group's international activities have formed an organizational unit within Bell International. Bell International was on course, by and large, in the year under review. Although turnover from the sale of goods fell to around 230 million francs and was down on the previous year in local currencies, in terms of volume, sales increased to 35 411 tonnes. Moreover, Bell International achieved a better operating result than in the previous year. In 2015, the Abraham France sales organization was integrated into Bell France, and the former organizational head took over at the helm of Bell France. The business once again performed well in Poland, enabling Bell to expand its production capacities according to schedule. The plant in Hungary made further significant progress in terms of added value. Bell Benelux was adversely affected by the loss of a trading partner but made good headway in operational terms. Despite the geographical focus on the Czech Republic, the performance of the in-store business, operated under the Novak brand, was unsatisfactory, so Bell swiftly took measures in the first half of the year to improve profitability.

### **Bell now has a majority stake in Hilcona**

As announced, with effect from 1 May 2015 Bell exercised the agreed option to purchase a further 2% in Hilcona AG. With 51% of the shares, Bell now holds a majority stake in the Hilcona Group, to which Gastro Star AG also belongs. Although exports declined in the euro zone after adjustments for exchange rates, the Hilcona Group continued to grow in 2015, generating turnover from the sale of goods of 361 million francs.

## **Coop manufacturing companies**

### **Swissmill**

*Products: flours, flour mixtures, durum wheat semolina, polenta, oat flakes, extruder products*  
Swissmill processed close to 200 000 tonnes of grain during the year under review. Switzerland's leading grain mill made gains in all its core segments year on year. Due to weather conditions, the quality of the harvest was again poor in 2015, albeit better than the previous year. Nevertheless, Swissmill was able to produce a sufficiently large volume of high-quality wheat flour for breadmaking. The construction of the new grain store ("Kornhaus") in Zurich is on course. In September 2015, the tower reached its overall height of 118 metres. The final structural and operational works will be

completed in summer 2016. During the year under review Swissmill also continued to invest in its mixing and oats and spelt expertise.

### **Chocolats Halba**

*Products: chocolate bars, confectionery, festive assortments, chocolate for industrial purposes*  
After years of growth, the development of Chocolats Halba stagnated in the year under review. One of the main reasons for this was the decline in exports to Europe, as a consequence of the strong Swiss franc. Chocolats Halba achieved further double-digit growth in the USA and Australia in 2015 with the "Alter Eco" brand. Sales at Coop points of sale also grew by 8.3% year on year. Overall, Chocolats Halba held steady at the previous year's level. Demand remained particularly high for organically manufactured products or products bearing a sustainability label such as Fairtrade Max Havelaar. Chocolats Halba posted a 19.3% increase in sales in this segment.

### **Steinfels Swiss**

*Products: cosmetics, bodycare products, detergents and cleaning products for households; detergents, cleaning products and services for industrial customers*

Steinfels Swiss achieved growth in the business with industrial customers and with retail customers in Switzerland and abroad in 2015. Sales were up 5.1% overall. Steinfels Swiss increased its production output by 1.8%, to 15 795 tonnes. The share of sustainable products rose by 31.9% of total sales. A number of factors were instrumental in this success, among them the expansion of the Coop Naturaline range, the launch of Naturaline in Italy and the introduction of new products in the eco-friendly Maya range for professional cleaning. Steinfels Swiss is the Swiss market leader with its sustainable ranges.

### **Reismühle Brunnen**

*Products: rice varieties from all over the world, rice blends*

Reismühle Brunnen can look back on another successful financial year, having increased its export sales by a further 9.5%. Reismühle Brunnen entered the Dutch market during the year under review, supplying the Dutch Fairtrade market leader. Italy's most important Fairtrade retailer is also a customer for fairly traded organic rice. In Austria, a retailer introduced an organic rice to its range. The share of organic and Fairtrade products in overall output rose again, amounting to 45.7%. They already account for over 50% of total sales. In the Fairtrade segment, Reismühle Brunnen was the clear leader on the European market in 2015.

It pressed ahead with its “fair & good” sustainability project in India and Thailand, helping to improve the incomes of more than 3 500 farming families. Around 800 biogas units were installed on the land of farmers involved in the project, helping to reduce CO<sub>2</sub> emissions.

#### **Nutrex**

*Products: vinegar and vinegar specialties for retailing, caterers/restaurants and industry*  
Nutrex gained new customers in the year under review, as well as launching new products which included the first Fairtrade-certified vinegar. In mid-2015, it integrated into its range the products of a Swiss vinegar manufacturer that it had previously acquired. Nutrex now also offers kosher vinegar. This entailed adapting a production line at one of its plants to satisfy the relevant guidelines and it was awarded the kosher certification in 2015. As a result of these innovations, Nutrex saw its sales increase by 9.1%. It also made marginal gains in exports. Sales of organic vinegar were up 3.8%, accounting for around 17% of total sales of organic products.

#### **Sunray**

*Products: spices, herbs, nut kernels, dried fruit and vegetables, baking ingredients and mixtures, edible oils, sugar*  
Sunray's production volume in 2015 was 32 370 tonnes, or 73 million packs produced. This equates to an increase of 4.4% year on year. Sunray added 45 new products to its range, including new varieties of the Sunny Day line launched in 2014, in pocket packs. In January 2015, Sunray received its first delivery of sustainably grown cane sugar from a direct procurement source in South America. In addition, Sunray defined its strategy for the next five years. The key elements include concentrating on organic and Fairtrade products and more direct sourcing in the region of origin.

#### **Pearlwater Mineralquellen**

*Products: mineral water and sugar-containing soft drinks*  
Thanks to the glorious summer weather and the attendant increase in demand for mineral water and soft drinks, Pearlwater's sales by volume increased slightly in 2015 year on year. Pearlwater bottled around 108 million litres. In order to protect the nearby countryside, the manufacturing company continued to develop its waste water treatment plant. Moreover, pH-neutralized waste water from production is no longer transported by truck to the treatment plants in Valais and Vaud but is channelled instead via a direct pipe to the local waste water treatment plant in Brig. By eliminating these

transports, Pearlwater was able to further reduce CO<sub>2</sub> emissions in 2015. A new well was successfully drilled 200 metres away from the production building. Pearlwater intends to use this well to launch a new mineral water brand in 2016.

#### **Cave**

*Services: vinification of Swiss musts and young wines; management, ageing and bottling of wines from all over the world; development and bottling of aromatized, wine-containing beverages*  
In 2015, Cave launched 25 new products, including wines from southern Italy, which the winery was able to successfully develop. Cave's range comprised around 400 products, and the winery achieved sales in terms of volume of around 36 million bottles in its entire in-house production. This includes a million bottles of AOC wines originating from various Swiss cantons, which were vinified in Cave's own wine cellar. The AOC wines from the Lavaux and Chablais wine-growing regions were given new wine bottles typical of the region, which significantly enhanced the popular products. Cave also introduced four aromatized wine-containing beverages to the Coop range, under the name “Lovely”. Sales of organic wines increased by around 5% during the year under review.

#### **Banana Ripening Plant**

*Services: sourcing, ripening and packaging of bananas and exotic fruit, storage and order picking of dried fruit*  
The Coop Banana Ripening Plant ripened and order-picked 23 697 tonnes of bananas in 2015. The share of organic bananas in the corresponding full range rose to 37%, and that of Fairtrade bananas held steady at 89%. The entire pineapple range was switched to Fairtrade in the year under review. The banana ripening plant supplied 3 060 tonnes of pineapples. It has also imported all of Coop's kiwis since 2015. The 14 kiwi varieties achieved a volume of 2 792 tonnes. The banana ripening plant also supplied 1 674 tonnes of dried fruits and nut kernels, of which it has a total of 33 products in its range.

#### **Coop Bakeries**

*Products: fresh bread products (loaves, rolls, braided bread), frozen bread products, cakes and biscuits, tarts and pastries, and commercial doughs*  
Coop overhauled one of its total of seven industrial bakeries (the Berne bakery) during the year under review. All the Coop bakeries also obtained IFS 6 certification in 2015. They produced a total of around 46 400 tonnes of baked goods and doughs. In addition, 6 800 tonnes of fresh breads and pastries were produced by the bakers at the



in-store bakeries and confectioners at 42 Coop supermarkets throughout Switzerland. Proceeds totaling around 123 000 francs from the sale of Grittbänzen figure rolls were donated to the Swiss Red Cross (SRC) in 2015. The traditional 1 August rolls campaign raised 320 000 francs for Coop Aid for Mountain Regions. In 2016, the Coop Bakeries will be commencing operations at their new production facilities in Schafisheim, where Switzerland's biggest bakery/confectioner is being built.





## **Actions, not words No. 112**



## **Unfortunately our other 3 404 apprentices would not fit in the photo**

As a large company we also have a substantial responsibility to society and our employees. We are the second-largest provider of traineeships in Switzerland and offer 3 410 apprenticeships in 30 different fields throughout the group, in addition to countless professional prospects. There are careers on offer in sales, logistics, administration, catering, production and transportation. 2 000 trainers and 32 full-time helpers assist and support these apprentices. After completing their training, over 60% of our apprentices are given permanent jobs. In 2013, the Hans Huber Foundation awarded us the National Prize for Vocational Training in recognition of this commitment.





Trainees at Bell Schweiz AG are given the chance to practice everyday skills on a small scale. Bell runs two trainee workshops in Basel – one for charcuterie and one for meat. The workshop equipment and processes are largely identical to those used in industrial production, but the dimensions are significantly smaller.



Internationally, the Transgourmet Group is training 570 apprentices. At Transgourmet Switzerland alone, 71 apprentices completed their training as retail specialists in the year under review. In their first and second years, all trainees now attend a conference on specific subjects such as occupational safety and product range knowledge. For third-year apprentices, Transgourmet Switzerland organizes a four-day camp focusing on preparation for the qualification procedure. This enables them to simulate the practical tests together with experts under real examination conditions.



From miller, food practitioner and wine technologist through to baker/confectioner and food technologist – Coop manufacturing companies offer apprenticeships in a wide variety of different professions. In 2015, a total of 27 young people got to grips with bread, chocolate or water as part of their Coop production training. For the six Swissmill trainees in Zurich, it's all about grain. They are being trained as millers specializing in foodstuffs. Here they are learning all about quality control, storing raw materials, machine processing, packaging and delivering the end products.









# Employees

Despite a challenging environment, Coop is once again raising minimum wages and continues to offer the best employment conditions in the Swiss retail sector. Employees attend 47 177 days of professional development courses, and a new apprentice campaign demonstrates the diversity of basic training on offer at Coop.

## Training and professional development

### Professional development expanded

In 2015, Coop once again invested around 45 million francs and a great deal of time and expertise in the training and professional development of its employees. Coop employees attended a total of 47 177 days of training and professional development. Management employees from Sales received support with their management responsibilities in the shape of internal career development courses, covering around 550 training days. During the year under review, 15 employees tackled the demanding external training to become Swiss certified retail managers. In connection with the new Coop site in Schafisheim and the state-of-the-art plant technology for logistics and an industrial bakery that has been installed there, Coop created the new, forward-looking role of “Plant Supervisor”. 40 employees are currently training to become Plant Supervisors, in order to be ready for the challenging technical responsibilities that will be created when the Schafisheim distribution centre becomes operational in mid-2016.

### Using e-learning for efficient knowledge transfer

In 2015, Coop began making widespread use of electronic learning methods. Almost 15 000 employees used e-learning to complete cold chain, hygiene and youth protection training. A whole array of additional topics will be taught through e-learning over the next few years.

### Trainee programmes for university graduates

Coop offers many and varied development opportunities for university graduates. Its training programme includes the Traineeship in Sales, which Coop ran for the first time between autumn 2014 and autumn 2015. The total of nine retail trainees experi-

enced the fascination and diversity of retail, took on responsibility in various areas and gained valuable experience in the process. Many of them have been working since the trainee programme ended as deputy managers of a Coop supermarket. At the start of October 2015, the second Traineeship in Retail began, with ten university graduates. Coop offers additional training programmes within the Trading Business Unit and at the company's head office. A total of 17 trainees completed their training at Coop during the year under review, and 80% of them took up employment at the company.

## Young people at work

### New apprentice campaign demonstrates diversity at Coop

The falling number of school-leavers and the academization of the education system are intensifying competition on the apprentice market. As a result, communication campaigns are becoming increasingly important to support the recruitment of suitable, qualified apprentices. Under the motto “For my apprenticeship. For my future”, the theme of the new apprentice campaign is the diversity of basic training available and the exciting and exceptional career prospects at Coop. As part of the campaign, Coop overhauled all of its advertising media such as brochures, factsheets and flyers. In addition, Coop attends the relevant trade fairs, where it presents itself as an attractive employer on a new, interactive stand.

### 1 203 young people are starting their apprenticeship at Coop

The range of apprenticeships at Coop is very diverse, covering 30 different professions from the areas



of sales, administration, logistics and production. In August 2015, 1 203 young people began their apprenticeship at Coop – 41 more than in the previous year. 32 people are employed full-time in looking after apprentices and around 2 000 professional trainers provide supervision and support for them. During the year under review, the success rate of Coop apprentices was once again solid, at 96.7%. For many young people, the completion of their initial vocational education and training also marks the start of their professional career. In 2015, 63.3% of the young people who completed an apprenticeship at Coop were given a permanent job at the company. At the end of 2015, the Coop Group employed 3 410 apprentices in all, including 570 in the international wholesale sector.

## Wage policy

### Coop raises minimum wages again

Despite the challenging economic climate, Coop was able to maintain its workforce during the year under review and made the decision to raise the minimum wage in 2016. This is the fifth minimum wage increase in ten years. For unskilled employees, Coop raised the minimum wages with effect from the start of 2016 by 50 francs, which equates to a 1.3% increase. Employees on the minimum hourly wage will also earn more in future: 21.95 francs instead of the previous 21.65 francs. For unskilled employees who are covered by the collective employment agreement, the new gross minimum wage is 3 900 francs. The gross minimum wage for employees who have completed two years' basic vocational training or higher is between 4 000 and 4 200 francs. Coop pays a 13<sup>th</sup> month's wage each year. In addition, Coop implemented individual, structural wage increases for 2016. Coop continues to offer the best employment conditions in the retail sector. This is borne out by the study of employment conditions at large retailers conducted by rating agency "Inrate". In the last ten years, Coop has financed wage increases totalling 18.7%, despite the fact that, over the same period, the retail sector has had to contend with a challenging environment and negative inflation of 9.0%.

## Coop Pension Fund

### CPV/CAP offers attractive rate of interest

As at 31.12.2015, the CPV/CAP Coop Pension Fund had a reserve ratio of 113.1%. This is marginally lower year on year (113.3%). In a very difficult year for investments, both the tactical and the strategic

benchmark were outperformed, with a return of 1.9%. Following the corrections on the stock markets midway through the year – triggered by a weakening Chinese economy – international equities suffered a negative performance. As nominal interest rates remain at an all-time low and because the Swiss National Bank introduced negative interest rates on credit balances for commercial banks in January 2015, a positive return could no longer be expected in these areas. For the first time, pension funds were required to disclose their voting behaviour with regard to participating interests of listed Swiss companies. As well as the revision of the investment regulations, the CPV/CAP appointed a voting rights committee which defined the guidelines. The retirement savings capital of insured active members accrued interest at 2.0% in 2015, which is 0.25% above the BVG minimum interest rate. Pensions remained unchanged in 2015, and this will also be the case in 2016. In 2015, at 36 440, the number of insured active members was slightly higher than in the previous year, when there were 36 314 insured active members. The number of pensioners rose from 18 983 to 19 272 by the end of 2015. In 2016 the Foundation Board will check if the discount rate, among other things, is appropriate.

## Wholesale

### Training and professional development at Transgourmet Switzerland

In 2015, Transgourmet Switzerland once again organized an apprentice camp for each apprenticeship year for its 77 apprentices. Training and professional development is a high priority. During the year under review, every employee attended internal training courses for an average of 25 hours. Thanks to talent management and the "Executive, Leadership and Management Workshop", in 2015 Transgourmet Switzerland was able to fill 74% of its executive and key positions internally.

### Transgourmet France nurtures talents

During the year under review, Transgourmet France established a centre of excellence to support employees' careers. The objective is to be able to devise an individual career plan for each individual employee that is tailored to his or her potential and talents.



# Corporate governance

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# Corporate governance

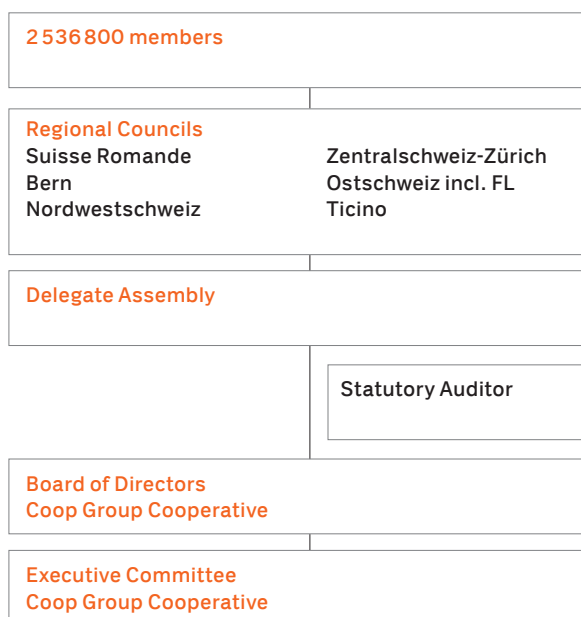
Corporate governance is based on the principle of management's transparency and openness towards employees and the general public. In the following chapter, Coop provides an insight into its company structure.

The Coop Group Cooperative is committed to openness and transparency in the operational management of the Group and acts to ensure good corporate governance in the interests of its members, customers, employees and other stakeholders. Its governance largely follows the guidelines of the SIX Swiss Exchange regarding information on corporate governance. These apply to joint-stock companies and other companies that have issued participation certificates or non-voting dividend rights certificates, which does not apply to Coop as a cooperative society. The only company in the Coop Group that has issued SIX-listed equities is Bell AG. For specific information on this company's corporate governance see its Annual Report and website, [www.bell.ch](http://www.bell.ch).

## 1. Group structure

The Coop Group Cooperative is based in Basel. At the end of 2015 the cooperative had over 2.5 million members. Any resident of Switzerland or the Principality of Liechtenstein can become a member. The Coop Group Cooperative holds stakes in a number of companies in Switzerland and abroad. Pages 101 and 102 of the Annual Report (Scope of consolidation) provide information on the group structure. There are no cross-holdings within the Coop Group. The Coop Group Cooperative is responsible for the general direction of business of the Coop Group. The Coop Group comprises the Coop Cooperative and its subsidiaries and the subsidiaries of the Coop Group Cooperative. The executive bodies of the Coop Group Cooperative are the Regional Councils, Delegate Assembly, Board of Directors, Executive Committee and auditors.

### Organization



### Regional Councils

The Coop Group Cooperative comprises six regions (Suisse Romande, Bern, Nordwestschweiz, Zentralschweiz-Zürich, Ostschweiz incl. Principality of Liechtenstein, and Ticino). These regions do not constitute separate legal entities, but are part of the Coop Group's cooperative-based organizational structure. In each region, cooperative members elect a Regional Council consisting of 60 to 120 members (Ticino: maximum of 30). The Regional Councils maintain contact with members and the public. Each Regional Council appoints a Committee of twelve (Ticino: six) from among its members. Each Committee is self-constituting and submits a proposal to the Board of Directors for the attention of the Delegate Assembly for one of its members to be appointed to the Board of Directors; if elected, the member becomes President of both the Regional Council (RC) and its Committee (RCC). The other

members of the Regional Council Committee are the delegates. They represent the members of the corresponding region at the Delegate Assembly of the Coop Group Cooperative. The current composition of the Delegate Assembly is shown in the following section.

The term of office of the Regional Councils and the Regional Council Committees is four years. The current term of office is from 2013 to 2017. According to the Articles of Association, a member's term in office is limited to 20 years, and members must retire at the end of the year in which they turn 65.

### Delegate Assembly

The Delegate Assembly is endowed with the legal powers vested in the Annual General Meeting and the duties assigned to it in the Articles of Association. In particular, it is responsible for laying down the Articles of Association, electing and dismissing the Board of Directors and the statutory auditors, approving the Annual Report, discharging the Board of Directors and dissolving the cooperative society. In addition, the Board of Directors can submit other business to it for a decision.

Further information on the Regional Councils and the Delegate Assembly can be found in the Articles of Association and the Election Regulations of the Coop Group Cooperative. Both documents can be accessed online.

[www.coop.ch/organization](http://www.coop.ch/organization)

As at 31 December 2015, the Delegate Assembly consisted of the following delegates:

Suisse Romande Region	Bern Region
Vincent Albasini	Sabine Boschung
Patrick Csikos	Patrick Bruni
Doris Grobéty	Chantal Gagnebin
Nicole Hosseini	Sandra Ghisoni Schenk
Zohra Ottoz	Fränzi Grunder
Benoît Santschi	Therese Ischi
Catherine Stern	Mario Kaiser
Marc Vauthey	Jürg Kradolfer
	Corinne Lehmann
	Sibylle Miescher
	Felix Truffer
	Annette Wisler Albrecht
	Zippora Wüthrich

Nordwestschweiz Region	Zentralschweiz-Zürich Region
Alexandra Abbt-Mock	Silvia Banfi Frost
Sibylle Bader Biland	Beatrice Bertschinger
Evelyn Borer	Renato Blum
Sandra Nicole Engeler	Kurt Feubli
Susanne Jäger	Anna Maria Forlano
Peter Jossi	Ronald Hauser
Pascal Konrad	Willy Rüegg
Luciana Maggetti	Alex Rutz
Heidi Straumann	Beda Schlumpf
Charles Suter	Liliane Waldner
Jörg Vitelli	

Ostschweiz Region (incl. Liechtenstein)	Region Ticino
Maria Bieri	Mauro Bazzi
Suzanne Blaser	Lucia Gianoli
Fridolin Eberle	Fiorenzo Robbiani
Markus Eugster	Gabriella Rossetti
Christa Flückiger	Raffaele Sartori
Michael Fuhrer	
Kurt Gansner	
Roberto Godenzi	
Richard Kübler	
Leonardo Longaretti	
Gabi Senn	

## 2. Capital structure

The capital structure of the Coop Group can be seen in the consolidated balance sheet (page 83) and the corresponding notes (pages 86–102). The equity of the Coop Group Cooperative consists exclusively of self-generated funds. The members have no stake in the equity.

## 3. Board of Directors

### 3.1 Members of the Board of Directors

According to the Articles of Association, the Board of Directors of the Coop Group Cooperative comprises a maximum of six members nominated by the regions as well as a maximum of five further members, including a representative from the French-speaking part of Switzerland and an employee representative. The members of the Board of Directors are proposed by the Board of Directors and elected by the Delegate Assembly. The Board of Directors currently includes four further members, i.e. it has a total of ten members. With the exception of the employee representative, the members of the Board of Directors may not

be concurrently employed by Coop or by any company controlled by Coop (strict division of powers).

As at 31 December 2015, the Board of Directors of the Coop Group Cooperative comprised the following members:

Name	Year of birth	Current function	First year of office	Elected until
Hansueli Loosli <sup>2</sup>	1955	Chairman	2011	2017
Peter Eisenhut	1955	Member, representative of Ostschweiz / FL Region	2009	2017
Michela Ferrari-Testa	1963	Member, representative of Ticino Region	2006	2017
Hans-Jürg Käser	1956	Member, employee representative	2009	2017
Irene Kaufmann <sup>1</sup>	1955	Vice-Chairwoman	2001	2017
Beth Krasna <sup>2</sup>	1953	Member	2005	2017
Roman Kuhn	1955	Member, representative of Nordwestschweiz Region	2010	2017
Lillia Rebsamen-Sala	1953	Member, rep. of Zentralschweiz-Zürich Region	2009	2017
Bernard Rüeger	1958	Member, representative of Suisse Romande Region	2009	2017
Giusep Valaulta	1951	Member, representative of Bern Region	2001	2017

<sup>1</sup> Chairwoman of the Audit Committee

<sup>2</sup> Member of the Audit Committee

### 3.2 Education/training, professional activities and vested interests

The Board of Directors of the Coop Group Cooperative is also the Board of Directors of the Coop Cooperative and Coop Immobilien AG.



#### Hansueli Loosli

Swiss

**Education/training:** diploma in accounting and controlling, KV Zurich

**Professional experience:** 1982–1985 Controller, Dep. Director of Mövenpick Produktions AG, Adliswil; 1985–1992 Waro AG, Volketswil, latterly as Managing Director; 1992–1996 Purchasing Director Non-Food at Coop Switzerland, Wangen; 1992–1997 Managing Director of Coop Zürich, Zürich; 1997–2000 Chairman of the Executive Committee and of the Group Executive Board of Coop Switzerland, Basel; January 2001–August 2011 Chairman of the Executive Committee of the Coop Cooperative, Basel; since September 2011, Chairman of the Board of Directors of the Coop Group Cooperative, Basel

**Further directorships:** Bell AG, Basel (Chairman); Coop Mineraloel AG, Allschwil (Chairman); Swisscom AG, Ittigen (Chairman); Transgourmet Holding AG, Basel (Chairman)

**Other functions and offices:** Advisory Board, Deichmann SE; Committee of the Board of Directors, Economiesuisse





**Peter Eisenhut**

Swiss

**Education/training:** Lic. oec. University of St. Gallen

**Professional experience:** 1981–1991 Principal teacher of economic studies, Cantonal School, Heerbrugg; 1987–1998 Lecturer in economics, University of St. Gallen; 1990–1993 Member of Executive Committee, St. Gallen Center for Futures Research; 1993–1996 Independent economic advisor; 1997–2007 Chief Economist, IHK (Chamber of Industry & Commerce) St. Gallen-Appenzell; since 2008, Managing Partner, Ecopol AG, St. Gallen

**Further directorships:** Rofima Holding AG, Horn; Säntis-Schwebbahn AG, Schwägalp

**Other functions and offices:** Lecturer at the Executive School, University of St. Gallen; Supporters' Association (Chairman) and Executive Board (Vice-Chairman), Swiss Research Institute of Small Businesses and Entrepreneurship, University of St. Gallen; Zukunft.li Foundation (Chairman); Board member, Winterhilfe Appenzell-Ausser Rhoden



**Hans-Jürg Käser**

Swiss

**Education/training:** Apprenticeship as an electrician

**Professional experience:** 1980–1991 Head of Outgoing Goods, Coop Switzerland; since 1999, Head of Transport Aids Pool at Coop, Basel

**Other functions and offices:** Coop Section of Unia; Association of Salaried Employees of Coop (Chairman)



**Irene Kaufmann**

Swiss

**Education/training:** Dr. oec. publ. University of Zurich

**Professional experience:** 1980–2002 Auditing and consultancy mandates for private-sector enterprises on behalf of Dr. Nabholz Treuhand AG, Zurich; 1985–2008 Nabholz Beratung, Zurich: project management consultant to public administrations and companies, focusing on finance and organization; 2000–2009 Vice-Chairwoman of the Board of Directors, Coop Cooperative, Basel; 2009–2011 Chairwoman of the Board of Directors, Coop Cooperative, Basel, since 2011, Vice-Chairwoman of the Board of Directors, Coop Group Cooperative, Basel

**Further directorships:** Bell AG, Basel; Coop Mineraloel AG, Allschwil; Coop Aid for Mountain Regions Cooperative, Basel (Chairwoman); Dipl. Ing. Fust AG, Oberbüren; HWZ Hochschule für Wirtschaft Zürich AG, Zurich; Schweizerische Mobiliar Genossenschaft, Berne; Schweizerische Mobiliar Holding AG, Berne; Transgourmet Holding AG, Basel

**Other functions and offices:** Foundation Board, CPV/CAP Coop Pension Fund (Chairwoman); Member of Foundation Board, ETH Zurich Foundation; Foundation Board, Juventus Schools, Zurich (Chairwoman)



**Michela Ferrari-Testa**

Swiss

**Education/training:** Lic. iur. University of Zurich, lawyer and notary

**Professional experience:** since 1990, own law and notary practice in Capriasca

**Further directorships:** avanex Versicherungen AG, Dübendorf; Helsana AG, Dübendorf; Helsana Unfall AG, Dübendorf; Helsana Versicherungen AG, Dübendorf; Helsana Zusatzversicherungen AG, Dübendorf; Progrès Versicherungen AG, Dübendorf; sansan Versicherungen AG, Dübendorf

**Other functions and offices:** Board member, Fondation Sana



**Beth Krasna**

Swiss and US citizen

**Education/training:** Dipl. Chem. Ing. ETH Zurich, MBA Sloan School at MIT, Cambridge, USA

**Professional experience:** 1977–2003 Various management positions in industry and the service sector in Switzerland and Thailand, incl. CEO of Groupe Valtronic in Les Charbonnières and CEO of the producer of electrical drive systems, Sécheron SA, Geneva; since 2004, independent entrepreneur

**Further directorships:** Alcosuisse AG, Berne; Raymond Weil SA, Grand-Lancy; Symbiotics SA, Geneva

**Other functions and offices:** Member of ETH Board; Board member, Fondation des Amis du Prix de Lausanne; Board member, Fondation pour l'institut de hautes études internationales et du développement; Board member, Fondation pour l'étude des relations internationales en Suisse (FERIS)



**Lillia Rebsamen-Sala**

Swiss

**Education/training:** Commercial college with graduation diploma

**Professional experience:** 1972–1980 Administrator, Swiss Federal Railways; 1980–1990 time out for family; 1990–1993 commercial assistant at Zollinger, Lucerne; since 1991, Head of Administration at Rebsamen Elektroplan AG and Rebsamen Technocasa AG, Lucerne

**Further directorships:** Rebsamen Technocasa AG



**Roman Kuhn**

Swiss

**Education/training:** Executive MBA, University of Zurich

**Professional experience:** 1980–1986 General Manager, Neumühle Alb. Kuhn & Cie in Wohlen; 1988–1995 UBS in Zurich and Brugg; 1995–2000 Head of Private Banking Brugg at Aargauische Kantonalbank; since 2000, Head of Institutional Banking and Member of Senior Management, Aargauische Kantonalbank, Aarau

**Further directorships:** Circus Monti AG, Wohlen

**Other functions and offices:** Board member, Schloss Hallwyl association; "Offene Hand" (Swishand) Foundation; Board member, Stiftung Fair Recycling



**Bernard Rüeger**

Swiss

**Education/training:** MBA, Lausanne

**Professional experience:** from 1986 in different positions and from 1992–2012 Managing Director, Rüeger S.A., Crissier; since 2013, Chairman, Rüeger Holding S.A., Paudex

**Further directorships:** Alpsens Technologies S.A., Crissier (Chairman); CSS Holding AG, Lucerne; Lienhard Office Group AG, Degersheim; Lyncée Tec S.A., Ecublens; Socorex Isba S.A., Ecublens

**Other functions and offices:** Committee of the Board of Directors, Economiesuisse; Board member, Fondation de Beaulieu; Vaud Chamber of Commerce (Chairman)



**Giuseppe Valaulta**

Swiss

**Education/training:** Lic. iur. University of Fribourg

**Professional experience:** 1981–1991 Head of Legal Services, Federal Directorate of Cadastral Surveying, Federal Office of Justice, Berne; 1991–2010 Deputy Head of the “Working Conditions” Service Sector at the Swiss State Secretariat for Economic Affairs, Berne; 2011–2013 Legal advisor, SECO, Berne; since August 2013, independent legal consultant in Ittigen

### 3.3 Election and term of office of the Board of Directors

#### 3.3.1 Principles of the electoral procedure

The members of the Board of Directors are elected by the Delegate Assembly. The term of office for all members is four years. Re-election is possible. In accordance with the Articles of Association, a member's term in office is limited to 20 years, and members must retire by the time of the first ordinary Delegate Assembly in the year in which they celebrate their 65<sup>th</sup> birthday.

#### 3.3.2 First-time election and remaining term of office

The start of the term of office for members of the Board of Directors elected for the first time is set out in section 3.1. The current term of office began in spring 2013 and ends in spring 2017.

### 3.4. Internal organization

#### 3.4.1 Allocation of tasks within the Board of Directors

The Board of Directors is self-constituting, appointing a Chairman and a Vice-Chairman from among its members. The members assume equal responsibility for exercising the functions of the Board of Directors.

#### 3.4.2 Audit Committee

As support, the Board of Directors has appointed an Audit Committee from among its own members. The Audit Committee advises the Board of Directors on questions concerning the financial statements and reporting, on the activities of the internal and external auditors, the internal control system (ICS) and risk management. Compliance is also a matter for the internal control system and risk management. The Committee comprises Irene Kaufmann (Chairwoman), Hansueli Loosli and Beth Krasna. The Audit Committee meets at least three times a year. A meeting generally lasts half a day. As a rule, the Chairman of the Executive Committee (CEO), the Head of the Finance/Services Business Unit and the Head of Internal Auditing take part in the meetings in an advisory capacity. Depending on the agenda, the external auditors may be asked to attend. The members of the Board of Directors are kept informed on the work of the Audit Committee at regular intervals. Internal Auditing reports to the Chairwoman of the Audit Committee.

#### 3.4.3 Working method of the Board of Directors

The Board of Directors meets as often as business requires, but at least four times a year. In 2015, it convened for eight meetings lasting from one to two days. As a rule, the Chairman of the Executive Committee (CEO) and the Vice-Chairman of the Executive Committee take part (for all items on the agenda) in the meetings of the Board of Directors in an advisory capacity, as do the other members of the Executive Committee if required. The Board is quorate if a majority of its members are present. A valid decision requires a majority of the votes cast. In the event of a tie, the Chairman of the Board of Directors has the casting vote.

### 3.5 Regulation of responsibilities

The Board of Directors is responsible for the general direction (strategic leadership) of the business of the Coop Group Cooperative and the Coop Group and oversees the Group's operational management. The duties and powers vested in it under Art. 29 of the Articles of Association correspond to the regulations laid down for joint-stock companies (Swiss Code of Obligations 716a), which are stricter than Swiss law on cooperatives. The organizational regulations enacted by the Board of Directors provide for a strict division of responsibilities between the Board of Directors and the Executive Committee in all fundamental matters such as finance, corporate strategy, human resources and organization. The Executive Committee has drawn up regulations that define in detail the operational responsibilities of the individual management levels.



### 3.6 Instruments of information and control over the Executive Committee

#### *Management information system*

Every month the Executive Committee submits a written report to the Board of Directors containing key figures on current business performance and important information on all business segments. In addition, reports and results are submitted in writing to the Board of Directors every four months and presented and discussed at the Board meetings. The Chairman of the Board of Directors regularly attends the meetings of the Executive Committee.

#### *Planning and goal-setting process/balanced scorecard*

Coop has a comprehensive and continuous planning and goal-setting process in place, which also features regular reporting to the Board of Directors, including balanced scorecard reports.

#### *Risk management*

The Coop Group operates a standardized risk management system in which, every three years (most recently in 2015), the Executive Committee and the Board of Directors identify and analyse the main risks and main risk scenarios and define the appropriate measures. The progress made in implementing the individual measures is reviewed each year. Major risks are defined as those that can have a negative impact on contribution margin 2 of the Coop Group to the extent of over 15 million francs within three years.

#### *Internal control system*

During the well established annual quality evaluation of the internal control system at business process level, operational risks and risks associated with financial reporting and compliance are assessed. The effectiveness of the checks carried out to cover these risks is also assessed. General IT checks are included in the above assessments. The quality of the Group-wide checks is examined by members of the Executive Committee every two years. As scheduled, an assessment of the Group-wide checks was carried out in 2015. The results of the internal control system evaluations are summarized in a comprehensive report issued each year.

#### *Internal Auditing*

Internal Auditing—as an independent and impartial body—is mandated by the Board of Directors and the Audit Committee to check, inter alia, compliance with guidelines and regulations and the appropriateness and effectiveness of the internal control system. It audits, or advises on, the development of new business processes or changes to existing ones, and supports the Executive Committee in the achievement of its goals by presenting proposals for improving business processes. Internal Auditing practises a risk-oriented approach to auditing. Observations from audits are communicated in writing to the Chairwoman of the Audit Committee, the Chairman of the Board of Directors and the Chairman of the Executive Committee. The implementation of measures is monitored promptly. Internal Auditing coordinates its auditing activities and cultivates a close exchange of information with the statutory auditors. It is a member of the Institute of Internal Auditing Switzerland (IIAS).

In the year under review, the management of Coop's Internal Auditing tasked Ernst & Young AG with conducting a quality assessment of the internal audit in accordance with IIA Standard 1312. Ernst & Young AG rated the internal audit as a professional and high-quality function that generally conforms to the IIA standards overall.

## 4. Executive Committee

### 4.1 Members of the Executive Committee

For the operational management of the Group, the Board of Directors appoints an Executive Committee (EC), which acts on its own responsibility as the executive body; its duties and powers are laid down in the organizational regulations by the Board of Directors. The Executive Committee is headed by a Chairman (CEO), who is entitled to issue directives to the other EC members.

As at 31 December 2015, the Executive Committee of the Coop Group Cooperative comprised the following members:

Name	Year of birth	Current function	Member since
Joos Sutter	1964	Chairman of the Executive Committee (CEO)	2010
Jean-Marc Chapuis	1954	Member	2001
Reto Conrad	1966	Member	2012
Leo Ebnetter	1954	Member	2007
Daniel Stucker	1964	Member	2011
Philipp Wyss	1966	Vice-Chairman of the Executive Committee	2009

#### 4.2 Education/training, professional activities and vested interests

The Executive Committee of the Coop Group Cooperative is also the Executive Committee of the Coop Cooperative and Coop Immobilien AG.



**Joos Sutter**

Swiss

**Education/training:** Lic. oec. University of St. Gallen; Swiss diploma in auditing, "Kammerschule" of the Schweizerische Treuhandkammer (Swiss Institute of Certified Accountants and Tax Consultants), Zurich

**Professional experience:** 1991–1996 Auditor at PricewaterhouseCoopers, Zurich; 1996–1999 Head of Finances/Personnel at Import Parfümerien AG, Zurich; 1999–2005 various positions such as Head of Finances/Service and Head of Sales at Interdiscount AG, Jegenstorf; 2005–2009 General Manager of Interdiscount; 2010–2011 Member of the Executive Committee of Coop Group Cooperative and Head of the Trading Business Unit of Coop Cooperative, Basel; since September 2011, Chairman of the Executive Committee of Coop Group Cooperative (CEO) and Head of Retail Business Unit of Coop Cooperative, Basel

**Directorships:** Alliance Internationale de Distributeurs SA (Alidis), Vernier; Coop-ITS-Travel AG, Freienbach (Chairman); Marché Restaurants Schweiz AG, Lindau (Chairman); Palink UAB, Lithuania; Transgourmet Holding AG, Basel

**Other functions and offices:** President of IG DHS (Swiss retailers' organization)



**Jean-Marc Chapuis**

Swiss

**Education/training:** lic. ès sciences économiques et sociales, University of Geneva

**Professional experience:** 1981–1983 Sales Manager for a number of international markets and Head of the French

branch at Zenith-Movado AG, Le Locle; 1983–1985 Deputy Managing Director Coop La Chaux-de-Fonds; 1986–1993 Managing Director Coop La Chaux-de-Fonds; 1994–2000 Managing Director Coop Neuchâtel-Jura; since 2001, Member of Executive Committee of Coop Group Cooperative and Head of Property Business Unit of Coop Cooperative, Basel  
**Directorships:** Pearlwater Mineralquellen AG, Termen (Chairman)



**Reto Conrad**

Swiss

**Education/training:** Lic. oec. University of St. Gallen; Swiss diploma in auditing, "Kammerschule" of the Schweizerische Treuhandkammer (Swiss Institute of Certified Accountants and Tax Consultants), Basel

**Professional experience:** 1990–1992 Controller at UBS, Basel; 1992–2001 various auditing positions at PricewaterhouseCoopers in Basel and San Francisco; 2001–2005 CFO and member of the Bachem Group Corporate Executive Committee, Bubendorf; 2006–2012 CFO and Member of Corporate Executive Board of Emmi Group, Lucerne; since 2012, Member of Executive Committee of Coop Group Cooperative and Head of Finances/Services Business Unit of Coop Cooperative, Basel

**Directorships:** Bank Coop AG, Basel; Centre Commercial Moncor S.A., Villars-sur-Glâne (Chairman); Coop Mineraloel AG, Allschwil; Dipl. Ing. Fust AG, Oberbüren; Marché Restaurants Schweiz AG, Lindau; Panflor AG, Zurich; nettoShop AG, St. Gallen; RS Vertriebs AG, St. Gallen; siroop AG, Zurich; siroop trading AG, Basel; Société coopérative Centre de Formation du Léman, Jongny (Chairman); Tropenhaus Frutigen AG, Frutigen (Chairman); Tropenhaus Wolhusen AG, Wolhusen (Chairman)

**Other functions and offices:** Board member, Coop Meeting Centre Muttentz (Chairman); Board member, CPV/CAP Coop Pension Fund



### Leo Ebnetter

Swiss

**Education/training:** Training as industrial maintenance mechanic; commercial college diploma, business management studies, University of St. Gallen

**Professional experience:** at Coop since 1978; 1978–1981 Dep. Warehouse Manager General Goods, Gossau; 1981–1985 Head of Logistics General Goods and Head of Transport Coop Ostschweiz, Gossau; 1985–1987 Head of Logistics Coop Gossau distribution centre; 1987–1990 Head of Food Goods Purchasing, Production, Logistics Coop Ostschweiz, Gossau; 1990–2000 Dept. Manager Coop Ostschweiz and Head of Goods Purchasing, Production, Logistics and IT Coop Ostschweiz, Gossau; 2000–2007 Head of Coop logistics region Ostschweiz-Ticino, Gossau; since 2007, Member of Executive Committee of Coop Group Cooperative and Head of Logistics Business Unit of Coop Cooperative, Basel

**Directorships:** Bell AG, Basel; Kühlhaus Neuhaus AG, Gossau; Railcare AG, Härkingen (Chairman)

**Other functions and offices:** Board member, “Cargo sous terrain” association



### Daniel Stucker

Swiss

**Education/training:** Dipl. Ing. in business informatics, Biel Engineering College; Executive MBA, University of Zurich

**Professional experience:** 1985–1986 Software engineer PTT, Berne; 1989–1992 Management consultant and Branch Manager Bern AF Consulting, Berne; 1992–1994 Head of Service-Center RESO, Solothurn; 1994–1999 Head of IT and Organization at UEFA, Union of European Football Associations, Nyon; 1999–2007 Head of IT/Logistics, then Head of Finances/Services, later Head of Purchasing at Interdiscount, Jegenstorf; 2007–2011 Head of Division

Import Parfumerie/Christ Watches & Jewellery, Winterthur; since 2011, Member of Executive Committee of Coop Group Cooperative and Head of Trading Business Unit of Coop Cooperative, Basel

**Directorships:** Coop Vitality AG, Berne (Chairman); Coop Vitality Management AG, Berne (Chairman);

Dipl. Ing. Fust AG, Oberbüren (Chairman); Eurogroup Far East Ltd., Hong Kong; nettoShop AG, St. Gallen (Chairman); RS Vertriebs AG, St. Gallen (Chairman); Service 7000 AG, Netstal; siroop AG, Zurich; siroop trading AG, Basel (Chairman); The Body Shop Switzerland AG, Uster (Chairman)



### Philipp Wyss

Swiss

**Education/training:** Commercial apprenticeship and butcher apprenticeship

**Professional experience:** 1990–1992 Sales Manager, Sempione Gehrig AG, Klus; 1993–1997 Senior Product Manager, Federation of Migros Cooperatives, Zurich; 1997–2003 Category Manager for Meat, Fish, Fresh Convenience at Coop, Basel; 2004–2008 Head of Fresh Produce Category Management at Coop, Basel; 2008–2009 Coop Sales Head of Zentralschweiz-Zurich Region; since 2009, Member of Executive Committee of Coop Group Cooperative, Basel; 2009–2011 Head of Retail Business Unit and Head of Zentralschweiz-Zurich Sales Region of Coop Cooperative, Basel; since 2012, Head of Marketing/Purchasing Business Unit of Coop Cooperative, Basel

**Directorships:** AgeCore SA, Geneva (Chairman); Alliance Internationale de Distributeurs SA (Alidis), Vernier; Betty Bossi AG, Zurich (Chairman); Eurogroup Far East Ltd., Hong Kong (Chairman); Hilcona AG, FL-Schaan; Marché Restaurants Schweiz AG, Lindau; Palink UAB, Lithuania; Retail Marketing Switzerland AG, Basel (Chairman); Transgourmet Holding AG, Basel

**Other functions and offices:** Board member, Biore Foundation



#### 4.3 Management agreements

Members of the Executive Committee do not perform any operational management tasks for companies outside the scope of consolidation of the Coop Group.

### 5. Compensation

#### 5.1 Content and method of determining compensation and shareholding programmes

Compensation of the members of the Board of Directors and Executive Committee of the Coop Group Cooperative is prepared by the Chairman and the Vice-Chairwoman of the Board of Directors and set by the Board of Directors.

Compensation of the activities of the Board of Directors of the Coop Group Cooperative consists of a fixed salary dependent on the function involved (chairmanship, vice-chairmanship, regional council chairmanship, membership). In addition, a variable amount is paid in the form of fees for attending meetings. The Chairman and the Vice-Chairwoman of the Board of Directors are exceptions in that they receive fixed compensation (annual lump sum). Compensation of the members of the Executive Committee of the Coop Group Cooperative consists of a contractually agreed fixed gross salary and a variable performance-related sum (profit-sharing) paid in cash. This sum may not exceed 20% of gross salary and is determined by the degree of budget fulfilment.

Compensation for the activities of the Board of Directors of the Coop Group Cooperative, the Coop Cooperative and Coop Immobilien AG in 2015 amounted to 1.4 million francs (2014: 1.4 million francs). The gross salaries of the Executive Committee totalled 3.8 million francs for 6.0 full-time equivalents in 2015 (2014: 3.6 million francs for 6.0 full-time equivalents). The Coop Group Cooperative and the Coop Cooperative, respectively, are entitled to any fees paid to the Chairman and the Vice-Chairwoman of the Board of Directors and to members of the Executive Committee for activities performed as members of the Boards of Directors of subsidiaries.

The Chairman and the Vice-Chairwoman of the Board of Directors and the members of the Executive Committee do not enjoy special pension rights.

### 6. Rights of participation

#### 6.1 Voting rights

Members of the Coop Group Cooperative are represented by the delegates of their respective region. Voting rights in the Delegate Assembly reflect the number of Coop members in the corresponding regions.

#### 6.2 Statutory quorums

Resolutions and elections in the Delegate Assembly require an absolute majority of the valid votes cast for them to take effect.

#### 6.3 Convening the Delegate Assembly

The Board of Directors convenes the Delegate Assembly at least 20 days in advance, giving details of the matters to be discussed and the proposals of the Board of Directors. An extraordinary Delegate Assembly may be convened if so requested by at least one third of delegates.

#### 6.4 Adding an item to the agenda

Delegates can ask for a matter to be added to the agenda of the Assembly. The request must be submitted to the Board of Directors at least 45 days before an Ordinary Delegate Assembly is due to be held.

### 7. Changes of control and defensive measures

The Coop Group Cooperative has not issued any participation certificates. There are no statutory restrictions or regulations.

### 8. Auditors

#### 8.1 Duration of mandate and term of office of lead auditor

As the auditors are appointed for one year, the Delegate Assembly elects them each year. Price-waterhouseCoopers (PwC) has been the auditor of the Coop Group Cooperative and of the consolidated financial statements of the Coop Group since 1994. Lead auditor Daniel Suter has been in office since 2010.

#### 8.2 Auditing fee

The auditors billed fees totalling 3.4 million francs (2014: 3.4 million francs) for fulfilment of their statutory mandate for the 2015 financial year.

### 8.3 Other fees

For performing additional services over and above the statutory mandate, PwC billed a total of 1.0 million francs during the 2015 financial year (2014: 0.5 million francs).

### 8.4 Information instruments pertaining to an external audit

The Audit Committee is mandated by the Board of Directors to monitor the qualification, impartiality and performance of the external auditors and to inform the Board of Directors of the results of its assessment. It also provides the Board of Directors and the Delegate Assembly with a recommendation regarding the election or re-election of the external auditors.

The lead auditor took part in three meetings of the Audit Committee in 2015. Planning of the audit, the observations of the external auditors and the ensuing procedure adopted were discussed at these meetings. In addition, the lead auditor submits a report to all members of the Board of Directors once a year. The external auditors and Internal Auditing additionally discuss the methods and further development of the internal control system.

## 9. Information policy

The Coop Group Cooperative keeps its members informed through the weekly Coop member press and the Coop website. In addition, members can order printed versions of the Annual Report of the Coop Group, which can also be viewed on, or downloaded from, the website.

In spring and autumn, the delegates attend Delegate Assemblies at which information about ongoing business developments is provided and current topics are discussed in depth. Along with the invitation to the Spring Delegate Assembly they also receive a copy of the Annual Report of the Coop Group. In addition, they receive a written report every four months informing them of Coop's current business performance.

The previous year's sales figures are announced at the beginning of each year, and the annual results conference of the Coop Group takes place in February. Regular media releases keep the public informed on other important developments within the Coop Group.

 [www.coop.ch/report](http://www.coop.ch/report)

# Coop Group management

As at 1 March 2016

## Coop Cooperative

### Executive Committee (EC)

Joos Sutter, Chief Executive Officer  
Jean-Marc Chapuis, Head of Property Business Unit  
Reto Conrad, Head of Finance/Services Business Unit  
Leo Ebner, Head of Logistics Business Unit  
Daniel Stucker, Head of Trading Business Unit  
Philipp Wyss, Head of Marketing/Purchasing Business Unit

### CEO Business Unit

Joos Sutter, Chief Executive Officer  
Nadine Gemblér, Head of Personnel/Training (National)  
August Harder, Head of IT/Manufacturing  
Alfred Hubler, Head of General Secretariat  
Jörg Ledermann, Head of Communication/Quality/Sustainability  
Heinrich Stamm, Head of Internal Auditing

Marc Haubensak, Head of Bâle Hotels  
Romeo Sciaranetti, Head of Swissmill Division  
Anton von Weissenfluh, Head of Chocolats Halba Division

### Retail Business Unit

Joos Sutter, Head of Retail Business Unit  
Ivo Dietsche, Head of OT Sales Region  
Sissigno Murgia, Head of SR Sales Region  
Peter Schmid, Head of BE Sales Region  
Roger Vogt, Head of NWZZ Sales Region  
Herbert Zaugg, Head of Total Store

### Suisse Romande (SR) Sales Region

Sissigno Murgia, Head of SR Sales Region  
Patrick Angéloz, Head of Sales VD  
Stéphane Bossel, Head of Business Management/Controlling  
Jean-Claude Chapuisat, Head of Personnel/Training  
Claudio Marra, Head of Sales GE  
Bertrand Pasteur, Head of Sales VD/FR/NE  
Franck Truchot, Head of Sales VS/VD  
Laurent Voelin, Head of Sales NE/JU/BE  
Philippe Ziörjen, Head of Sales VD/FR

### Bern (BE) Sales Region

Peter Schmid, Head of BE Sales Region  
Stefano Alberucci, Head of Sales Seeland/FR  
Bernhard Friedli, Head of Business Management/Controlling  
Peter Jacobian, Head of Sales Berne/Burgdorf  
Willy Kuhn, Head of Sales SO/Oberaargau  
Marcel Maurer, Head of Sales Emmental/Thun  
Peter Neuenschwander, Head of Sales Bernese Oberland/VS  
Bruno Piller, Head of Personnel/Training

### Nordwestschweiz-Zentralschweiz-Zürich (NWZZ) Sales Region

Roger Vogt, Head of NWZZ Sales Region  
André Aerne, Head of Sales Lake Zurich North  
Cem Asci, Head of Sales AG West/Olten  
Urs Barmettler, Head of Sales AG East  
Angelo Durante, Head of Business Management/Controlling  
Andreas Graf, Head of Sales ZG/SZ  
Markus Ingold, Head of Sales Lake Zurich South  
Sandro Janko, Head of Sales BL and surrounding area  
Herbert Müller, Head of Sales LU  
Luc Pillard, Head of Personnel/Training  
Jean-Claude Prosdócimo, Head of Sales Zurich North  
Besim Ramadani, Head of Sales Zurich City  
Monika Zander, Head of Sales BS and surrounding area

### Ostschweiz-Ticino (OT) Sales Region

Ivo Dietsche, Head of OT Sales Region  
Mario Colatrella, Head of Sales TI  
René Dörig, Head of Sales SG East/AI/AR/FL/GL  
Rolf Gurtner, Head of Sales GR  
Shenasi Haziri, Head of Sales SG West/TG  
Sven Herzog, Head of Sales Winterthur/SH  
Christine Noichl, Head of Personnel/Training  
Dominique Vela, Head of Business Management/Controlling

### Marché Restaurants Schweiz AG

Joos Sutter, Chairman of the Board of Directors  
Mirko Schwarz, Chief Executive Officer



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### Trading Business Unit

Daniel Stucker, Head of Trading Business Unit  
Nathalie Ravasio-Felice, Head of Total Store/Expansion  
Markus Schärer, Head of Business Management/Controlling  
Martin von Bertrab, Head of Personnel/Training

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### Coop City

Felix Kubat, Head of Coop City  
Christian Jochberg, Head of Sales Region Centre  
Daniel Tona, Head of Sales Region West  
Bruno Veit, Head of Sales Region East

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### Coop Building & Hobby

Christoph Theler, Head of Building & Hobby  
Joe Wyss, Head of CCM/Purchasing  
Adrian Fuchs, CCM Homestyle/Leisure  
Stefan Mundwiler, Building & Hobby Buying Pool  
René Pauchard, CCM DIY/Electrical  
Rainer Pietrek, CCM Plants  
Michael Renninger, CCM Building/Sanitary  
Marc Rheia, CCM Garden

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### Interdiscount

Pierre Wenger, Head of Interdiscount Division  
Vito Armetta, Head of Sales  
Roger Bühler, Head of Logistics/IT/Services/Online  
Martin Koncilja, Head of Marketing  
Peter Späni, Head of Category Management/Purchasing

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### Toptip/Lumimart

Oliver Roth, Head of Toptip/Lumimart Division

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### Import Parfumerie/Christ Watches & Jewellery Division

Andreas Frischknecht, Head of Import Parfumerie/  
Christ Watches & Jewellery Division

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### Coop Vitality AG

Daniel Stucker, Chairman of the Board of Directors  
Daniele Madonna, Chief Executive Officer

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### Dipl. Ing. Fust AG

Daniel Stucker, Chairman of the Board of Directors  
Thomas Giger, Chief Executive Officer, Head of Retail Sales  
Silvio Cioffi, Head of Novacasa General Contractor Division  
Giovanni De Mieri, Head of Multimedia Division  
Peter Fankhauser, Head of Finance & Services  
Marc Haselbach, Head of Electronics Division  
Manfred Spiller, Head of Kitchen/Bathroom Division

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### RS Vertriebs AG

Daniel Stucker, Chairman of the Board of Directors  
Yves Haid, Chief Executive Officer

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### The Body Shop Switzerland AG

Daniel Stucker, Chairman of the Board of Directors  
Angelika Lanen, Chief Executive Officer

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### Siroop AG

Daniel Stucker, Vice-Chairman of the Board of Directors  
Constantin Hilt, CEO

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### Marketing/Purchasing Business Unit

Philipp Wyss, Head of Marketing/Purchasing Business Unit  
Thomas Schwetje, Head of Marketing/Services  
Daniel Vonach, Head of Controlling/Coordination CCM  
and Purchasing  
Kaspar Wittwer, Head of Coop Catering/Restaurants

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### CCM Fresh Produce

Roland Frefel, Head of CCM Fresh Produce  
Silvio Baselgia, CCM Fresh Convenience  
Axel Dippold, CCM Fruit/Vegetables  
Oliver Krüsi, CCM Bread/Baked Goods  
Marc Muntwyler, CCM Dairy Produce/Eggs  
Fabian Schneider, CCM Meat  
Pascal Seiler, CCM Fish and CCM Frozen Products

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### CCM Basic Foods/Beverages

Philipp Schenker, Head of CCM Basic Foods/Beverages  
Sylvia Berger, CCM Wines/Sparkling Wines/Direct Wine Sales  
Marco Bertoli, CCM Breakfast/Garnishes/Baking Ingredients/  
Pet Supplies  
Simon Grieder, CCM Soft Drinks/Spirits/Tobacco Goods  
Andrea Kramer, CCM Confectionery/Savoury Snacks  
Philipp Nyffenegger, CCM Long-life Convenience

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### CCM Non-Food

Pia Bracher, Head of CCM Non-Food  
Jürg Birkenmeier, CCM Clothing/Accessories  
Olivier Compagnon, CCM Detergents/Cleaning Agents/Hygiene  
Kerstin Czermak, CCM Perfumery/Body Care/Vita Shop  
Simone Gössling, CCM Stationery/Press/Travel/  
Jewellery/Watches  
Marc Helfenstein, CCM Kitchen/Electrical Appliances/Household  
Appliances/Consumer Electronics/E-Communication  
Beatrix Kessler, CCM Tableware/Homestyle/Festive  
Patrick Steiner, CCM Children's Clothing/Baby/Toys

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### Food Purchasing

Christian Guggisberg, Head of Food Purchasing  
Marcel Allemann, Meat/Fish/Convenience/Frozen Products  
Buying Pool (BP)  
Andreas Allenspach, Fruit/Vegetables/Flowers/Plants BP  
Daniel Giger, Bread/Dairy/Cheese BP  
Michael Sieber, Basic Foods/Pet Supplies BP  
Martin Wullschleger, Wine/Beverages/Tobacco BP

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Vladimir Cob, Managing Director of Alifresca AG

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### Non-Food Purchasing

Michael Susta, Head of Non-Food Purchasing  
Emanuel Büchlin, Clothing/Accessories BP  
Robert Kronhofer, Hard Goods BP  
Olivier Schwegler, Near-Food BP

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### Supply Chain Management

Mauro Manacchini, Head of Supply Chain Management  
Rico Bossi, SCM Sales Outlets  
Markus Schmid, SCM Stock Management

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### Betty Bossi AG

Philipp Wyss, Chairman of the Board of Directors  
Lars Feldmann, Managing Director

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### Eurogroup Far East Ltd.

Philipp Wyss, Chairman of the Board of Directors  
Peter Hauser, Managing Director

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#### **Logistics Business Unit**

Leo Ebnetter, Head of Logistics Business Unit  
Christoph Eigenmann, Head of OT Logistics Region  
Daniel Hintermann, Head of NW Logistics Region  
Sébastien Jacquet, Head of SR Logistics Region  
Domenico Repetto, Head of BE Logistics Region  
Lorenzo Pelucchi, Head of National Logistics Pratteln  
Beat Zaugg, Head of National Logistics Wangen  
Josef Zettel, Head of ZZ Logistics Region

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#### **Railcare AG**

Leo Ebnetter, Chairman of the Board of Directors  
Philipp Wegmüller, Chief Executive Officer

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#### **Finance/Services Business Unit**

Reto Conrad, Head of Finance/Services Business Unit  
Hansjörg Klossner, Head of Accounting  
Beat Leuthardt, Head of Finance  
Stephan Rupprecht, Head of Finance/Services Projects  
Adrian Werren, Head of Controlling

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#### **Tropenhaus Frutigen AG**

Reto Conrad, Chairman of the Board of Directors  
Marcel Baillods, Managing Director

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#### **Tropenhaus Wolhusen AG**

Reto Conrad, Chairman of the Board of Directors  
Pius Marti, Managing Director

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#### **Coop Meeting Centre**

Reto Conrad, Chairman of the Foundation Board  
Martin von Bertrab, Delegate to the Foundation Board

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#### **Société coopérative Centre de Formation "du Léman"**

Reto Conrad, Chairman of the Board of Directors  
Martin von Bertrab, Delegate to the Board of Directors

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#### **Property Business Unit**

Jean-Marc Chapuis, Head of Property Business Unit  
Stefano Donzelli, Head of Business Management/Controlling  
Nicolas Kirsch, Head of SR Property Region  
Victor Manuel Martinez, Head of BE Property Region  
Klaus Sedlmeyer, Head of OT Property Region  
Philippe Sublet, Head of National Shopping Centres  
Fritz Ulmann, Head of NWZZ Property Region  
Jan Zambaz, Head of National Property Projects

## Other subsidiaries

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### Coop Mineraloel AG

Hansueli Loosli, Chairman of the Board of Directors  
Roger Oser, Chief Executive Officer  
Andreas Parpart, Head of Marketing & Purchasing  
Oliver Reichert, Head of Sales & Supplies  
Marc Salathe, Head of Finance & IT

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### Transgourmet Holding AG

Hansueli Loosli, Chairman of the Board of Directors

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### Transgourmet Switzerland

Daniel Böhny, Chief Executive Officer (until 31 October 2015)  
Philipp Dautzenberg, Chief Executive Officer  
Gregor Bärtschi, Head of Construction & Property  
Walter Fankhauser, Head of Distribution & Sales  
Markus Heiniger, Head of Marketing and Purchasing  
Erich Joss, Head of HR  
Andrea Pellizzari, Head of Finance/Controlling  
Claude Schnider, Head of IT

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### Transgourmet Central and Eastern Europe

John Matthew, Chief Executive Officer,  
Managing Director Eastern Europe  
Frank Seipelt, Chief Executive Officer, Managing Director  
Foodservice Germany, Managing Director Transgourmet Seafood  
Xavier Buro, Managing Director Finance  
Manfred Hofer, Managing Director Purchasing  
Holger Penndorf, Managing Director Cash & Carry Germany

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### Transgourmet Polska

Alexander Orłowski, Chief Executive Officer  
Piotr Kolodziejczak, Managing Director Administration  
Piotr Skłodowski, Managing Director Purchasing,  
Category Management & Marketing

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### Selgros Romania

Alexandru Vlad, Chief Executive Officer  
Herwig Arvay, Managing Director Administration

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### Selgros Russia

Michael Zipfel, Chief Executive Officer  
Patricia Rüster, Managing Director Purchasing,  
Category Management & Marketing  
Przemysław Switakowski, Managing Director  
Administration & Expansion

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### Transgourmet France

Jean-Christophe Adouritz, Chief Executive Officer  
(until 31 December 2015)  
Eric Decroix, Chief Executive Officer (since 1 January 2016),  
Managing Director Transgourmet Operations  
Caroline Besselièvre, Head of HR  
Yves Cebon, Commercial Manager and Tender Process Manager  
Edith Hertz, Vice-Chairwoman of the Executive Board and  
Head of Finance  
Serge Rey, Head of Supply Chain

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### Transgourmet Österreich

Manfred Hayböck, Commercial Manager  
Thomas Panholzer, Sales Manager  
Petra Andexlinger, Head of Human Resources  
Stefan Buczolic, Head of Cook2.0  
Manfred Edelbauer, Head of Information Technology  
Georg Fersch, Managing Director of "Mein C+C"  
Alexandra Holzmann, Head of Marketing  
Christine Keszner, Head of Purchasing Logistics  
Jürgen Krizmanich, National Site Manager  
Karin Meisel, Head of Customer Development Management  
Florian Pfeiffer, Head of Quality Management  
Andreas Rendl, Head of Controlling  
Gerald Santer, National Head of Sales  
Georg Steibelmüller, Head of Finance and Accounting  
Michael Steinmair, Head of Sales Logistics  
Michael Vogl, Head of Category Management

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### Bell AG

Hansueli Loosli, Chairman of the Board of Directors  
Lorenz Wyss, Chairman of the Group Executive Board,  
Chief Executive Officer  
Daniel Böhny, Member of the Group Executive Board  
Christian Schröder, Member of the Group Executive Board  
Marco Tschanz, Member of the Group Executive Board,  
Chief Financial Officer  
Johannes Meister, Head of HR, Bell Group

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### Bell Switzerland

Lorenz Wyss, Head of Bell Switzerland Division  
Philipp Allemann, Head of Production  
Markus Bänziger, Head of Purchasing/SCM  
Christine Schlatter, Head of Sales/Marketing  
Marco Tschanz, Head of Finance/Services

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### Bell Germany

Christian Schröder, Head of Bell Germany Division,  
Head of Distribution/Marketing  
Markus von der Pütten, Head of Production/Technical  
Robert Blümel, Head of Purchasing/SCM  
Andreas Eder, Head of HR  
Nicolaj Steber, Head of Bell Spain  
Thomas Studer, Head of Finance/Services  
Steven Van Parijs, Head of Bell Benelux

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### Bell International

Daniel Böhny, Head of Bell International Division  
Stefano Bianchi, Head of Bell France  
Jens Günther Hillebrand, Head of Bell Hungary  
David Kureš, Head of Novak Branches  
Eugeniusz Philip, Head of Bell Poland

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### Bell Finance/Services

Marco Tschanz, Head of Finance/Services Division

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### Hilcona

Martin Henck, CEO



# Financial section

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All values rounded up / down individually

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

# Coop Group financial management report

## Overview of the Coop Group

The Coop Group operates in the Retail and Wholesale/Production Business Areas with the Coop Group Cooperative as its parent. The retail business comprises the Coop Cooperative with its supermarkets and specialist formats, plus the subsidiaries that form part of the retail business. Wholesale operations are conducted through the Transgourmet Group; manufacturing operations comprise the Bell Group and the Coop manufacturing companies.

## Income statement

### Operating result (EBIT)

The Coop Group's net sales figure comprises net sales from the Retail and the Wholesale/Production Business Areas. In 2015, it declined by 4.7% in nominal terms and by 1.1% on a constant currency basis to a total of CHF 25 895 million (previous year: CHF 27 163 million). This decline is primarily attributable to the lower exchange rate in business abroad and sharp reductions in retail prices. Personnel expense amounted to CHF 4 208 million and other operating expenses to CHF 2 600 million. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to CHF 1 933 million (previous year: CHF 2 038 million), with the EBITDA margin unchanged year on year at 7.5%. Depreciation and amortization of CHF 1 217 million comprises depreciation of real estate of CHF 544 million, depreciation of other tangible fixed assets of CHF 342 million, amortization of other intangible assets of CHF 78 million and amortization of goodwill of CHF 253 million. The operating result was down on the prior-year figure of CHF 828 million to CHF 716 million, with the EBIT margin at 2.8% (previous year: 3.0%). Adjusted for the provisions for the exceptional employer contribution to CPV/CAP of CHF 60 million, the EBITDA margin improved by 0.2 percentage points year on year to 7.7% on EBITDA of CHF 1 993 million, while the EBIT margin remained unchanged at 3.0% on EBIT of CHF 776 million.

### Profit for the financial year

The result of associated organizations declined by CHF 6 million year on year to CHF 12 million. The result from foreign currencies and the financial result improved by CHF 25 million year on year to stand at a loss of CHF 72 million. Net of a non-operating result of CHF 39 million, income taxes of CHF 163 million and minority interests of CHF 115 million, profit was down by CHF 54 million year on year to CHF 416 million. Adjusted for the provisions for the exceptional employer contribution to CPV/CAP and the attributable tax effects, profit was almost on a par with the previous year.

## Financial position and cash flows

### Balance sheet

The Coop Group's total assets increased by around CHF 213 million year on year. On the assets side, current assets declined by CHF 124 million to CHF 5 464 million due to a decrease in cash and cash equivalents. Non-current assets rose by CHF 337 million to CHF 12 191 million. Set against the depreciation and amortization expense here are higher investments and additions originating from the acquisitions. Liabilities fell by CHF 98 million year on year to CHF 9 254 million. Short-term liabilities declined to CHF 4 471 million, while long-term liabilities rose to CHF 4 783 million. Within long-term liabilities, the Coop Group financed itself through bonds and deposits. Equity including minority interests rose to CHF 8 401 million. At 47.6%, the equity ratio at 31 December 2015 was therefore well above the strategic target of 40%. It climbed by 1.2 percentage points year on year.

### Cash flow statement

Cash flow from operating activities was CHF 102 million up on the previous year to CHF 1 653 million. The cash outflow from investing activities was CHF 223 million lower than a year earlier at CHF 1 477 million. Set against lower expenditure on acquisitions here are higher net investments in tangible fixed assets. A net amount of CHF 1 419 million was invested in tangible and intangible fixed assets and a further CHF 70 million in acquisitions. In the case of financial assets/securities, a net amount of CHF 12 million was disposed. This resulted in free cash flow of CHF 234 million. The cash outflow from financing activities amounted to CHF 301 million. The Coop Group Cooperative issued two bonds totalling CHF 500 million and made a bond repayment in the same amount. Short- and long-term financial liabilities showed a net decline of CHF 223 million and dividends amounting to CHF 80 million were paid to minority interests.

## Segment report

### Retail

Taking into account the sharp fall in prices of 3.3%, the retail segment grew by 0.7% in real terms. On a nominal basis, net sales declined by 2.6% in 2015 to CHF 17 253 million (previous year: CHF 17 718 million). This is attributable, firstly, to lower fuel prices and, secondly, to price cuts on both food and non-food items. In total, this effect amounted to almost CHF 600 million. The number of sales outlets rose by 20 to 1 998. The Coop Group employed 45 998 people in retailing (previous year: 46 264). From its 856 Coop supermarkets in total (previous year: 837), the Coop Cooperative generated net sales of CHF 10 487 million (previous year: CHF 10 627 million). The nominal decline of 1.3% is entirely attributable to the downward trend in prices.

Turning to the subsidiaries, Dipl. Ing. Fust AG, with Nettoshop.ch and Schubiger, generated net sales of CHF 1 009 million (previous year: CHF 985 million), an increase of 2.4% on a nominal basis or 8.5% in real terms. Due to low fuel prices, Coop Mineraloel AG suffered a 10.9% decline in net sales in nominal terms to CHF 2 247 million (previous year: CHF 2 521 million). In real terms, net sales were down by just 0.5%. Coop Vitality AG lifted net sales by 10.4% to CHF 166 million (previous year: CHF 151 million), while Betty Bossi AG posted a nominal decline of 3.5% to CHF 83 million (previous year: CHF 86 million) and Marché Restaurants Schweiz AG a nominal decline of 3.3% to CHF 114 million (previous year: CHF 118 million). In total, the specialist formats generated net sales of CHF 7 534 million (previous year: CHF 7 843 million).

#### Wholesale / Production

Amid strong competition in Switzerland and abroad, and despite a much lower exchange rate, the Wholesale / Production segment achieved net sales of CHF 10 611 million in 2015 (previous year: CHF 11 193 million), an increase of 3.8% after adjusting for currency movements and a nominal decline of 5.2%.

The Transgourmet Group, which is active in the cash & carry and wholesale supplies sector in Switzerland, Germany, France, Poland, Romania, Russia and now in Austria too, generated net sales of CHF 7 468 million (previous year: CHF 8 166 million), thus posting a decline of 8.5% in nominal terms but growth of 2.6% on a constant currency basis. It operated a total of 124 (previous year: 115) cash & carry markets and employed 24 095 people (previous year: 22 800).

The Bell Group is one of Europe's leading meat processors. It is active in retailing and wholesaling, in catering and in the food industry with the Bell, Abraham, Zimbo, Mössieur Polette, Hoppe and now Hilcona brands. The Bell Group employed 8 148 people in 2015 (previous year: 6 299). At CHF 2 781 million, net sales were 7.9% up on the previous year (CHF 2 578 million) in nominal terms. On a constant currency basis, net sales increased by 11.5%. The first-time consolidation of Hilcona in 2015 also contributed to the growth.

#### Net sales from online shops

From its online shops in the Retail and Wholesale / Production segments, the Coop Group generated net sales of CHF 1 212 million (previous year: CHF 1 124 million). The online shops in retailing performed particularly well. They showed an increase of 13.7% on a nominal basis or 19.2% in real terms to net sales of CHF 510 million. microspot.ch lifted net sales by a nominal 17.8% or 24.4% in real terms to CHF 172 million and coop@home by a nominal 5.5% and 6.8% in real terms to CHF 120 million.

#### Outlook

The Coop Group continues to systematically pursue its chosen strategies in 2016. The corporate strategy is geared to long-term success, which is reflected especially in Coop's commitment to sustainability.

With its supermarkets and specialist formats in retailing, Coop operated a total of 1 998 sales outlets in 2015. It therefore has the densest network of sales outlets in Switzerland and is close to the people it serves. The supermarkets will also focus mainly on sustainability and variety in 2016, when the Coop Group again aims to achieve above-average growth through the online formats Coop@home, Microspot.ch and Nettoshop.ch and the numerous other online shops. The Coop Group also aims to more closely combine bricks-and-mortar and online trading through cross-channel solutions. In addition to falling prices and the currency situation in general, the sustained high level of cross-border shopping also poses a challenge.

In the Wholesale / Production segment, there is the potential to achieve further growth, particularly through acquisitions and by integrating activities across Europe. Political developments in Russia, including the weakness of the rouble, continue to pose a challenge. In wholesaling, the ongoing shift from cash & carry to wholesale supplies continues. The Transgourmet Group is systematically pursuing its chosen multi-channel strategy, i.e. combining cash & carry and wholesale suppliers, thereby further boosting wholesale supplies. Transgourmet continues to expand its market position by implementing a transnational own brand strategy.

Despite the fiercely competitive market, the Coop Group aims to increase profitability and achieve healthy growth again in 2016. The strong cash flow from operating activities and the very high equity ratio provide a stable and sound basis on which to do so. Sustainability, variety, quality and pricing performance are still the attributes by which it positions itself.



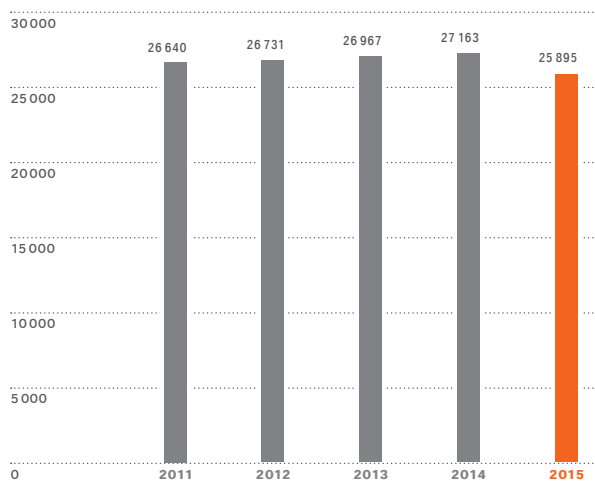
# Coop Group in figures

## Net sales

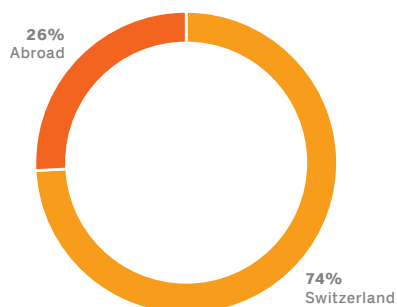
in CHF million		2015	2014
Supermarkets A	< 980 m <sup>2</sup>	3 376	3 373
Supermarkets B	980 – 1 890 m <sup>2</sup>	3 025	3 109
Supermarkets C	1 890 – 3 500 m <sup>2</sup>	2 608	2 639
Megastores	> 3 500 m <sup>2</sup>	1 478	1 506
<b>Coop Supermarkets</b>		<b>10 487</b>	<b>10 627</b>
Interdiscount		945	983
Coop City		849	895
Coop Building & Hobby		633	640
Toptip / Lumimart		202	205
Import Parfumerie		147	158
Coop@home		120	114
Christ Watches & Jewellery		91	97
Coop Mineraloel AG		2 247	2 521
Dipl. Ing. Fust AG		1 009	985
Coop Vitality AG		166	151
Marché Restaurants Schweiz AG		114	118
Betty Bossi AG		83	86
The Body Shop Switzerland AG		35	35
Other companies		892	855
<b>Specialist formats</b>		<b>7 534</b>	<b>7 843</b>
<b>Consolidation</b>		<b>–768</b>	<b>–752</b>
<b>Retail</b>		<b>17 253</b>	<b>17 718</b>
Transgourmet Switzerland		1 477	1 490
Transgourmet Central and Eastern Europe		4 741	5 177
Transgourmet France		1 250	1 498
<b>Transgourmet Group</b>		<b>7 468</b>	<b>8 166</b>
Bell Group		2 781	2 578
Coop Cooperative Production		704	728
Other companies		6	2
<b>Consolidation</b>		<b>–348</b>	<b>–281</b>
<b>Wholesale and Production</b>		<b>10 611</b>	<b>11 193</b>
<b>Consolidation Coop Group</b>		<b>–1 969</b>	<b>–1 749</b>
<b>Net sales</b>		<b>25 895</b>	<b>27 163</b>
Other operating income		1 037	1 011
<b>Total sales</b>		<b>26 932</b>	<b>28 174</b>
of which online stores		1 212	1 124
– Microspot.ch		172	146
– Coop@home		120	114
– Nettoshop.ch		72	69
– Other online stores Retail		145	119
<b>Online stores Retail</b>		<b>510</b>	<b>448</b>
<b>Online stores Wholesale and Production</b>		<b>703</b>	<b>675</b>
<b>of which net sales Switzerland</b>		<b>19 252</b>	<b>19 821</b>
<b>of which net sales abroad</b>		<b>6 643</b>	<b>7 341</b>

Prior-year figures restated

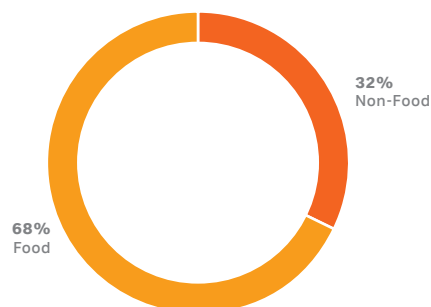
## Net sales from goods and services in CHF million



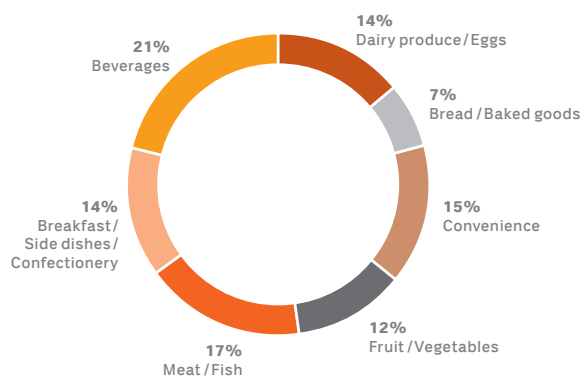
## Breakdown of net sales in Switzerland and abroad in %



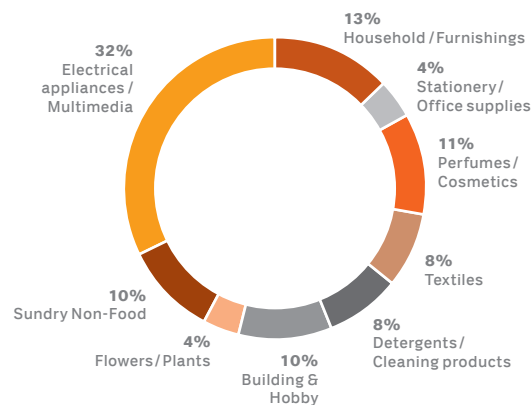
## Net sales Switzerland by main category in %



## Percentages of Retail Food in %



## Percentages of Retail Non-Food in %



## Sales outlets / markets

		2015	Number at 31.12 2014	Sales area m <sup>2</sup> at 31.12 2015	Sales area m <sup>2</sup> at 31.12 2014
Supermarkets A	< 980 m <sup>2</sup>	533	521	305 491	298 295
Supermarkets B	980 – 1 890 m <sup>2</sup>	201	196	289 206	280 921
Supermarkets C	1 890 – 3 500 m <sup>2</sup>	91	90	254 329	250 502
Megastores	> 3 500 m <sup>2</sup>	31	30	156 188	152 066
Coop Supermarkets		856	837	1 005 214	981 784
Interdiscount		187	193	67 332	68 749
Coop City		31	32	135 975	138 453
Coop Building & Hobby		74	74	303 519	301 941
Toptip / Lumimart		47	50	133 348	139 080
Import Parfumerie		124	123	10 154	10 068
Christ Watches & Jewellery		72	73	5 776	5 739
Hotels		3	3		
Rest of Coop Cooperative		2	2	440	440
Coop Mineraloel AG		294	284	33 843	32 398
Dipl. Ing. Fust AG		162	166	89 624	92 876
Coop Vitality AG		64	61	8 159	7 870
Marché Restaurants Schweiz AG		30	28	15 782	15 782
The Body Shop Switzerland AG		50	50	2 920	2 901
Tropenhaus Frutigen AG		1	1		
Tropenhaus Wolhusen AG		1	1		
Specialist formats		1 142	1 141	806 872	816 297
<b>Retail</b>		<b>1 998</b>	<b>1 978</b>	<b>1 812 086</b>	<b>1 798 081</b>
Transgourmet Switzerland		30	28	123 037	116 114
Transgourmet Central and Eastern Europe		94	87	811 477	817 051
Transgourmet Group		124	115	934 514	933 165
Czech Republic		91	97	4 254	5 118
Bell Group		91	97	4 254	5 118
<b>Wholesale and Production</b>		<b>215</b>	<b>212</b>	<b>938 768</b>	<b>938 283</b>
<b>Coop Group</b>		<b>2 213</b>	<b>2 190</b>	<b>2 750 854</b>	<b>2 736 364</b>

Prior-year figures restated



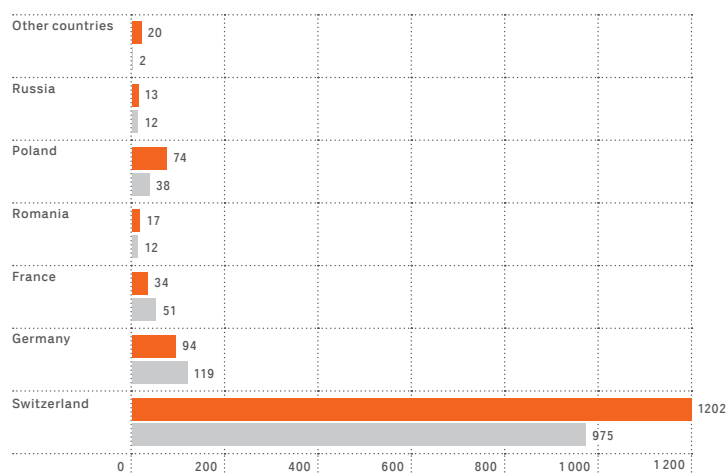
## Investments

in CHF million	2011	2012	2013	2014	2015
Switzerland	986	651	862	975	1 202
Germany	188	129	81	119	94
France	30	17	49	51	34
Romania	38	11	8	12	17
Poland	33	38	26	38	74
Russia	84	20	52	12	13
Other countries	0	0	4	2	20
Abroad	373	216	219	233	253
<b>Investments in tangible fixed assets</b>	<b>1 360</b>	<b>867</b>	<b>1 081</b>	<b>1 209</b>	<b>1 455</b>
Disposals of tangible fixed assets	152	37	92	41	105
<b>Net investments in tangible fixed assets</b>	<b>1 208</b>	<b>829</b>	<b>989</b>	<b>1 167</b>	<b>1 350</b>
Other net investments	1 908	121	-24	533	127
<b>Net investments</b>	<b>3 116</b>	<b>950</b>	<b>965</b>	<b>1 700</b>	<b>1 477</b>

### Investments in tangible fixed assets by country in CHF million

.....

■ 2015 ■ 2014



## Statement of added value

in CHF million	2015	2014	Index %
Net sales from goods and services	25 895	27 163	95.3
Merchandise expense and other upstream services	18 682	19 948	93.7
<b>Gross added value</b>	<b>7 213</b>	<b>7 215</b>	<b>100.0</b>
Depreciation and amortization / provisions	1 280	1 207	106.1
<b>Net added value</b>	<b>5 933</b>	<b>6 008</b>	<b>98.8</b>
Employees	4 251	4 119	103.2
Public sector	1 165	1 243	93.7
Investors	101	176	57.4
Retained profits (self-financing)	416	470	88.5
<b>Distribution of added value</b>	<b>5 933</b>	<b>6 008</b>	<b>98.8</b>
Gross added value per full-time equivalent (in CHF)	106 269	109 110	97.4
Net added value per full-time equivalent (in CHF)	87 406	90 854	96.2

Prior-year figures restated

The Coop Group's statement of added value shows the added value created by the Group in a given year and how it is used. The Coop Group aims to create added value on a sustained basis, thereby enabling it to safeguard the Group companies and jobs.

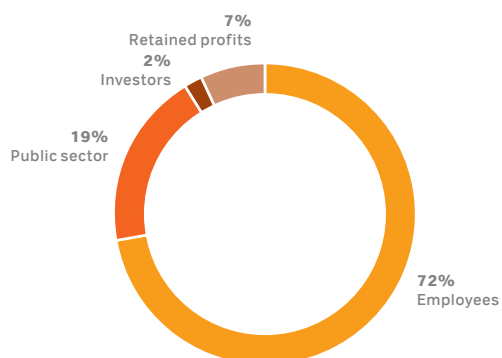
At 72% (previous year: 68%), the largest proportion of the newly created value goes to the Coop Group's employees in 2015. The Coop Group employed 67 877 full-time equivalents in 2015 (previous year: 66 124).

The public sector receives 19% from taxes, customs duties and charges (previous year: 21%).

The 2% (previous year: 3%) going to investors comprises interest paid. Due to low interest rates, this remains at a relatively low level.

Adequate profits are retained for self-financing purposes and used to safeguard the Group's continued existence as a going concern, jobs and its ability to provide competitive goods and services for customers.

### Distribution of added value in %



## Full-time equivalents

	2015	2014	Change	Index %
Coop Supermarkets	19 900	19 843	+57	100.3
Interdiscount	1 639	1 658	-19	98.8
Coop City	2 337	2 390	-52	97.8
Coop Building & Hobby	1 615	1 635	-20	98.8
Toptip / Lumimart	570	574	-4	99.3
Import Parfumerie	480	478	+2	100.3
Coop@home	323	299	+24	107.9
Christ Watches & Jewellery	307	321	-14	95.7
Coop Mineraloel AG	93	82	+10	112.6
Dipl. Ing. Fust AG	2 133	2 176	-43	98.0
Coop Vitality AG	554	515	+39	107.5
Marché Restaurants Schweiz AG	674	682	-7	99.0
Betty Bossi AG	95	86	+9	110.4
The Body Shop Switzerland AG	200	188	+12	106.1
Other companies	585	563	+23	104.0
Logistics / Corporate services	4 992	4 910	+82	101.7
<b>Retail</b>	<b>36 497</b>	<b>36 399</b>	<b>+98</b>	<b>100.3</b>
Transgourmet Switzerland	1 634	1 654	-20	98.8
Transgourmet Central and Eastern Europe	17 828	16 467	+1 362	108.3
Transgourmet France	3 212	3 656	-444	87.9
Transgourmet Group	22 675	21 777	+898	104.1
Bell Switzerland	3 836	3 369	+467	113.9
Bell abroad	3 259	2 930	+329	111.2
Bell Group	7 095	6 299	+796	112.6
Coop Cooperative Production	1 599	1 642	-42	97.4
Other companies	12	8	+4	156.0
<b>Wholesale and Production</b>	<b>31 380</b>	<b>29 725</b>	<b>+1 655</b>	<b>105.6</b>
<b>Full-time equivalents (incl. trainees)</b>	<b>67 877</b>	<b>66 124</b>	<b>+1 753</b>	<b>102.7</b>

Prior-year figures restated



## Employees

	2015	2014	Change	Index%
Coop Supermarkets	26 579	26 820	-241	99.1
Interdiscount	1 716	1 805	-89	95.1
Coop City	2 933	3 001	-68	97.7
Coop Building & Hobby	2 000	2 024	-24	98.8
Toptip / Lumimart	659	652	+7	101.1
Import Parfumerie	699	692	+7	101.0
Coop@home	329	319	+10	103.1
Christ Watches & Jewellery	424	445	-21	95.3
Coop Mineraloel AG	95	95	+0	100.0
Dipl. Ing. Fust AG	2 248	2 284	-36	98.4
Coop Vitality AG	757	695	+62	108.9
Marché Restaurants Schweiz AG	918	937	-19	98.0
Betty Bossi AG	122	119	+3	102.5
The Body Shop Switzerland AG	223	222	+1	100.5
Other companies	744	743	+1	100.1
Logistics / Corporate services	5 552	5 411	+141	102.6
<b>Retail</b>	<b>45 998</b>	<b>46 264</b>	<b>-266</b>	<b>99.4</b>
Transgourmet Switzerland	1 823	1 800	+23	101.3
Transgourmet Central and Eastern Europe	18 928	17 334	+1 594	109.2
Transgourmet France	3 344	3 666	-322	91.2
Transgourmet Group	24 095	22 800	+1 295	105.7
Bell Switzerland	4 557	3 452	+1 105	132.0
Bell abroad	3 591	2 847	+744	126.1
Bell Group	8 148	6 299	+1 849	129.4
Coop Cooperative Production	1 699	1 716	-17	99.0
Other companies	13	8	+5	162.5
<b>Wholesale and Production</b>	<b>33 955</b>	<b>30 823</b>	<b>+3 132</b>	<b>110.2</b>
<b>Employees (incl. trainees) at 31.12</b>	<b>79 953</b>	<b>77 087</b>	<b>+2 866</b>	<b>103.7</b>

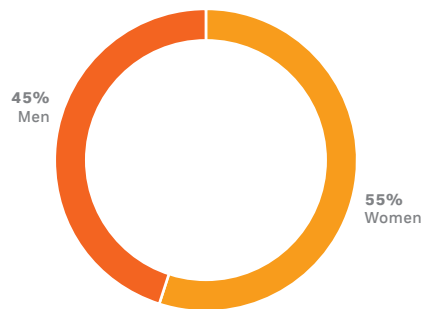
Prior-year figures restated

## Trainees

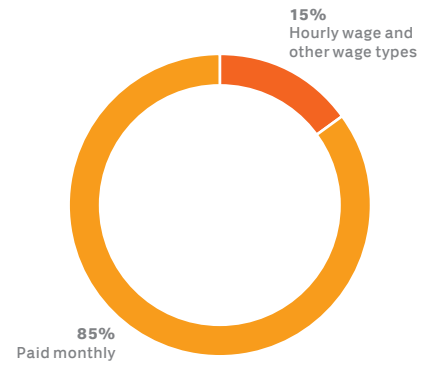
	2015	2014	Change	Index%
Coop Supermarkets	1 505	1 535	-30	98.0
Interdiscount	346	371	-25	93.3
Coop City	171	172	-1	99.4
Coop Building & Hobby	130	138	-8	94.2
Toptip / Lumimart	38	33	+5	115.2
Import Parfumerie	44	49	-5	89.8
Christ Watches & Jewellery	32	35	-3	91.4
Coop Mineraloel AG	3	4	-1	75.0
Dipl. Ing. Fust AG	103	96	+7	107.3
Coop Vitality AG	111	100	+11	111.0
Marché Restaurants Schweiz AG	30	24	+6	125.0
The Body Shop Switzerland AG	4	6	-2	66.7
Other companies	27	20	+7	135.0
Logistics / Corporate services	167	151	+16	110.6
<b>Retail</b>	<b>2 711</b>	<b>2 734</b>	<b>-23</b>	<b>99.2</b>
Transgourmet Switzerland	77	84	-7	91.7
Transgourmet Central and Eastern Europe	388	277	+111	140.1
Transgourmet France	105	63	+42	166.7
Transgourmet Group	570	424	+146	134.4
Bell Switzerland	69	59	+10	116.9
Bell abroad	33	20	+13	165.0
Bell Group	102	79	+23	129.1
Coop Cooperative Production	27	34	-7	79.4
<b>Wholesale and Production</b>	<b>699</b>	<b>537</b>	<b>+162</b>	<b>130.2</b>
<b>Trainees at 31.12</b>	<b>3 410</b>	<b>3 271</b>	<b>+139</b>	<b>104.2</b>
School-leaver internships at 31.12	71	87	-16	81.6

## Employee diversity

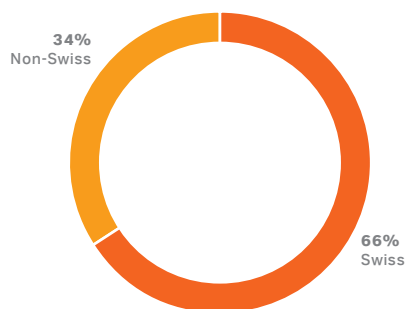
**Gender**  
in %



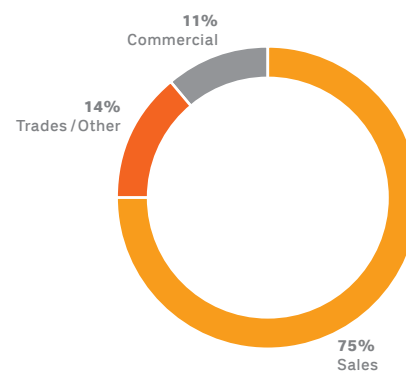
**Type of employment**  
in %



**Nationality<sup>1</sup>**  
in %

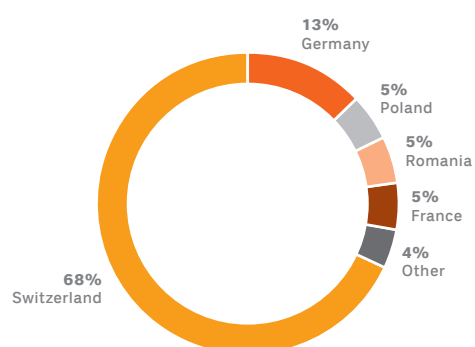


**Trainees**  
in %



<sup>1</sup> Only employees working in Switzerland.

**Country of work**  
in %



## Development of the Coop Group

in CHF million or as indicated	2011	2012	2013	2014	2015
Retail			17 379	17 718	17 253
Wholesale and Production			11 329	11 193	10 611
Consolidation			-1 741	-1 749	-1 969
Net sales from goods and services	26 640	26 731	26 967	27 163	25 895
of which net sales abroad	7 451	7 490	7 478	7 341	6 643
as a % of net sales	28.0	28.0	27.7	27.0	25.7
Earnings before interest, tax, depreciation and amortization (EBITDA)	1 917	1 930	1 937	2 038	1 933
as a % of net sales (EBITDA margin)	7.2	7.2	7.2	7.5	7.5
Operating result (EBIT)	713	737	760	828	716
as a % of net sales (EBIT margin)	2.7	2.8	2.8	3.0	2.8
Profit	432	452	462	470	416
as a % of net sales (profit margin)	1.6	1.7	1.7	1.7	1.6
Cash flow from operating activities	1 761	1 711	1 667	1 551	1 653
as a % of net sales (cash flow margin)	6.6	6.4	6.2	5.7	6.4
Cash flow from investing activities	-3 116	-950	-965	-1 700	-1 477
as a % of net sales	11.7	3.6	3.6	6.3	5.7
Cash flow from financing activities	40	-275	-116	-166	-301
Free cash flow <sup>1</sup>	518	842	628	327	234
Total assets	16 492	16 880	17 317	17 441	17 654
Equity incl. minority interests	6 786	7 262	7 738	8 089	8 401
Equity ratio incl. minority interests in %	Target value: > 40.0	41.1	43.0	44.7	46.4
Financial liabilities	5 080	4 872	4 840	4 753	4 700
Net financial liabilities	4 509	3 855	3 305	3 560	3 614
Debt coverage ratio	Target value: < 3.0	2.4	2.0	1.7	1.9
Interest coverage ratio	Target value: > 8.0	10.9	21.8	21.7	23.7
Full-time equivalents	64 402	64 458	64 498	66 124	67 877
Employees at 31.12	75 361	75 309	74 955	77 087	79 953
Trainees at 31.12	3 391	3 221	3 265	3 271	3 410
Sales outlets / markets					
Retail number at 31.12	1 897	1 917	1 933	1 978	1 998
Retail sales area in m <sup>2</sup> at 31.12	1 746 434	1 766 913	1 777 800	1 798 081	1 812 086
Wholesale and Production number at 31.12	203	211	229	212	215
Wholesale and Production sales area in m <sup>2</sup> at 31.12	918 255	915 734	924 591	938 283	938 768
Number of members at 31.12	2 643 536	2 595 065	2 537 859	2 500 036	2 536 800

Prior-year figures restated

<sup>1</sup> Free cash flow definition: Cash flow from operating activities minus net investments in tangible fixed and intangible assets.



# Annual consolidated financial statements of the Coop Group

## Consolidated income statement

in CHF million	Notes	2015	2014
Net sales from goods and services	1	25 895	27 163
Other operating income	2	1 037	1 011
Merchandise expense		18 191	19 432
Personnel expense	3	4 208	4 075
Other operating expenses	4	2 600	2 628
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>1 933</b>	<b>2 038</b>
Depreciation on tangible fixed assets	5	886	847
Amortization on intangible assets	5	331	362
<b>Operating result (EBIT)</b>	<b>1</b>	<b>716</b>	<b>828</b>
Result of associated organizations		12	18
Result from foreign currencies	6	–0	–11
Financial result	7	–72	–86
<b>Ordinary result</b>		<b>655</b>	<b>749</b>
Non-operating result	8	39	4
<b>Result before income taxes (EBT)</b>		<b>694</b>	<b>753</b>
Income taxes	9	163	187
<b>Result after income taxes</b>		<b>531</b>	<b>566</b>
Minority interests		115	96
<b>Profit</b>		<b>416</b>	<b>470</b>

## Consolidated balance sheet

in CHF million	Notes	31.12.2015	31.12.2014
Cash and cash equivalents	10	1 080	1 178
Securities		6	15
Receivables from goods and services	11	893	888
Other short-term receivables	12	309	343
Prepayments and accrued income		351	354
Inventories	13	2 825	2 810
<b>Current assets</b>		<b>5 464</b>	<b>5 588</b>
Tangible fixed assets	14	10 911	10 251
Financial assets	15	185	294
Intangible assets	16	1 095	1 309
<b>Non-current assets</b>		<b>12 191</b>	<b>11 854</b>
<b>Assets</b>		<b>17 654</b>	<b>17 441</b>
Payables from goods and services		1 792	1 882
Short-term financial liabilities	17	1 017	1 041
Other short-term liabilities	18	389	385
Short-term provisions	19	358	327
Accrued liabilities and deferred income		915	936
Short-term liabilities		4 471	4 571
Long-term financial liabilities	20	3 683	3 712
Long-term provisions	21	1 100	1 069
Long-term liabilities		4 783	4 781
<b>Liabilities</b>		<b>9 254</b>	<b>9 352</b>
Retained earnings		7 475	7 195
Profit		416	470
Equity excluding minority interests		7 891	7 665
Minority interests		510	424
<b>Equity including minority interests</b>		<b>8 401</b>	<b>8 089</b>
<b>Liabilities and equity</b>		<b>17 654</b>	<b>17 441</b>

## Consolidated cash flow statement

<b>Fund: cash and cash equivalents</b> in CHF million	2015		2014	
Result after income taxes		531		566
Depreciation and amortization		1 117		1 131
Impairment loss		119		84
Reversal of impairment		-11		-3
Profit (-)/loss on disposal of fixed assets		-52		-5
Result non-cash items		29		45
Result from associated organizations		-3		-5
Increase / decrease (-) in long-term provisions		11		39
<b>Cash flow before change in net current assets</b>		<b>1 741</b>		<b>1 852</b>
Increase (-)/decrease in receivables from goods and services	-18		16	
Increase (-)/decrease in other short-term receivables, prepayments and accrued income	48		-9	
Increase (-)/decrease in inventories	-32		-133	
Increase / decrease (-) in payables from goods and services	-75		-84	
Increase / decrease (-) in other short-term liabilities, accrued liabilities and deferred income	-35		-34	
Increase / decrease (-) in short-term provisions	24	-88	-57	-302
<b>Cash flow from operating activities</b>		<b>1 653</b>		<b>1 551</b>
Investments in tangible fixed assets	-1 455		-1 209	
Disposals of tangible fixed assets	105	-1 350	41	-1 167
Investments in financial assets / securities	-30		-11	
Disposals of financial assets / securities	43	12	14	3
Payment for the acquisition of consolidated organizations	-71		-481	
Receipts from the disposal of consolidated organizations	1	-70		-481
Investments in intangible assets	-72		-57	
Disposals of intangible assets	3	-69	1	-56
<b>Cash flow from investing activities</b>		<b>-1 477</b>		<b>-1 700</b>
Inflows from bonds issuance		500		400
Outflows for bonds repayments		-500		-500
Dividend to minority shareholders		-80		-67
Increase / decrease (-) in short-term financial liabilities		-42		-4
Increase / decrease (-) in long-term financial liabilities		-181		4
Increase (-) / decrease own shares Bell		1		1
<b>Cash flow from financing activities</b>		<b>-301</b>		<b>-166</b>
Impact of currency conversion		29		-19
<b>Net change in cash and cash equivalents</b>		<b>-97</b>		<b>-335</b>
Cash and cash equivalents at beginning of the reporting period		1 178		1 513
Cash and cash equivalents at end of the reporting period		1 080		1 178

## Statement of changes in equity

in CHF million	Retained profits	Accumulated currency differences	Total retained earnings	Profit / loss	Total excl. minority interests	Minority interests	Total incl. minority interests
Equity at 1.1.2015	7 607	- 412	7 195	470	7 665	424	8 089
Changes to the scope of consolidation	- 5		- 5		- 5	64	59
Appropriation of profit for the year 2014	470		470	- 470			
Profit / loss 2015				416	416	115	531
Dividends						- 80	- 80
Currency differences		- 185	- 185		- 185	- 12	- 198
<b>Equity at 31.12.2015</b>	<b>8 072</b>	<b>- 597</b>	<b>7 475</b>	<b>416</b>	<b>7 891</b>	<b>510</b>	<b>8 401</b>

Equity at 1.1.2014	7 146	- 260	6 885	462	7 348	390	7 738
Changes to the scope of consolidation						4	4
Appropriation of profit for the year 2013	462		462	- 462			
Profit / loss 2014				470	470	96	566
Dividends						- 67	- 67
Currency differences		- 152	- 152		- 152	- 1	- 153
<b>Equity at 31.12.2014</b>	<b>7 607</b>	<b>- 412</b>	<b>7 195</b>	<b>470</b>	<b>7 665</b>	<b>424</b>	<b>8 089</b>



## Notes to the annual consolidated financial statements

### Consolidation principles

#### Basis of accounting

The annual consolidated financial statements are based on the annual financial statements of the Group companies prepared as at 31 December 2015 in accordance with uniform policies and present a true and fair view of the financial position, results of operations and cash flows. The consolidated financial statements of the Coop Group comply with all Swiss GAAP ARR (Accounting and Reporting Recommendations) and Swiss legal provisions. Assets are measured at purchase or production cost. Liabilities are carried at their historical value. The income statement is presented using the total cost (nature of expense) method. The valuation principles were applied unchanged compared with the previous year.

The annual consolidated financial statements of the Coop Group are presented in Swiss francs (CHF). Unless otherwise indicated, all amounts are stated in millions of Swiss francs.

#### Changes in accounting principles as of 1 January 2015

*Swiss GAAP ARR 31 – Complementary recommendation for listed companies*

In the Coop Group, the introduction of the new recommendation results in significant changes in the disclosure of financial liabilities, segment reporting and income taxes.

#### Cash flow statement

The fund comprising cash and cash equivalents provides the basis for the presentation of the cash flow statement. Cash flow from operating activities is calculated using the indirect method.

#### Scope of consolidation

The annual consolidated financial statements of the Coop Group comprise the Coop-Gruppe Genossenschaft and its equity investments. The Coop-Gruppe Genossenschaft equity investments are listed under Scope of consolidation (significant companies) in note 31.

Fully consolidated organizations are organizations where the Coop Group directly or indirectly holds more than 50% of the voting rights.

Associated organizations are entities in which the Coop Group holds a 20% to 50% interest and over which it exercises significant influence.

Equity investments where it holds less than 20% are not consolidated and are presented in financial assets at cost less any necessary write-downs.

#### Consolidation method

##### *Fully consolidated organizations*

Assets, liabilities, income and expenses are consolidated in full. Capital consolidation uses the purchase method, whereby an organization's equity at the date of acquisition or initial consolidation is eliminated against the carrying amount of the investment at the parent. Newly acquired organizations are revalued using uniform Group policies and included in the annual consolidated financial statements from the date on which control takes effect. If the cost of acquisition is higher than the revalued net assets acquired, the remaining excess is recognized as goodwill and amortized on a straight-line basis. A negative goodwill (badwill) is credited to the income statement in the period of acquisition. Organizations sold are included up until the date on which control is lost, which is usually the date of sale.

Minority interests in consolidated equity and in profit or loss are presented separately in the balance sheet and income statement. Intercompany transactions and relationships, i.e. income, expenses, receivables and liabilities between consolidated organizations, are offset and eliminated. If significant, intercompany profits on transactions within the Group are eliminated.

##### *Associated organizations*

If economically significant, associated organizations are included in the annual consolidated financial statements using the equity method. The financial statements of these organizations prepared in accordance with the true and fair view principle are used to determine the share of equity.

## Currency conversion

Local assets and liabilities are converted into Swiss francs at the exchange rate at the balance sheet date. The local income statements and the cash flow statements are converted at the average rate. Any differences arising from the use of these two different conversion methods are taken directly to equity.

## Foreign currency exchange rates into CHF

		Average rates		Closing rates	
		2015	2014	31.12.2015	31.12.2014
1	EUR	1.067	1.214	1.084	1.202
1	CZK	0.039	0.044	0.040	0.043
1	HKD	0.124	0.119	0.128	0.128
100	HUF	0.344	0.393	0.343	0.381
1	PLN	0.255	0.290	0.254	0.281
1	RON	0.240	0.273	0.240	0.268
1	RUB	0.016	0.024	0.013	0.017
1	USD	0.964	0.920	0.995	0.990

## Changes to the scope of consolidation

In 2015, the following changes occurred in Coop's scope of consolidation:

Company	Change	Date	Share <sup>1</sup> 31.12.2015 %	Share <sup>1</sup> 31.12.2014 %
Eurogroup Far East Ltd., CN-Hong Kong	Interest increased and company fully consolidated	01.01.2015	100.00	33.33
Richard Sump GmbH, DE-Hamburg	Acquired	01.01.2015	75.00	
Tropenhaus Frutigen AG, CH-Frutigen	Capital increased / Interest increased	19.02.2015	99.74	72.88
Bell Nederland B.V., NL-Dr Houten	Interest increased	28.02.2015	66.29	50.38
siroop AG, CH-Zürich	Established	23.04.2015	50.00	
Hilcona AG, FL-Schaan	Interest increased and company fully consolidated	01.05.2015	33.81	32.48
Abraham France SARL, FR-Bussy-Saint-Georges	Merged into Bell France SAS	30.06.2015	66.29	66.29
Transgourmet Seafood GmbH, DE-Bremerhaven	Merged into OHG Transgourmet GmbH & Co.	01.07.2015	100.00	100.00
EGV Lebensmittel für Grossverbraucher AG, DE-Unna	Acquired	01.08.2015	100.00	
siroop trading AG, CH-Basel	Established	23.09.2015	100.00	
Transgourmet Polska Sp. z o.o., PL-Poznan (formerly: SELGROS Sp. z o.o.)	Renamed	01.10.2015	100.00	100.00
Alifresca AG, CH-Basel	Established	22.10.2015	100.00	
Zimbo Czechia s.r.o., CZ-Praha-Holesovice	Interest increased	26.10.2015	66.29	59.66
FrischeParadies GmbH & Co. KG, DE-Frankfurt	Acquired	01.11.2015	100.00	
Eurogroup SA, BE-Bruxelles	Disposed	31.12.2015	0.00	50.00

<sup>1</sup> The interests listed are calculated on the basis of the shares held by the Coop Group.

In 2014, the following changes occurred in Coop's scope of consolidation (excluding changes of name and mergers):

Company	Change	Date	Share <sup>1</sup> 31.12.2014 %	Share <sup>1</sup> 31.12.2013 %
Centre Commercial Moncor S.A., CH-Villars-sur-Glâne	Acquired	01.01.2014	100.00	
RS Vertriebs AG, CH-St. Gallen	Acquired	01.01.2014	100.00	
Valentin Pontresina AG, CH-Pontresina	Interest increased	01.01.2014	100.00	50.00
SC Swiss commercial GmbH, DE-Konstanz	Established	04.02.2014	100.00	
Marché Restaurants Schweiz AG, CH-Kemptthal	Acquired	04.03.2014	100.00	
Elektronik Distribution AG, CH-Basel	Established	11.04.2014	100.00	

<sup>1</sup> The interests listed are calculated on the basis of the shares held by the Coop Group.

## Valuation principles

### Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal value. They comprise cash on hand, postal and bank account balances, short-term deposits, cheques, vouchers and Reka cheques. These items are convertible into cash at any time and subject to an insignificant risk of changes in value.

### Securities

Securities are marketable instruments that can be easily realized. They are carried in the balance sheet at market value. Unlisted securities are carried in the balance sheet at cost less any necessary write-downs.

### Receivables from goods and services and other short-term receivables

Receivables are stated at nominal value less any necessary write-downs.

### Inventories

Inventories are stated at the lower of cost or net realizable value. Cost comprises the net purchase price and incidental charges. Purchased inventories are measured at the average cost price (moving average price) and internally produced inventories at production cost. Inventories are stated at net realizable value if this is lower than cost. Discounts are treated as reductions in the purchase price.

Specific valuation allowances are recognized for goods that are no longer serviceable or difficult to sell.

### Financial assets

Financial assets include the associated organizations recognized using the equity method. Long-term loans and securities held for the purpose of long-term investment are also presented as financial assets. Securities without a quoted price and loans are stated at cost less any necessary write-downs.

Assets from employer contribution reserves are recognized as financial assets.

### Tangible fixed assets

Tangible fixed assets are stated at cost less any necessary depreciation. Cost comprises the purchase price plus the directly attributable costs of bringing the assets to usable condition. Depreciation is applied on a straight-line basis over the useful life of the asset.

## Depreciation periods in years

### Land and buildings

Plots of land	no depreciation
Buildings	40 – 67

Installations	15 – 30
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### Furniture, machinery and IT

Furniture / tools	5 – 10
Sales outlet fittings	10
Market fittings	15
Machinery	3 – 15
Production systems	20 – 30
IT	3 – 8

Vehicles	3 – 10
----------	--------

The depreciation period for buildings ranges from 40 years in the case of properties used for operational purposes and subject to increased use to 67 years in the case of mixed-used properties. Installations are usually depreciated over a period of 15 to 20 years. At production facilities, specific production installations are depreciated over a longer useful life of up to 30 years. Experience shows that fittings in the retail sales outlets have a shorter useful life than fittings in the wholesale markets. Machinery usually has a useful life of up to 15 years, with production systems possibly forming a separate asset category and having a useful life of 20 to 30 years. Heavy commercial vehicles have a depreciation period of up to 10 years.

Assets under construction include the cumulative project costs eligible for capitalization. Project costs that are not eligible for capitalization are charged to the income statement when incurred. Impairment charges are recognized on assets under construction if there is evidence of impairment.

### Leases

Payments under operating leases are charged to the income statement on a straight-line basis over the lease term. Assets acquired on the basis of leases and for which the risks and rewards pass to the Coop Group at inception of the lease are classified as finance leases. For the relevant assets, therefore, the fair value or, if lower, the net present value of the future, non-cancellable lease payments is recognized as an asset and as a finance lease liability. Assets under finance leases are amortized over the shorter of their estimated useful life and the lease term.

### Intangible assets

This item includes IT software, trademarks, licences, patents and goodwill from acquisitions. Intangible assets are recognized if they are clearly identifiable, the costs can be reliably determined and they yield measurable economic benefits for the entity over several years.

Goodwill from acquisitions is calculated as the difference between the purchase price paid to acquire an entity and the value of the net assets. The net assets correspond to the total of the individual assets of the acquired entity less the liabilities and contingent liabilities under Swiss GAAP ARR at the acquisition date. Any goodwill that arises is generally capitalized and amortized on a straight-line basis.

#### Amortization periods in years

Goodwill	up to 20
Trademarks	up to 20
Patents/licences	5
Other intangible assets	3 – 8

#### Impairment

In the Coop Group, non-current assets are tested for impairment annually if there are indications of a sustained decline in value. The recoverable amount is calculated using the capital asset pricing model and taking into account updated assumptions from the multi-year plan regarding the expected business trend. If the carrying amount exceeds the recoverable amount, it is adjusted in profit or loss by way of an impairment charge.

#### Liabilities

Short-term liabilities include all liabilities due within one year, accrued liabilities and deferred income, and short-term provisions. Long-term liabilities comprise obligations with a maturity of more than one year.

#### Provisions

Provisions are recognized if a past event gives rise to a probable legal or constructive obligation, the amount and/or timing of which is uncertain, but can be estimated. The provision is measured on the basis of an estimate of the probable outflow.

#### Income taxes

Current income taxes are recognized on an accrual basis based on the results of operations actually generated and presented in the reporting period.

Deferred income taxes are recognized for all temporary taxable or tax-deductible differences between the tax base and Swiss GAAP ARR carrying amounts using the balance sheet liability method. The deferred income taxes to be recognized annually are calculated at the future tax rate applicable to the taxable entity in question at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if they relate to the same taxable entity and are levied by the same taxation authority.

#### Derivative financial instruments

The Coop Group uses derivative financial instruments to hedge currency and interest rate risk. Both derivative financial instruments for the purposes of hedging balance sheet items and those not held for hedging purposes are recognized at current values. The change in the current values since the last measurement is

recognized in profit or loss for the period. Instruments used to hedge contractual future cash flows are not recognized in the balance sheet, but disclosed in the notes to the financial statements. Derivative financial instruments outstanding at the balance sheet date are disclosed in the notes to the annual consolidated financial statements.

#### Pension benefit obligations

The Coop Group assumes the pro-rated costs of the occupational pension funds for all employees and their dependents in accordance with the corresponding regulations. The latter provide for benefits that go well beyond the statutory minimum under Swiss law. The contributions are included in personnel expense under social security contributions.

An annual assessment is made regarding whether a pension fund gives rise to an economic benefit or an economic liability from the organization's perspective. The pension fund's annual financial statements prepared in Switzerland in accordance with Swiss GAAP ARR 26 and other calculations that give a true and fair view of the existing surplus or deficit are taken as the basis for the assessment.

As at 31 December 2015 the CPV/CAP shows a funding ratio of 113.1% (2014: 113.3%). In terms of Swiss GAAP ARR 16 there is no excess or shortfall, as the target for the fluctuation reserve has not yet been reached.

#### Related party transactions

Associated organizations, pension funds and natural persons such as members of the Executive Committee or Board of Directors are considered to be related parties.

Related party transactions are conducted at arm's length, at normal market conditions. There are reciprocal delivery and supply agreements in place. Market conditions apply, with transaction volumes being factored in. Significant financial statement items with associated organizations and other related party transactions are disclosed in the notes to the annual consolidated financial statements.

#### Off-balance sheet transactions

Contingent liabilities such as guarantees, guarantee obligations, pledges and other obligations not required to be recognized in the balance sheet are measured at each balance sheet date and disclosed at nominal value. Other obligations not required to be recognized in the balance sheet include all long-term obligations entered into which cannot be terminated within one year. If contingent liabilities and other obligations not required to be recognized in the balance sheet lead to an outflow of funds without any usable inflow of funds and this outflow of funds is probable and can be estimated, a provision is recognized.



**1 Net sales from goods and services and operating result (EBIT) by segment**

	Retail	Wholesale and Production	Consolidation	Coop Group
<b>2015</b>				
Net sales from goods and services	17 253	10 611	-1 969	25 895
Operating result (EBIT) before exceptional employer contribution to CPV/CAP	492	283		776
Exceptional employer contribution to CPV/CAP				60
<b>Operating result (EBIT)</b>				<b>716</b>

The discount rate for the Coop Pension Fund (CPV/CAP) is currently being evaluated to determine whether it is appropriate. In the event that the discount rate is reduced, the Coop Board of Directors and Executive Committee have decided to provide CHF 60 million to cushion the impact on employees. Provisions have been recognized for this.

	Retail	Wholesale and Production	Consolidation	Coop Group
<b>2014</b>				
Net sales from goods and services	17 718	11 193	-1 749	27 163
<b>Operating result (EBIT)</b>	<b>587</b>	<b>241</b>		<b>828</b>

"Wholesale and Production" comprises the Transgourmet Group, the Bell Group and the manufacturing companies of the Coop Cooperative. The Consolidation column contains deliveries by the Wholesale / Production segment to Retail.

<b>2 Other operating income</b>	2015	2014
Operating rental income	189	191
Gain on the disposal of fixed operating assets	7	3
Own work capitalized	20	13
Service income	820	804
<b>Total</b>	<b>1 037</b>	<b>1 011</b>

The "Service income" item also includes pools and lottery income, income from parking and advertising, and commissions from phone credits.

<b>3 Personnel expense</b>	2015	2014
Wages / salaries	3 189	3 149
Social security contributions	808	732
Social security contributions as a %	25.3	23.2
Other personnel expense	212	194
<b>Total</b>	<b>4 208</b>	<b>4 075</b>

The recognition of the provisions described in table 1 for the exceptional employer contribution to CPV/CAP increases the social security contributions reported by CHF 60 million. This, in turn, lifts social security contributions as a percentage by 1.9 percentage points.

<b>4 Other operating expenses</b>	2015	2014
Advertising expense	494	482
Rental expense	679	681
Office and administrative expense	240	251
Charges and insurance premiums (non-life)	76	77
Operations-related taxes	41	42
Maintenance and replacement costs	360	351
Energy and supplies	395	413
Transport costs	156	148
Miscellaneous expenses	159	183
<b>Total</b>	<b>2 600</b>	<b>2 628</b>

The "Operations-related taxes" item comprises capital and property transfer taxes, duties on the issue of securities and other fiscal levies. The "Miscellaneous expenses" item comprises uncovered damage / losses, losses on receivables, unscheduled closure costs and miscellaneous operating costs.

in CHF million

5 Depreciation and amortization	2015	2014
Goodwill, planned amortization	250	277
Goodwill, extraordinary amortization	4	11
Other intangible assets, planned amortization	71	69
Other intangible assets, extraordinary amortization	7	6
Amortization on intangible assets	331	362
Tangible fixed assets, planned depreciation	795	786
Tangible fixed assets, extraordinary depreciation	102	65
Reversals of depreciation charges on tangible fixed assets	-10	-3
Depreciation on tangible fixed assets	886	847
<b>Total</b>	<b>1 217</b>	<b>1 210</b>

Extraordinary depreciation of tangible fixed assets, extraordinary amortization of intangible assets and reversals of depreciation charges on real estate are recognized based on reassessments of earnings or changes in market prices. Extraordinary depreciation of CHF 86 million was recognized as part of the review of the real estate portfolio. Extraordinary depreciation of CHF 16 million was recognized in respect of other tangible fixed assets.

6 Result from foreign currencies	2015	2014
Currency exchange gains	18	68
Currency exchange losses	18	79
<b>Total</b>	<b>-0</b>	<b>-11</b>

7 Financial result	2015	2014
Dividends and revaluation gains on securities	0	1
Other interest income	10	10
Financial income	10	11
Revaluation losses on securities	1	4
Interest and other financial expenses	76	90
Amortization of financial assets	5	3
Financial expenses	83	96
<b>Total</b>	<b>-72</b>	<b>-86</b>

8 Non-operating result	2015	2014
Rental income	1	1
Profits on the disposal of fixed non-operating assets	46	5
Other non-operating income	0	5
Non-operating income	47	12
Non-operating property expenses / depreciation	4	2
Other non-operating expenses	4	5
Non-operating expenses	8	7
<b>Total</b>	<b>39</b>	<b>4</b>

The non-operating result comprises income and expenses arising from events or transactions which clearly differ from the ordinary operations of the Coop Group. These items mainly include non-operating expenses and income on properties not used for operating purposes.

in CHF million

	2015	2014
<b>9 Income taxes</b>		
Current income taxes	169	167
Change in deferred taxes	-6	20
<b>Total</b>	<b>163</b>	<b>187</b>
Average tax rate as %	23.5	24.8

	Tax rate as %	2015 Tax amount in CHF million	Tax rate as %	2014 Tax amount in CHF million
<b>Expected income taxes</b>				
Average applicable income tax rate	20.0	139	21.8	164
Losses in the current year for which no deferred tax assets were recognized		10		26
Use of unrecognized loss carryforwards		-9		-13
Average applicable income tax rate after loss carryforwards	20.2	140	23.4	177

Expected income taxes are calculated based on the assumption that the non-operating result will be taxed the same as the ordinary result.

In the current financial year, no deferred tax assets were recognized for loss carryforwards of CHF 931 million (31.12.2014: CHF 1 037 million).

	31.12.2015	31.12.2014
<b>10 Cash and cash equivalents</b>		
Cash on hand, postal and bank account balances	974	971
Reka cheques / cheques / vouchers	32	18
Term deposits	74	188
<b>Total</b>	<b>1 080</b>	<b>1 178</b>

	31.12.2015	31.12.2014
<b>11 Receivables from goods and services</b>		
Receivables from goods and services	937	932
Value adjustment	-44	-44
<b>Total</b>	<b>893</b>	<b>888</b>

	31.12.2015	31.12.2014
<b>12 Other short-term receivables</b>		
Other receivables	307	338
Prepayments to suppliers	4	6
Value adjustment	-2	-1
<b>Total</b>	<b>309</b>	<b>343</b>

	31.12.2015	31.12.2014
<b>13 Inventories</b>		
Merchandise	2 466	2 523
Finished goods (production)	162	138
Unfinished goods, work in progress	137	126
Raw materials	119	93
Supplies and packaging materials	39	35
Prepayments to suppliers	31	21
Value adjustment	-130	-127
<b>Total</b>	<b>2 825</b>	<b>2 810</b>

## 14 Tangible fixed assets

	Land and buildings	Installations	Furniture, machinery and IT	Vehicles	Finance leases	Assets under con- struction	Total
in CHF million							
<b>Tangible fixed assets 2015</b>							
Cost 1.1.2015	11 428	3 054	4 224	424	26	709	19 865
Changes to the scope of consolidation	342	100	232	10		23	706
Investments	448	157	279	61		510	1 455
Disposals	-182	-37	-172	-38	-1	-0	-430
Impact of changes in currency exchange rates	-199	-64	-67	-19	-3	-6	-358
Reclassifications	68	38	39	3	-0	-149	-2
As at 31.12.2015	11 904	3 248	4 535	441	22	1 087	21 237
of which undeveloped property	152						152
of which prepayments						18	18
Accumulated depreciation at 1.1.2015	4 594	1 674	3 074	244	20	10	9 615
Changes to the scope of consolidation	108	41	170	7	-0		327
Depreciation	291	180	278	48	1		797
Extraordinary depreciation	70	16	16	0		0	103
Reversals of depreciation charges on tangible fixed assets	-10						-10
Accumulated depreciation on disposals	-133	-36	-170	-36	-0	-0	-375
Impact of changes in currency exchange rates	-48	-24	-46	-11	-2	-0	-130
Reclassifications	1	1	-1	-0	-0	-0	
As at 31.12.2015	4 873	1 852	3 322	252	18	9	10 326
of which undeveloped property	4						4
Net carrying amount 31.12.2015	7 030	1 396	1 213	189	4	1 078	10 911
<b>Tangible fixed assets 2014</b>							
Cost 1.1.2014	11 102	2 860	4 137	397	31	434	18 960
Changes to the scope of consolidation	182	47	30	3		0	261
Investments	303	152	252	52	0	450	1 209
Disposals	-83	-47	-189	-30	-1	-1	-351
Impact of changes in currency exchange rates	-136	-34	-31	-5	-1	-5	-213
Reclassifications	61	76	26	8	-4	-168	-1
As at 31.12.2014	11 428	3 054	4 224	424	26	709	19 865
of which undeveloped property	110						110
of which prepayments						47	47
Accumulated depreciation at 1.1.2014	4 294	1 511	2 931	215	24	26	9 001
Changes to the scope of consolidation	78	35	25	1			138
Depreciation	285	175	288	54	1	-16	786
Extraordinary depreciation	26	12	26	0		0	65
Reversals of depreciation charges on tangible fixed assets	-3						-3
Accumulated depreciation on disposals	-63	-43	-180	-28	-1		-315
Impact of changes in currency exchange rates	-24	-9	-17	-3	-0	-0	-54
Reclassifications	2	-6	1	4	-4	-0	-4
As at 31.12.2014	4 594	1 674	3 074	244	20	10	9 615
of which undeveloped property	4						4
Net carrying amount 31.12.2014	6 835	1 380	1 151	180	6	700	10 251

The item "Land and buildings" includes CHF 29 million (31.12.2014: CHF 2 million) classified as real estate not used for operating purposes.



## 15 Financial assets

in CHF million	Employer contribution reserve	Other financial assets	Associated organi- zations	Total
<b>Financial assets 2015</b>				
Net carrying amount 1.1.2015	12	118	163	294
Changes to the scope of consolidation		1		1
Additions	0	29	1	30
Disposals	-1	-25	-8	-35
Write-ups (+) / Value adjustments (-)		-4	4	-0
Impact of changes in currency exchange rates	0	0	-2	-2
Reclassifications		-22	-80	-103
<b>As at 31.12.2015</b>	<b>11</b>	<b>97</b>	<b>77</b>	<b>185</b>
<b>Other financial assets</b>				
Loans to associated organizations				13
Loans to third parties				24
Miscellaneous financial assets				60
<b>As at 31.12.2015</b>				<b>97</b>
<b>Financial assets 2014</b>				
Net carrying amount 1.1.2014	12	138	153	304
Changes to the scope of consolidation	2	5	5	11
Additions	0	10		11
Disposals	-1	-13	-0	-15
Write-ups (+) / Value adjustments (-)		-3	7	4
Impact of changes in currency exchange rates	0	-0	-0	-0
Reclassifications		-19	-1	-21
<b>As at 31.12.2014</b>	<b>12</b>	<b>118</b>	<b>163</b>	<b>294</b>
<b>Other financial assets</b>				
Loans to associated organizations				35
Loans to third parties				19
Miscellaneous financial assets				64
<b>As at 31.12.2014</b>				<b>118</b>

## 16 Intangible assets

	Goodwill	Trademarks / Patents / Licences	Software	Other intangible assets	Total
in CHF million					
<b>Intangible assets 2015</b>					
Cost 1.1.2015	3 254	597	403	54	4 307
Changes to the scope of consolidation	12	10	10	1	33
Investments	31	0	51	21	103
Disposals	-1		-29	-1	-32
Impact of changes in currency exchange rates	-12	-3	-7	-1	-23
Reclassifications	0		4	-2	2
As at 31.12.2015	3 285	604	432	71	4 390
<b>Accumulated amortization at 1.1.2015</b>					
Accumulated amortization at 1.1.2015	2 395	252	313	38	2 998
Changes to the scope of consolidation	4	1	7	1	14
Amortization	250	29	40	1	321
Extraordinary amortization	4		7	0	11
Accumulated amortization on disposals	-1	-0	-27	-1	-29
Impact of changes in currency exchange rates	-10	-2	-5	-1	-18
As at 31.12.2015	2 642	280	335	38	3 296
<b>Net carrying amount 31.12.2015</b>	<b>642</b>	<b>324</b>	<b>96</b>	<b>32</b>	<b>1 095</b>
<b>Intangible assets 2014</b>					
Cost 1.1.2014	2 865	594	360	54	3 873
Changes to the scope of consolidation	4	1	4		9
Investments	388	4	40	12	443
Disposals	-0		-13	-1	-14
Impact of changes in currency exchange rates	-3	-1	-2	-0	-5
Reclassifications	0	-1	13	-11	1
As at 31.12.2014	3 254	597	403	54	4 307
<b>Accumulated amortization at 1.1.2014</b>					
Accumulated amortization at 1.1.2014	2 104	224	275	43	2 646
Changes to the scope of consolidation	4	1	0		5
Amortization	279	28	39	2	348
Extraordinary amortization	11		6	0	17
Accumulated amortization on disposals	-0		-12	-1	-13
Impact of changes in currency exchange rates	-2	-0	-1	-0	-4
Reclassifications			6	-6	0
As at 31.12.2014	2 395	252	313	38	2 998
<b>Net carrying amount 31.12.2014</b>	<b>859</b>	<b>346</b>	<b>90</b>	<b>15</b>	<b>1 309</b>

Goodwill relating to associated organizations amounts to CHF 0 million (31 December 2014: CHF 9 million); the related amortization of CHF 1 million (rounded) is included in the result of associated organizations. The decline of CHF 8 million is due to the change in the method of inclusion used for Hilcona (consolidated rather than recognized using the equity method).

in CHF million

	31.12.2015	31.12.2014
<b>17 Short-term financial liabilities</b>		
Bank current accounts	0	31
Bank loans	34	1
Other short-term financial liabilities	20	18
Pension fund obligations	200	200
Short-term portion of long-term financial liabilities	762	791
<b>Total</b>	<b>1 017</b>	<b>1 041</b>

All pension fund obligations are obligations to CPV/CAP. They bear interest at 0.25% and are callable annually.

	31.12.2015	31.12.2014
<b>18 Other short-term liabilities</b>		
Vouchers in circulation	66	64
Prepayments from customers	125	118
Other taxes	88	102
Other short-term liabilities	110	101
<b>Total</b>	<b>389</b>	<b>385</b>

	Benefit obligations	Restructurings	Supercard	Other provisions	Total
<b>19 Short-term provisions</b>					
As at 1.1.2015	23	19	192	93	327
Changes to the scope of consolidation				1	1
Creation of provisions	81	2	186	29	298
Use of provisions	-18	-13	-183	-27	-241
Reversal of provisions no longer required	-4	-0	-6	-23	-33
Impact of changes in currency exchange rates	-0	-0		-3	-3
Reclassifications	1	7		1	9
<b>As at 31.12.2015</b>	<b>82</b>	<b>16</b>	<b>190</b>	<b>70</b>	<b>358</b>
As at 1.1.2014	22	3	200	140	364
Creation of provisions	22	0	194	34	250
Use of provisions	-22	-9	-214	-52	-297
Reversal of provisions no longer required			-3	-7	-10
Impact of changes in currency exchange rates	-0	-0		-1	-1
Reclassifications	1	25	16	-22	21
<b>As at 31.12.2014</b>	<b>23</b>	<b>19</b>	<b>192</b>	<b>93</b>	<b>327</b>

Other short-term provisions mainly include provisions for personnel in the amount of CHF 28 million (31.12.2014: CHF 25 million) and sales outlets in the amount of CHF 22 million (31.12.2014: CHF 38 million).

	Currency	Term	Interest rate (weighted)	31.12.2015	31.12.2014
<b>20 Long-term financial liabilities</b>					
Deposit accounts	CHF		0.70%	1 754	1 798
Medium-term notes	CHF	2 – 8 years	1.70%	269	293
Coop-Gruppe Genossenschaft	CHF	Jun 2010 – 2016	2%	500	
Coop-Gruppe Genossenschaft	CHF	Sep 2010 – 2017	2%	250	
Coop-Gruppe Genossenschaft	CHF	Jul 2012 – 2019	1.25%	250	
Bell AG	CHF	May 2013 – 2018	1%	175	
Bell AG	CHF	May 2013 – 2022	1.75%	175	
Coop-Gruppe Genossenschaft	CHF	Jun 2014 – 2021	0.875%	200	
Coop-Gruppe Genossenschaft	CHF	Sep 2014 – 2023	1%	200	
Coop-Gruppe Genossenschaft	CHF	Jul 2015 – 2020	0.25%	300	
Coop-Gruppe Genossenschaft	CHF	Jul 2015 – 2024	0.88%	200	
<b>Bonds</b>				<b>2 250</b>	<b>2 250</b>
Bank loans				15	6
Mortgages			3.91%	124	123
Finance leases				1	2
Other loans				32	30
Short-term portion of long-term financial liabilities				-762	-791
<b>Total</b>				<b>3 683</b>	<b>3 712</b>

in CHF million

21 Long-term provisions	Benefit obligations	Restructurings	Deferred taxes	Supercard	Other provisions	Total
As at 1.1.2015	90	47	777		155	1 069
Changes to the scope of consolidation	7		25		1	33
Creation of provisions	4	1	15		40	59
Use of provisions	-1	-0			-16	-16
Reversal of provisions no longer required	-0		-24		-6	-30
Impact of changes in currency exchange rates	-3		-3		-0	-6
Reclassifications	-1	-6			-2	-9
As at 31.12.2015	97	41	789		172	1 100

As at 1.1.2014	92		749	16	185	1 042
Changes to the scope of consolidation			12		2	14
Creation of provisions	3	15	30		31	79
Use of provisions	-0	-9			-12	-21
Reversal of provisions no longer required	-2		-10		-7	-18
Impact of changes in currency exchange rates	-1		-4		-0	-5
Reclassifications	-3	42		-16	-44	-21
As at 31.12.2014	90	47	777		155	1 069

Other long-term provisions mainly include provisions for personnel in the amount of CHF 63 million (31.12.2014: CHF 54 million) and sales outlets in the amount of CHF 11 million (31.12.2014: CHF 14 million).

22 Pension fund	Nominal value ECR 31.12.2015	Balance sheet 31.12.2015	Balance sheet 31.12.2014	Changes ECR in personnel expense 2015	2014
Employer contribution reserve (ECR)					
Patronage funds / patronage pension institutions	1	1	2	1	1
Pension institutions	10	10	10		
Total	11	11	12	1	1

	Surplus / deficit 31.12.2015	Economic share of the Coop Group 31.12.2015	31.12.2014	Pension benefit expenses within personnel expense 2015	2014
Economic benefit / obligation and pension benefit expenses					
Pension funds without surpluses / deficit				272	252
Total				272	252

Statutory employer contributions				272	252
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23 Off-balance-sheet transactions	31.12.2015	31.12.2014
Guarantees, guarantee obligations	88	37
Carrying amount of pledged assets	272	205
Secured liabilities	75	116
Other non-recognizable commitments	131	141

In July 2014, the German Federal Cartel Office ruled to impose administrative fines of around EUR 100 million on Bell Deutschland for alleged illegal price fixing in the years prior to the acquisition of Abraham and ZIMBO. No provisions were recognized, as the Coop Group does not consider these fines to be objectively or substantively justified and will fight them with all the means available to it. Proceedings are expected to take several years. The contingent liability is recognized in "Other non-recognizable commitments" (CHF 110 million).



in CHF million

24 Obligations under off-balance sheet operating leases	31.12.2015	31.12.2014
due within one year	9	8
due in 1 to 5 years	29	30
due in more than 5 years	32	25

25 Commitments from long-term rental and right-to-build agreements	31.12.2015	31.12.2014
due within one year	723	718
due in 1 to 5 years	2 574	2 614
due in more than 5 years	3 793	3 910

## 26 Open derivative financial instruments

Underlying asset	Purpose	Contract values		31.12.2015	Assets		Liabilities
		31.12.2015	31.12.2014		31.12.2014	31.12.2015	
Foreign exchange	Hedging	714	499	2	0	6	0
Other underlying assets	Hedging		22		1		
<b>Total recognized in balance sheet</b>		<b>714</b>	<b>521</b>	<b>2</b>	<b>1</b>	<b>6</b>	<b>0</b>
Foreign exchange	Hedging	637	442	2	5	5	3
Interest rates	Hedging	28		0		1	
Equity instruments	Without hedging	4	3			0	1
<b>Total not recognized in balance sheet</b>		<b>669</b>	<b>446</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>4</b>

Prior-year figures restated

Dipl. Ing. Fust AG holds a call option from 2013 to 2023 for 49.94% of Service 7000 AG at a price based on earnings over the previous three years.

## 27 Related-party transactions

Transactions with associated organizations	2015	2014
Net sales from goods and services	27	48
Other operating income	2	42
Merchandise expense	191	551
Office and administrative expense	0	1
Rental expense	2	2
Miscellaneous expenses	1	1

	31.12.2015	31.12.2014
Receivables from goods and services	1	6
Other short-term receivables		4
Prepaid expenses and accrued income	20	42
Loans	13	35
Payables from goods and services	12	33
Short-term financial liabilities	5	9
Accrued liabilities and deferred income	0	6
Long-term financial liabilities	1	1

There are no other significant transactions with other related parties.

**28 Most significant components at acquisition of organizations****Hilcona AG**

Cash and cash equivalents	23
Receivables	61
Inventories	42
Tangible fixed assets	284
Payables	61
Financial liabilities	140

**000 Eurogroup Immobilien**

Tangible fixed assets	8
Payables	6

**EGV Lebensmittel für Grossverbraucher AG**

Cash and cash equivalents	4
Receivables	24
Inventories	10
Tangible fixed assets	31
Payables	26
Financial liabilities	5
Provisions	4

**FrischeParadies GmbH & Co. KG**

Cash and cash equivalents	3
Receivables	12
Inventories	16
Intangible assets	9
Tangible fixed assets	57
Payables	19
Financial liabilities	41
Provisions	4

**Richard Sump GmbH**

Receivables	5
Inventories	5
Payables	8
Financial liabilities	5

**Centre Commercial Moncor S.A.**

Tangible fixed assets	84
Financial liabilities	7
Provisions	10

**Marché Restaurants Schweiz AG**

Cash and cash equivalents	6
Receivables	23
Tangible fixed assets	23
Financial assets	11
Payables	42
Financial liabilities	8

**RS Vertriebs AG**

Receivables	11
Inventories	9
Intangible assets	3
Payables	11

**29 Most significant components at disposal of organizations****Hygedis SAS**

Receivables	14
Inventories	12
Tangible fixed assets	3
Payables	20
Financial liabilities	16

**30 Events after the balance sheet date**

Significant changes to the scope of consolidation (subject to the approval of the local competition authorities):

- On 1 January 2016, Transgourmet Group acquires C&C Pfeiffer GmbH, Traun, Austria, which is active in cash & carry and wholesale supplies.
- On 1 March 2016, Bell Group will acquire Huber Group, which specializes in the production of poultry meat and operates in Germany and Austria.
- On 1 April 2016, the Bell Group will acquire the Eisberg Group based in Dänikon, Switzerland. The company specializes in the production of fresh green salads and green salad dishes.

The Board of Directors approved the annual consolidated financial statements of the Coop Group on 17 February 2016. They have to be approved by the Delegate Assembly on 14 April 2016.

## 31 Scope of consolidation (significant companies)

Interest held<sup>1</sup> as at 31.12.2015 % Interest held<sup>1</sup> as at 31.12.2014 % Share capital as at 31.12.2015 in million Method of inclusion

Coop-Gruppe Genossenschaft	CH-Basel	Equity investment company					
Coop Genossenschaft	CH-Basel	Retail, production	100.00	100.00	CHF	0.0	□
Betty Bossi AG	CH-Zürich	Magazine publisher	100.00	100.00	CHF	0.2	□
Coop Immobilien AG	CH-Bern	Real estate	100.00	100.00	CHF	200.0	□
Dipl. Ing. Fust AG	CH-Oberbüren	Electrical appliances, multimedia	100.00	100.00	CHF	10.0	□
RS Vertriebs AG	CH-St. Gallen	Online trading of electrical appliances, multimedia	100.00	100.00	CHF	1.0	□
Service 7000 AG	CH-Netstal	Repairs service	50.06	50.06	CHF	1.6	□
Pearlwater Mineralquellen AG	CH-Termen	Mineral waters	100.00	100.00	CHF	22.4	□
siroop AG	CH-Zürich	Online trading	50.00	0.00	CHF		●
siroop trading AG	CH-Basel	Online trading	100.00	0.00	CHF	0.1	□
Soc. Coopération de Collaboration Intern.	BE-Bruxelles	Purchasing company	25.00	25.00	EUR		●
The Body Shop Switzerland AG	CH-Uster	Beauty and cosmetic products	100.00	100.00	CHF	0.4	□
Tropenhaus Frutigen AG	CH-Frutigen	Tropical products, aquaculture	99.74	72.88	CHF	28.2	□
Tropenhaus Wolhusen AG	CH-Wolhusen	Tropical products, aquaculture	94.31	94.31	CHF	2.6	□
Alifresca AG	CH-Basel	Purchasing company	100.00	0.00	CHF	0.1	□
Bell AG	CH-Basel	Holding	66.29	66.29	CHF	2.0	□
Bell Deutschland Holding GmbH	DE-Seevetal	Sub-holding	100.00	100.00	EUR	0.0	□
Bell Deutschland GmbH & Co. KG	DE-Seevetal	Charcuterie	100.00	100.00	EUR	1.0	□
Interfresh Food GmbH	DE-Seevetal	Sub-holding	100.00	100.00	EUR	0.1	□
Bell Polska Sp. z o.o.	PL-Niepolomice	Charcuterie	100.00	100.00	PLN	9.5	□
Bell Benelux Holding N.V.	BE-Zellik	Sub-holding	100.00	100.00	EUR	5.3	□
Bell Benelux N.V.	BE-Zellik	Trade in meat products	100.00	100.00	EUR	0.6	□
Bell Nederland B.V.	NL-Dr Houten	Trade in meat products	100.00	76.00	EUR	0.0	□
Sanchez Alcaraz S.L.U.	ES-Casarrubios del Monte	Air-dried ham	100.00	100.00	EUR	0.6	□
ZIMBO Czechia s.r.o.	CZ-Praha-Holesovice	Retail	100.00	90.00	CZK	30.0	□
ZIMBO Húspari Termelő Kft.	HU-Perbal	Meat and sausage products	99.74	99.74	HUF	378.8	□
Bell France Holding SAS	FR-Teilhède	Sub-holding	100.00	100.00	EUR	20.6	□
Salaison Polette & Cie SAS	FR-Teilhède	Cured sausages	100.00	100.00	EUR	2.6	□
Bell Schweiz AG	CH-Basel	Fresh meat, charcuterie, poultry, seafood	100.00	100.00	CHF	20.0	□
Centravo Holding AG	CH-Zürich	Processing of by-products	29.80 <sup>2</sup>	29.80 <sup>2</sup>	CHF		●
Hilcona AG	FL-Schaan	Fresh convenience foods	51.00	49.00	CHF	27.0	□
CapCo AG	FL-Vaduz	Insurance company	100.00	100.00	CHF	5.0	□
Centre Commercial Moncor S.A.	CH-Villars-sur-Glâne	Real estate	100.00	100.00	CHF	1.2	□
Centre de formation «du Léman»	CH-Jongny	Training	100.00	100.00	CHF	0.0	□
Chocolats Halba S.A. de C.V.	HN-San Pedro Sula	Cocoa production	75.00	75.00	USD	0.1	□
Coop Tagungszentrum	CH-Muttenz	Training	100.00	100.00	CHF	0.4	□
Coop-ITS-Travel AG	CH-Freienbach	Travel agency	50.00	50.00	CHF		●
Coop Mineraloel AG	CH-Allschwil	Filling stations with shops	51.00	51.00	CHF	10.0	□
Coop Vitality AG	CH-Bern	Pharmacies	51.00	51.00	CHF	5.1	□
Elektronik Distribution AG	CH-Basel	Purchasing alliance	100.00	100.00	CHF	0.1	□
Eurogroup Far East Ltd.	CN-Hong Kong	Purchasing company	100.00	33.33	HKD	0.1	□
HiCoPain AG	CH-Dagmersellen	Frozen baked goods	40.00	40.00	CHF		●
Marché Restaurants Schweiz AG	CH-Kemptthal	Restaurant	100.00	100.00	CHF	8.0	□
Palink UAB	LT-Vilnius	Retail	20.00	20.00	EUR		●
Panflor AG	CH-Zürich	Cereals and ground products	100.00	100.00	CHF	0.1	□

□ = Fully consolidated company

● = Company consolidated by the equity method

<sup>1</sup> Stake held by respective parent company

<sup>2</sup> Proportion of the shares in circulation



			Interest held <sup>1</sup> as at 31.12.2015 %	Interest held <sup>1</sup> as at 31.12.2014 %	Share capital as at 31.12.2015 in million	Method of inclu- sion
railCare AG	CH-Härkingen	Railway company operations	100.00	100.00	CHF 1.0	□
Retail Marketing Switzerland AG	CH-Basel	Retail	100.00	100.00	CHF 0.1	□
SC Swiss commercial GmbH	DE-Konstanz	Distribution company	100.00	100.00	EUR 0.0	□
Steinfels Swiss GmbH	DE-Konstanz	Distribution company	100.00	100.00	EUR 0.0	□
Transgourmet Holding AG	CH-Basel	Holding	100.00	100.00	CHF 520.1	□
Transgourmet Beteiligungs GmbH	AT-Wiener Neudorf	Sub-holding	100.00	100.00	EUR 1.0	□
OOO Selgros	RU-Moskau	Cash & Carry	100.00	100.00	RUB 10.1	□
Transgourmet Central and Eastern Europe AG	CH-Basel	Sub-holding	100.00	100.00	CHF 0.1	□
OHG SELGROS C&C GmbH & Co.	DE-Neu-Isenburg	Cash & Carry	100.00	100.00	EUR 20.5	□
OHG Transgourmet GmbH & Co.	DE-Mainz	Wholesale supplies	100.00	100.00	EUR 0.0	□
EGV Lebensmittel für Grossverbraucher AG	DE-Unna	Wholesale supplies	100.00	0.00	EUR 0.6	□
FrischeParadies GmbH & Co. KG	DE-Frankfurt	Cash & Carry	100.00	0.00	EUR 0.0	□
Transgourmet Central and Eastern Europe GmbH	DE-Neu-Isenburg	Sub-holding	100.00	100.00	EUR 17.7	□
Richard Sump GmbH	DE-Hamburg	Sub-holding	75.00	0.00	EUR 1.0	□
Sump & Stammer GmbH International Food Supply	DE-Hamburg	Wholesale supplies	100.00	0.00	EUR 2.5	□
SELGROS CASH & CARRY S.R.L.	RO-Brasov	Cash & Carry	100.00	100.00	RON 288.3	□
Transgourmet Polska Sp. z o.o.	PL-Poznan	Cash & Carry	100.00	100.00	PLN 310.0	□
Transgourmet France SAS	FR-Valenton	Wholesale supplies	100.00	100.00	EUR 486.9	□
Transgourmet Schweiz AG	CH-Basel	Wholesale	100.00	100.00	CHF 66.4	□
Valentin Pontresina AG	CH-Pontresina	Wholesale	100.00	100.00	CHF 0.2	□

□ = Fully consolidated company

● = Company consolidated by the equity method

<sup>1</sup> Stake held by respective parent company



Report of the statutory auditor  
to the Assembly of Delegates of  
Coop Group Cooperative  
Basle

### Report of the statutory auditor on the annual consolidated financial statements

As statutory auditor, we have audited the annual consolidated financial statements of Coop Group Cooperative, which comprise the income statement, balance sheet, cash flow statement, statement of changes in equity and notes (pages 82 to 102), for the year ended 31 December 2015.

#### Board of Directors' Responsibility

The Board of Directors is responsible for the preparation and fair presentation of the annual consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of annual consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these annual consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the annual consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the annual consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the annual consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the annual consolidated financial statements for the year ended 31 December 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

#### Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 906 CO in connection with article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 906 CO in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of annual consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the annual consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Dr. Daniel Suter

Audit expert  
Auditor in charge

Pascal Bucheli

Audit expert

Basel, 17 February 2016

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